CONSOLIDATED HALF-YEAR FINANCIAL REPORT

30 JUNE 2019

(Translation from the Italian original which remains the definitive version)

cementir holding
GRUPPO CALTAGIRONE

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Report of the Independent Auditors

Company officers

Board of Directors[1] for the period 2018-2020	*Chairman and CEO*	Francesco Caltagirone Jr.
	Deputy Chairman	Carlo Carlevaris[2] *(independent)*
	Directors	Alessandro Caltagirone
		Azzurra Caltagirone
		Edoardo Caltagirone
		Saverio Caltagirone
		Fabio Corsico
		Mario Delfini
		Veronica De Romanis *(independent)*
		Paolo Di Benedetto[3] *(independent)*
		Chiara Mancini *(independent)*
		Roberta Neri *(independent)*
		Adriana Lamberto Floristan *(independent)*
Control and Risks Committee	***Chairman***	Paolo Di Benedetto[3] *(independent)*
	Members	Mario Delfini
		Veronica De Romanis *(independent)*
		Adriana Lamberto Floristan *(independent)*
		Chiara Mancini *(independent)*
Appointment and Remuneration Committee	***Chairman***	Paolo Di Benedetto[3] *(independent)*
	Members	Veronica De Romanis *(independent)*
		Chiara Mancini *(independent)*
		Mario Delfini
Related Parties Committee	***Chairman***	Paolo Di Benedetto[2] *(independent)*
	Members	Veronica De Romanis *(independent)*
		Adriana Lamberto Floristan *(independent)*
		Chiara Mancini *(independent)*
Board of Statutory Auditors **for the period 2017-2019**	*Chairwoman*	Silvia Muzi
	Statutory Auditors	Claudio Bianchi (*standing)*
		Maria Assunta Coluccia *(standing)*
		Patrizia Amoretti *(alternate)*
		Antonio Santi *(alternate)*
		Vincenzo Sportelli *(alternate)*

[1] Appointed by the Shareholders Meeting on 19 April 2018

[2]The Director only fulfils the independence requirements set out in Article 148, Paragraph 3 of Italian Legislative Decree No. 58 of 24 February 1998 (as amended).

[3]Lead Independent Director.

Manager responsible for financial reporting	Giovanni Luise
Independent Auditors for the period 2012–2020	KPMG S.p.A.

Directors’ report

Introduction

This Half-Year Financial Report refers to the Condensed Interim Consolidated Financial Statements of the Cementir Holding Group as at and for the six-month period ended 30 June 2019, prepared in accordance with article 154-ter (3) of Italian Legislative Decree No. 58/1998, as amended, and the CONSOB Issuer Regulation (11971/1999).

This Half-Year Report was prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and endorsed by the European Union, and drafted in accordance with IAS 34, Interim Financial Reporting. The accounting policies applied were the same as those adopted in the preparation of the Consolidated Financial Statements as of 31 December 2018, with the exception of new standards applicable as of 1 January 2019.

As from 1 January 2019, the Group adopted the new accounting standard IFRS 16 - "Leases", which requires the right to use leased assets (right of use) to be recognised under assets, while the financial liability (lease liability) is to be recognised under liabilities. The depreciation of right-of-use assets and leasing liabilities is recognised in the Income Statement.

The consolidation scope at 30 June 2019 changed compared to the same period of 2018, following the acquisition of the additional 38.75% investment in Lehigh White Cement Company (hereinafter “LWCC”), which was finalised on 29 March 2018. As a result of this acquisition, the consolidation scope changed as the Cementir Group fully consolidated the aforementioned company starting from 1 April 2018. In the first quarter of 2018, it was consolidated using the equity method.

The Group’s business is, by its nature, subject to seasonal effects, with the performance in the first months of the year influenced by the weather and plant maintenance works. It follows that the results for the first half of the year cannot be considered representative of the performance of the entire year.

At their extraordinary meeting of 28 June 2019, the shareholders of Cementir Holding approved the transfer of the registered office to Amsterdam, Holland - Netherlands to be carried out by adopting the legal status of “*naamloze vennootschap*” governed by Dutch law, named “Cementir Holding NV”, and by adopting new by-laws. It is expected that the transfer will be completed, subject to the conditions precedent to which it is subject, by October 2019. It will have no effect on the company’s listing on the Italian Stock Exchange or on its residence for tax purposes, which shall remain located in Italy.

Group performance in the first half of 2019

The consolidated income statement figures for the first six months of 2019 are reported below, compared with the figures for the same period of 2018:

Income statement figures

(EUR'000)	1st Half 2019	1st Half 2018	Change %
REVENUE FROM SALES AND SERVICES	**591,937**	**588,467**	**-0.6%**
Change in inventories	4,742	7,151	-33.7%
Other revenue[1]	7,494	9,507	-21.2%
TOTAL OPERATING REVENUE	**604,173**	**605,125**	**-0.2%**
Raw materials costs	(231,528)	(244,698)	-5.4%
Personnel costs	(96,454)	(90,946)	6.1%
Other operating costs	(166,127)	(173,493)	-4.2%
TOTAL OPERATING COSTS	**(494,109)**	**(509,137)**	**-3.0%**
EBITDA	**110,064**	**95,988**	**14.7%**
EBITDA Margin %	*18.59%*	*16.31%*	
Amortisation, depreciation, impairment losses and provisions	(52,601)	(37,503)	40.2%
EBIT	**57,463**	**58,485**	**-1.7%**
EBIT Margin %	*9.71%*	*9.94%*	
Share of net profits of equity-accounted investees	58	579	-90.0%
Net financial income (expense)	(15,554)	34,903	-144,6%
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY ACCOUNTED INVESTEES	**(15,496)**	**35,482**	-143.7%
PROFIT (LOSS) BEFORE TAXES	**41,967**	**93,967**	**-55.3%**
PROFIT (LOSS) BEFORE TAXES / REVENUE %	*7.09%*	*15.97%*	
Taxes	(12,037)	(13,903)	*-13.4%*
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**29,930**	**80,064**	-62.6%
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	**-**	**-**	
PROFIT (LOSS) FOR THE PERIOD	**29,930**	**80,064**	**-62.6%**
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	2,598	2,473	5.0%
PROFIT ATTRIBUTABLE TO THE OWNERS OF THE PARENT	**27,332**	**77,591**	**-64.8%**

Sales volumes

('000)	1st Half 2019	1st Half 2018	Change %
Grey and white cement (metric tons)	4,321	4,921	-12.2%
Ready-mixed concrete (m3)	1,998	2,539	-21.3%
Aggregates (metric tons)	4,970	4,884	1.8%

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

Workforce of the Group

	30-06-2019	31-12-2018	30-06-2018
Number of Employees	3,049	3,083	3,119

In the first half of 2019, the **volumes sold** of cement and clinker, amounting to 4.3 million tons, experienced a decrease of 12.2% (-15.3% on a like-for-like basis) due to the negative trend in Turkey partially offset by the favourable trend in the Nordic & Baltic region and in Belgium.

The sales volumes of ready-mixed concrete, equal to 2.0 million cubic metres, were down by 21.3% essentially due to the decrease experienced in Turkey

In the aggregates segment, sales volumes amounted to 5.0 million tons, up by 1.8% thanks to the positive trend in Denmark.

Revenue from sales and services of the Group, amounting to EUR 591.9 million, grew by 0.6% compared to EUR 588.5 million in the first half of 2018 (-5.0% on a like-for-like basis). This increase is due to the consolidation of LWCC (which was fully consolidated as of 1 April) and the positive performance in the Nordic & Baltic region (+3%), in Belgium (+6%) and in Egypt (+53%), offset by the negative performance in Turkey due to the problematic economic situation.

It should be noted that at constant 2018 exchange rates, revenue would have been EUR 601.8 million.

Operating costs, amounting to EUR 494.1 million, are down 2.9% compared to the first half of 2018 (EUR 509.1 million) reflecting the reclassification of costs due to the application of IFRS 16 and the contraction of certain items of expenditure implemented in Turkey to cope with market trends.

R**aw materials costs**, equal to EUR 231.5 million, fell by 5.4% compared to the same period of 2018 (EUR 244.7 million). On a like-for-like basis, raw materials costs decreased by 13.2%.

Personnel costs, equal to EUR 96.5 million, increased by 6.1% compared to the first half of 2018 (EUR 90.9 million) due to the impact of LWCC; on a like-for-like basis, the increase was 2%.

Other operating costs, equal to EUR 166.1 million, decreased by 4.2% compared to EUR 173.5 million in the same period of 2018. The reduction is mainly due to the reclassification resulting from the application of IFRS 16.

EBITDA was EUR 110.1 million, up 14.7% on EUR 96.0 million in the first half of 2018 (+10.8% on a like-for-like basis). The impact of the introduction of IFRS 16 was EUR 12.3 million.

At constant exchange rates with the previous year, EBITDA would have been EUR 108.7 million, 13.2% higher than in the first half of the previous year.

The **EBIT** was equal to EUR 57.5 million (EUR 56.9 million on a like-for-like basis) compared to EUR 58.5 million in the same period of the previous year. Amortisation and depreciation (including the impact from IFRS 16 of EUR 12.2 million) of EUR 52.6 million (EUR 37.5 million in the first half of 2018) contributed to the figure.

At constant exchange rates with the previous year, EBIT would have been EUR 55.3 million.

The **share of net profits of equity-accounted investees** was EUR 0.1 million (EUR 0.6 million in the same period of 2018 including LWCC in the first quarter).

Net financial expense came to EUR 15.5 million compared to net financial income of EUR 34.9 million in the same period of 2018. In 2018 this caption included the remeasurement of the 24.5% share already held by the Group in LWCC at fair value (EUR 38.9 million) and the positive mark-to-market valuation of financial instruments (EUR 14.2 million). The 2019 result is affected by the negative mark-to-market valuation of certain financial instruments hedging currencies and interest rates and the return on liquidity available to the Group. The impact of the introduction of IFRS 16 was negative by EUR 0.7 million, due to interest on lease liabilities.

Profit before taxes was EUR 42.0 million compared to EUR 94.0 million in the first half of 2018.

Profit from continuing operations was EUR 29.9 million (EUR 80.1 million in the first half of 2018), after taxes amounting to EUR 12.0 million (EUR 13.9 million in the same period of 2018).

Profit attributable to the owners of the parent, net of non-controlling interests, amounted to EUR 27.3 million (EUR 77.6 million in the first half of 2018).

Group performance in the second quarter of 2019

Income statement figures

(EUR'000)	2nd Quarter 2019	2nd Quarter 2018	Change %
REVENUE FROM SALES AND SERVICES	**327,519**	**346,136**	**-5.4%**
Change in inventories	1,836	3,084	-40.5%
Other revenue[2]	3,139	3,660	-14.2%
TOTAL OPERATING REVENUE	**332,494**	**352,880**	**-5.8%**
Raw materials costs	(125,991)	(141,775)	-11.1%
Personnel costs	(48,985)	(47,478)	3.2%
Other operating costs	(81,158)	(91,757)	-11.6%
TOTAL OPERATING COSTS	**(256,134)**	**(281,010)**	**-8.9%**
EBITDA	**76,360**	**71,870**	**6.2%**
EBITDA Margin %	*23.31%*	*20.76%*	
Amortisation, depreciation, impairment losses and provisions	(26,694)	(19,693)	35.6%
EBIT	**49,666**	**52,177**	**-4.8%**
EBIT Margin %	*15.16%*	*15.07%*	
Share of net profits of equity-accounted investees	257	177	45.2%
Net financial income (expense)	(7,626)	34,411	-122.2%
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY ACCOUNTED INVESTEES	**(7,369)**	**34,588**	**-121.3%**
PROFIT (LOSS) BEFORE TAXES FOR THE PERIOD	**42,297**	**86,765**	**-51.3%**

Sales volumes

('000)	2nd Quarter 2019	2nd Quarter 2018	Change %
Grey and white cement (metric tons)	2,502	2,842	-12.0%
Ready-mixed concrete (m3)	1,096	1,399	-21.6%
Aggregates (metric tons)	2,732	2,705	1.0%

In the second quarter of 2019, the **volumes** sold of cement and clinker, equal to 2.5 million tons, experienced a decrease of 12.0%; the reduction in volumes was mainly affected by the negative performance of Turkey due to the problematic economic situation.

The sales volumes of ready mixed concrete, equal to 1.1 million cubic metres, were down by 21.6% due to the negative trend in Turkey.

[2] "Other revenue" includes the consolidated income statement items "Increase for internal work" and "Other operating revenue".

In the aggregates segment, sales volumes amounted to 2.7 million tons, up 1.0% due to the positive trend in Belgium.

Revenue from sales and services was EUR 327.6 million, down 5.4% compared to EUR 346.1 million in the second quarter of 2018. The fall in revenue is attributable to the performance in Turkey (-44%) largely offset by the positive performance in Belgium (+6%), Egypt (+20%) and China (+20%).

Operating costs amounted to EUR 256.1 million (EUR 281.0 million in the second quarter of 2018), down by 8.8%. The fall is attributable by EUR 6.4 million to the introduction of IFRS 16, while the rest is due to the fall in business in Turkey to cope with the drop-in demand.

The **EBITDA**, equal to EUR 76.4 million, increased by 6.2% compared to the second quarter of 2018 (EUR 71.9 million). EUR 6.4 million of the increase is attributable to the introduction of IFRS 16 by.

EBIT was EUR 49.7 million (EUR 52.2 million in the second quarter of 2018).

The **share of net profits of equity-accounted investees** was EUR 0.3 million (EUR 0.2 million in the same period of 2018).

Net financial expense came to EUR 7.6 million (net financial income of EUR 34.4 million in the second quarter of 2018). EUR 38.9 million of the change is attributable to the remeasurement of the 24.5% stake in LWCC already held by the Group at fair value, which took place in the second quarter of 2018.

Profit before taxes came to EUR 42.3 million, down on the second quarter of 2018 (EUR 86.8 million).

Financial highlights

(EUR'000)	30-06-2019	31-03-2019	31-12-2018
Net capital employed	1,523,454	1,545,552*	1,383,799
Total Equity	1,124,389	1,129,174*	1,128,384
Net Financial Debt[3]	399,065	416,378	255,415

*Equity at 31 March 2019 does not include the calculation of income taxes for the period.

Net financial debt at 30 June 2019 was EUR 399.1 million, up by EUR 143.6 million compared to EUR 255.4 million at 31 December 2018. The application of IFRS 16 had an impact of EUR 80.8 million; the remaining part of the change was due to the annual cyclical nature of working capital. Compared with 30 June 2018, the change, net of IFRS 16, involved an improvement of EUR 77 million. Dividends of EUR 22.2 million were distributed in May as per the resolution of the shareholders' meeting held to approve the 2018 financial statements

Total equity at 30 June 2019 amounted to EUR 1,124.4 million (EUR 1,128.4 million at 31 December 2018).

[3] Net Financial Debt is measured in accordance with the provisions of CONSOB Communication no. DEM/6064293 of 28 July 2006.

Performance by geographical segment

Nordic & Baltic

(EUR'000)	1st half 2019	1st half 2018	Change %
Revenue from sales	279,125	270,343	3.2%
Denmark	*181,167*	*175,808*	*3.0%*
Norway / Sweden	*98,981*	*94,605*	*4.6%*
Others (1)	*29,108*	*26,990*	*7.8%*
Eliminations	*(30,131)*	*(27,060)*	
EBITDA	58,416	46,185	26.5%
Denmark	*47,084*	*38,216*	*23.2%*
Norway / Sweden	*9,984*	*5,537*	*80.3%*
Others (1)	*1,348*	*2,432*	*-44.6%*
EBITDA Margin %	20.9%	17.1%	
Investments	18,594	13,988	

(1) *Iceland, Poland, Russia and the white cement operating activities in Belgium and France*

Denmark

In the first half of 2019, revenue from sales amounted to EUR 181.2 million, up 3.0% due mainly to the increase in total cement sales volumes.

The volumes of grey cement sold on the domestic market experienced a significant increase due to greater activity on the market, mainly in the segments of concrete products and prefabricated components segments, and favourable weather conditions during the six-month period. The volumes of white cement on the local market underwent substantial growth.

Average sales prices on the domestic market (grey and white) were up in line with the level of inflation due to new contracts and a favourable product mix.

Exports performed in line with 2018 for white cement, unlike exports of grey cement which instead experienced a moderate decrease. Average export prices experienced a positive trend due to the mix of destination countries / customers and to the favourable performance of the dollar and pound sterling exchange rates.

Ready-mixed concrete volumes in Denmark decreased compared to the same period in 2018 as the segment suffered from the drop in large projects in the north and south of the country. Important projects are expected to start in the second part of the year. Prices are rising in line with inflationary dynamics.

In the first six months, EBITDA was EUR 47.1 million, up approximately EUR 8.9 million compared to the corresponding period of 2018, partly due to the application of IFRS 16 for around EUR 4.6 million.

Net of this effect, the cement segment generated an increase in EBITDA of around EUR 4 million, due to higher sales volumes partially offset by higher costs for the purchase of raw materials and fuels on the international

market. Production costs were influenced by higher maintenance costs which had a different timing compared to 2018.
The ready-mixed concrete segment also generated an increase in EBITDA of around EUR 0.5 million also due to the application of IFRS 16 and due to higher sales prices.
Total investments for the half year amounted to approximately EUR 13.9 million, largely attributable to the cement segment due to maintenance projects and increased production efficiency. IFRS 16 becoming applicable resulted in the accounting of investments of about EUR 6 million in the half year, included in the EUR 13.9 million mentioned above.

Norway and Sweden

In **Norway**, ready-mixed concrete sales volumes increased by around 3% due to higher demand in the Oslo and Bergen areas because of the relatively mild winter and to the dynamic and competitive market for the launch of important infrastructure projects. The benefits of these projects will also extend to the second half of the year. Price variation was positive due to the product mix and the positive market trends.

In **Sweden**, ready-mix concrete volumes were down due to a particularly unfavourable June; aggregates sales were up compared to 2018. In the first half of the year, except June, the segment benefited from favourable weather conditions and a very solid construction market, especially in the residential segment; however, a slight contraction was experienced in the ready-mixed concrete segment, also due to strong competition. In the infrastructure segment, volumes are benefiting from some major projects; further projects are expected to start in the coming months, activities that will ensure a solid basis for volume trends.
Average prices in local currency are stable in ready-mixed concrete, while in aggregates they have shown a very positive trend due to the product / project mix.

Overall, in the first six months of 2019 revenue from sales amounted to EUR 99 million (EUR 94.6 million in the first half of 2018) while EBITDA amounted to approximately EUR 10 million, an increase of approximately EUR 4.5 million compared to the first half of the previous year. The increase is partly linked to the application of IFRS 16 (for about EUR 2 million).
The Swedish krona depreciated by around 3.5% compared to the average exchange rate for the first six months of 2018.
Investments made in the first six months of 2019 amounted to EUR 4.3 million and mainly concerned Sweden on the basis of machinery and means of transport. IFRS 16 becoming applicable resulted in the accounting of investments of about EUR 1.3 million included in the EUR 4.3 million mentioned above.

Belgium and France

(EUR '000)	1st Half 2019	1st Half 2018	Change %
Revenue from sales	134,467	126,622	6.2%
EBITDA	31,038	23,358	32.9%
EBITDA Margin %	*23.1%*	*18.4%*	
Investments	8,879	4,482	

In the first six months of 2019, the sales volumes of grey cement experienced moderate growth compared to the first half of 2018 due to better climatic conditions that contributed to the positive sales trend in Belgium, France and the Netherlands.

Average prices experienced a positive trend on both the domestic and export markets. The contribution margin benefited both from the aforementioned price trend and the product mix.

Ready-mixed concrete sales volumes were down due to strong price competition, the closure of a plant in March and the slow recovery of construction activities after the Easter break. However, sales prices experienced very positive dynamics.

Sales volumes of aggregates experienced a constant trend compared to the first half of 2018; the good production efficiency of the plants, positive weather conditions and the growth of prefabricated components and motorway construction in Belgium, as well as the increase in sales in the Netherlands in the asphalt segment were offset by the decrease due to extraordinary favourable conditions occurring in 2018. In France, there was a slowdown in the road construction segment and, in general, large infrastructure projects. Prices on the domestic market experienced a positive trend while those on the export market were in line with the first half of the previous year.

On the whole, in the first half of 2019, revenue from sales was EUR 134.5 million (EUR 126.6 million in the first half of 2018) and EBITDA was EUR 31 million (EUR 23.4 million in the first half of 2018). The effect from the application of IFRS 16 was equal to approximately EUR 2.0 million; the remaining incremental effect was mainly attributable to the cement and aggregates businesses.

The investments made in the first six months of 2019 amounted to approximately EUR 8.9 million and mainly related to the Gaurain cement plant.

North America

(EUR'000)	1st half 2019	1st half 2018	Change %
Revenue from sales	76,761	41,976	82.9%.
EBITDA	11,031	5,764	91.4%
EBITDA Margin %	*14.4%*	*13.7%*	
Investments	1,900	2,750	

In the United States, the subsidiary, LWCC, consolidated as of the second quarter of 2018 only, contributed with white cement sales volumes of 323 thousand tons, revenue from sales of EUR 70.4 million and EBITDA of EUR 12 million. The comparison with the previous year is not very significant since the company was only consolidated for the second quarter of 2018 (EBITDA of EUR 6.4 million). The market was characterized by unfavourable weather conditions in the states of Texas and New York and strong competition, particularly in Texas. Sales prices remained stable compared to 2018 although with different regional situations.

The other American subsidiaries, operating in the production of cement products and in the management of the Tampa terminal in Florida, experienced a worsening of the EBITDA by around EUR 350 thousand following extraordinary maintenance at the Tampa terminal and bad climatic conditions that reduced the business of Vianini Pipe operating in cement products.

On the whole, in the United States, revenue from sales was around EUR 76.8 million (EUR 42 million in the first six months of 2018), while EBITDA was EUR 11 million (EUR 5.8 million in the first half of 2018). The effect of the application of IFRS 16 was equal to approximately EUR 2.2 million.

The investments in the first six months of 2019 were about EUR 1.9 million and mainly concerned LWCC for about EUR 1.6 million.

Turkey (including Waste Management)

(EUR'000)	1st half 2019	1st half 2018	Change %
Revenue from sales	53,191	101,072	-47.4%
EBITDA	(6,032)	10,221	-159.0%
EBITDA Margin %	-11.3%	10.1%	
Investments	2,649	5,461	

Revenue from sales, amounting to EUR 53.2 million (EUR 101.1 million in the first half of 2018), fell sharply due to the devaluation of the Turkish lira against the Euro (22.4% from June 2018 and 8.3% from December of last year) and due to the general economic situation. In June 2019, annual inflation was around 25%, while a general slowdown in economic activity continues. The Turkish Lira was devalued once more after the recent local council elections. The current recession, a consequence of the financial crisis, has led to sharp contraction in the construction sector.

This contraction in the construction sector, in addition to an excess production capacity in the country, led to a reduction in revenue from cement in local currency of around 37% and sales volumes of cement and clinker of around 40%. In any case, the group companies maintained a prudent approach with the rationalisation of sales aimed at reducing risks in credit management. Sales volumes on the domestic market experienced a decrease of 47% (about 890 thousand tons) due to the aforementioned reasons and also due to the negative weather conditions, while cement and clinker exports increased. Average cement prices on the domestic market in local currency were on average moderately higher but with very different trends at the various plants, increasing operational difficulties in light of the level of inflation.
In local currency, ready-mixed concrete revenue fell by around 43%. Also in this segment, sales volumes decreased by 50% compared to 2018, with prices in local currency rising by almost 20%. The decrease in volumes compared to the first half of 2018 was also caused by the closure of four concrete plants due to reduced local demand.

As regards the *Waste Management* segment, the subsidiary, Sureko, operating in the treatment of industrial waste, achieved an increase in revenue compared to the first six months of 2018 due to the increase in volumes disposed of in landfills, volumes received for temporary storage and other processed volumes (metals, residues of raw materials and fuels).
The Hereko division, operating in the processing of solid urban waste in Istanbul, experienced an increase in the supply of alternative fuel (SRF) while the other materials (plastics, glass, ferrous and non-ferrous metals) fell and ended the half year with a slight decrease in turnover compared to 2018.
The subsidiary, Quercia, operating in the United Kingdom, also experienced substantially rising revenue due to greater volumes relating to landfill activity.
Overall, the Turkey region recorded a gross operating loss of EUR 6.0 million (gross operating profit of EUR 10.2 million in the first half of 2018) mainly due to the lower volumes of cement and concrete sold on the domestic market and due to the increase in the purchase prices of fuels and electricity. With regards to maintenance costs, personnel costs and other fixed costs, there was a decrease due to the efficiencies achieved to cope with the sales crisis.
The investments made by the group in the first six months of 2019 amounted to approximately EUR 2.6 million and mainly concerned the Izmir plants based on extraordinary maintenance and Edirne.

Egypt

(EUR'000)	1st half 2019	1st half 2018	Change %
Revenue from sales	17,262	11,276	53.1%
EBITDA	3,193	1,516	110.6%
EBITDA Margin %	18.5%	13.4%	
Investments	766	119	

Revenues from sales amounted to EUR 17.3 million (EUR 11.3 million in the first six months of 2018), a substantial increase thanks to the stabilisation of the security situation on the Sinai Peninsula.
The quantities of white cement sold on the domestic market are increasing despite the liquidity problems in the construction market. Average prices in local currencies are reported to be on the rise after the strong pressures of the second half of 2018. Export volumes were also up by over 60% to all the main destinations with average selling prices at a constant dollar exchange rate compared to the same period of the previous year.
The EBITDA amounted to EUR 3.2 million (EUR 1.5 million in 2018) due to higher volumes and sales prices both on the domestic market and for exports against higher variable costs (raw materials, fuel, electricity and packaging). The appreciation of the Egyptian pound compared to the first half of 2018 (+9%) contributed positively upon translation of the financial statement balances into Euros.

Investments in the first half of 2019 amounted to approximately EUR 0.8 million and related to plant maintenance.

Asia Pacific

(EUR '000)	1st half 2019	1st half 2018	Change %
Revenue from sales	43,657	41,459	5.3%
China	*24,280*	*21,163*	*14.7%*
Malaysia	*19,377*	*20,302*	*-4.6%*
Eliminations	*-*	*(6)*	
EBITDA	9,006	8,269	8.9%
China	*5,973*	*5,557*	*7.5%*
Malaysia	*3,033*	*2,712*	*11.8%*
EBITDA Margin %	20.6%	19.9%	
Investments	4,121	2,419	

China

Revenue from sales amounted to EUR 24.3 million and experienced significant growth compared to the first half of 2018 due to the increase in cement and white clinker volumes sold on the domestic market, in addition to favourable price trends. Exports remained marginal.

The slowdown in Chinese growth at the end of 2018 and the first two months of 2019 seem to be behind us now due to the government's measures to stimulate the economy despite the tariff war with the US, which has depressed the country's manufacturing and commercial industry, continuing to pose a threat. In the second part of the year, the benefit from the reduction of VAT by 3 percentage points for manufactured products as of 1 April is expected to continue; it is receiving a positive response in the segment. The government is continuing to impose strict environmental restrictions on the manufacturing industry.

EBITDA, equal to EUR 6 million, increased by about 7.5% compared to the same period of 2018 and mainly benefited from the favourable trend in sales volumes on the domestic market.

In the first six months of 2019, investments totalled about EUR 2.6 million.

Malaysia

Revenue from sales amounted to EUR 19.4 million (EUR 20.3 million in the first six months of 2018). Volumes of white cement on the domestic market experienced a strong increase compared to the first half of the previous year with average prices also increasing due to the mix of customers and products.

Trends in the exports of cement and clinker instead were in line with 2018. The reduction in cement sales on some markets (South Korea) were offset by higher deliveries to the Philippines, while the reduction in clinker sales in Vietnam was offset by higher deliveries to Australia. Average prices are increasing substantially due to the country mix.

EBITDA, equal to EUR 3 million, experienced a modest increase compared to the corresponding half of 2018 (EUR 2.7 million); the benefits in terms of volumes and prices recorded on the local market were partially offset by higher variable production costs, mainly due to inflation.

In the first six months of 2019, investments totalled about EUR 1.5 million.

Italy

(EUR '000)	1st half 2019	1st half 2018	Change %
Revenue from sales	32,401	40,065	-19.1%
EBITDA	3,412	675	405.5%.
EBITDA Margin %	10.5%	1.7%	
Investments	1,154	1,690	

The Italian group companies include the parent, Cementir Holding SpA, the trading company, Spartan Hive SpA, and other minor companies.

Revenue from sales by the trading company, Spartan Hive SpA, in the first half of 2019 were lower than in the corresponding half of the previous year, while EBITDA was up by about EUR 3 million due to the transactions carried out on cement, clinker and fuels. The revenue of Cementir Holding regards the provision of services to other Group companies.

Investments

During the first half of 2019, the Group made investments totalling EUR 38 million: EUR 27.8 million related to the cement segment, EUR 5.5 million to the ready-mixed concrete segment, with the other amounts being divided among the various business segments. The breakdown by business category shows that EUR 33.9 million was invested in property, plant and equipment, while EUR 4.1 million was invested in intangible assets.

Directors' comments

Significant events in the half year

At the Group level, the results of the first half of 2019 were in line with expectations, though affected by trends in Turkey in light of the evolution of the economic situation as a result of the financial crisis in the summer of 2018.

Events after the reporting date

There were no significant facts that occurred after the close of the half year.

Business outlook

We confirm that reported upon approval of the 2018 annual results. In other words, the group expects to achieve revenue of around EUR 1.25 billion and EBITDA of between EUR 250 million and EUR 260 million.

In any case, these forecasts were produced taking into account the trends in the economic situation in Turkey. These forecasts will have to be reconsidered in the event of even more negative trends in Turkey's economic performance.

Net financial debt at 31 December 2019 is expected to be around EUR 245 million, including capital expenditure of about EUR 70 million.

The figures shown above include the impacts of the introduction of IFRS 16, estimated at around EUR 23 million as a positive impact on EBITDA and approximately EUR 80 million as an impact of increasing net financial debt.

Financial risk management

In the first half of 2019, no new market risks emerged in addition to those reported in the consolidated financial statements at 31 December 2018. Accordingly, no material changes were introduced to the Group's financial risk management strategy.

Key uncertainties and going concern

There are no problems regarding business continuity as the Group has adequate financial resources and is not exposed to uncertainties that cast substantial doubt on its ability to continue as a going concern.

Related party transactions

With regard to related party transactions, as defined by IAS 24, the Group did not conduct any atypical and/or unusual transactions. All business and financial dealings with related parties were conducted on terms equivalent to those that prevail in arm's length transactions. For a more detailed report on financial and business dealings with related parties, as required by CONSOB Resolution No. 15519 of 27 July 2006, see Note 33 to the condensed interim consolidated financial statements.

During the half-year reporting period, the parent did not conduct any transactions of major significance or significant ordinary transactions, as defined by the CONSOB Regulation governing transactions with related parties, adopted by Resolution No. 17221 of 12 March 2010, which required disclosure to Supervisory Authorities.

Treasury shares

At 30 June 2019, the parent and its subsidiaries did not hold, either directly or indirectly, shares or quotas of the ultimate parent. Nor did they purchase or sell any in the period.

Corporate Governance

For more complete information on the Corporate Governance system and on the ownership structure of Cementir Holding SpA, refer to the "Report on Corporate Governance and Ownership Structure" published, pursuant to Article 123-bis of the Legislative Decree no. 58 of 24 February 1998 (TUF), together with the management report on 2018, available on the parent's website, www.cementirholding.it, in the *Investor Relations>Corporate Governance* section.

Exceptions to disclosure obligations of information documents for significant extraordinary transactions

Pursuant to art. 70, paragraph 8, and art. 71, paragraph 1-bis of CONSOB Issuers' Regulations, on 31 January 2013 the Board of Directors of Cementir Holding SpA resolved to exercise the right to exemption from the requirement to publish the prescribed information documents in the event of significant mergers, de-mergers, capital increases through contributions in kind, acquisitions and disposals.

Alternative performance indicators

In addition to conventional financial indicators under IFRS, the Cementir Holding Group also uses a number of alternative performance indicators to allow for better assessment of the financial performance and financial position. In line with Consob Communication No. 92543/2015 and the ESMA Guidelines (ESMA/2015/1415), the meaning and content of these indicators are provided below.

- EBITDA: is an indicator of operating performance calculated by adding together "EBIT" and "Amortisation, depreciation, impairment losses and provisions";
- Net financial debt: is an indicator of financial structure calculated in accordance with Consob Communication No. 6064293/2006, as the sum of the items:
  - Current financial assets
  - Cash and cash equivalents
  - Current and non-current financial liabilities
- Net capital employed: is calculated as the total amount of non-financial assets, net of non-financial liabilities.

Rome, 26 July 2019
Chairman of the Board of Directors
/s/ Francesco Caltagirone Jr.

* * *

The Manager responsible for preparing the Company's financial statements, Giovanni Luise, in accordance with paragraph 2, article 154-bis of the Consolidated Finance Law, hereby declares that the accounting information contained in this document is consistent with the documents, books and accounting records.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

Statement of financial position ∗			
(EUR '000)	Notes	**30 June 2019**	**31 December 2018**[1]
ASSETS			
Intangible assets with a finite useful life	1	219,355	223,545
Intangible assets with an indefinite useful life	2	350,311	353,933
Property, plant and equipment	3	861,685	789,500
Investment property	4	85,502	90,152
Equity-accounted investments	5	3,586	3,613
Other equity investments	6	286	210
Non-current financial assets	9	1,141	1,490
Deferred tax assets	20	48,848	46,772
Other non-current assets	11	7,592	7,112
TOTAL NON-CURRENT ASSETS		**1,578,306**	**1,516,327**
Inventories	7	182,514	184,775
Trade receivables	8	201,495	163,553
Current financial assets	9	977	840
Current tax assets	10	10,124	9,226
Other current assets	11	28,005	24,888
Cash and cash equivalents	12	166,007	232,614
TOTAL CURRENT ASSETS		**589,122**	**615,896**
TOTAL ASSETS		**2,167,428**	**2,132,223**
EQUITY AND LIABILITIES			
Share capital		159,120	159,120
Share premium reserve		35,710	35,710
Other reserves		766,908	675,122
Profit attributable to the owners of the parent		27,332	127,194
Equity attributable to the owners of the parent	13	**989,070**	**997,146**
Reserves attributable to non-controlling interests		132,721	122,772
Profit attributable to non-controlling interests		2,598	8,466
Equity attributable to non-controlling interests	13	**135,319**	**131,238**
TOTAL EQUITY		**1,124,389**	**1,128,384**
Employee benefits	14	31,425	31,777
Non-current provisions	15	27,767	27,804
Non-current financial liabilities	17	515,438	461,462
Deferred tax liabilities	20	145,873	145,282
Other non-current liabilities	19	4,435	4,768
TOTAL NON-CURRENT LIABILITIES		**724,938**	**671,093**
Current provisions	15	14,969	15,525
Trade payables	16	181,898	228,209
Current financial liabilities	17	50,611	27,407
Current tax liabilities	18	19,836	13,737
Other current liabilities	19	50,787	47,868
TOTAL CURRENT LIABILITIES		**318,101**	**332,746**
TOTAL LIABILITIES		**1,043,039**	**1,003,839**
TOTAL EQUITY AND LIABILITIES		**2,167,428**	**2,132,223**

∗ Pursuant to Consob resolution No. 15519 of 27 July 2006, information about related party transactions can be found in the notes to the consolidated financial statements and the following tables.

[1] The Group adopted IFRS 16 on 1 January 2019 using the modified retrospective application method, which does not require comparative information to be restated.

Income statement*

(EUR '000)	Notes	1st Half 2019	1st Half 2018[1]
REVENUE	21	**591,937**	**588,467**
Change in inventories	7	4,742	7,151
Increase for internal work	22	3,574	5,263
Other operating revenue	22	3,920	4,244
TOTAL OPERATING REVENUE		**604,173**	**605,125**
Raw materials costs	23	(231,528)	(244,698)
Personnel costs	24	(96,454)	(90,946)
Other operating costs	25	(166,127)	(173,493)
TOTAL OPERATING COSTS		**(494,109)**	**(509,137)**
EBITDA		**110,064**	**95,988**
Amortisation and depreciation	26	(52,084)	(37,089)
Provisions	26	(215)	(390)
Impairment losses	26	(302)	(24)
Total amortisation, depreciation, impairment losses and provisions		(52,601)	(37,503)
EBIT		**57,463**	**58,485**
Share of net profits of equity-accounted investees	5-27	58	579
Financial income	27	2,862	54,807
Financial expense	27	(14,708)	(15,399)
Net exchange rate gains (losses)	27	(3,708)	(4,505)
Net financial income (expense)		(15,554)	34,903
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY-ACCOUNTED INVESTEES		**(15,496)**	**35,482**
PROFIT BEFORE TAXES		**41,967**	**93,967**
Income taxes	28	(12,037)	(13,903)
PROFIT FROM CONTINUING OPERATIONS		**29,930**	**80,064**
PROFIT FOR THE PERIOD		**29,930**	**80,064**
Attributable to:			
Non-controlling interests		2,598	2,473
Owners of the parent		**27,332**	**77,591**
(EUR)			
Basic earnings per share	29	**0.172**	**0.488**
Diluted earnings per share	29	**0.172**	**0.488**

* Pursuant to Consob resolution No. 15519 of 27 July 2006, information about related party transactions can be found in the notes to the consolidated financial statements and the following tables.

[1] The Group adopted IFRS 16 on 1 January 2019 using the modified retrospective application method, which does not require comparative information to be restated.

Statement of comprehensive income

(EUR '000)	Notes	1st Half 2019	1st Half 2018[1]
PROFIT FOR THE PERIOD		**29,930**	**80,064**
Other comprehensive income (expense):			
Items that will never be reclassified to profit or loss		**-**	**-**
Items that may be reclassified to profit or loss			
Foreign currency translation differences - foreign operations	30	(10,444)	(32,923)
Financial instruments	30	(1,369)	(4,602)
Taxes recognised in equity	30	270	1,120
Total items that may be reclassified to profit or loss		**(11,543)**	**(36,405)**
Total other comprehensive expense		**(11,543)**	**(36,405)**
COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD		**18,387**	**43,659**
Attributable to:			
Non-controlling interests		4,274	4,350
Owners of the parent		**14,113**	**39,309**

[1] The Group adopted IFRS 16 on 1 January 2019 using the modified retrospective application method, which does not require comparative information to be restated.

Statement of changes in equity

(EUR '000)	Share capital	Share premium reserve	Other reserves			Profit attributable to the owners of the parent	**Equity attributable to the owners of the parent**	Profit attributable to non-controlling interests	Reserves attributable to non-controlling interests	**Equity attributable to non-controlling interests**	**Total equity[1]**
			Legal Reserve	Translation reserve	Other reserves						
Equity at 1 January 2018	**159,120**	**35,710**	**31,825**	**(500,469)**	**1,158,531**	**71,471**	**956,188**	**5,695**	**53,775**	**59,470**	**1,015,658**
Effects arising from application of IFRS 9					4,804		4,804				**4,804**
Equity at 1 January 2018 with introduction of the new standard IFRS 9	**159,120**	**35,710**	**31,825**	**(500,469)**	**1,163,335**	**71,471**	**960,992**	**5,695**	**53,775**	**59,470**	**1,020,462**
Allocation of 2017 profit					71,471	(71,471)	-	(5,695)	5,695	-	**-**
Distribution of dividends 2017					(15,912)		(15,912)		(5,057)	(5,057)	**(20,969)**
Non-controlling interests in the acquisition of a subsidiary							-		69,715	**69,715**	**69,715**
Transactions with non-controlling investors					(1,737)		(1,737)		(7,163)	**(7,163)**	**(8,900)**
Total owner transactions	**-**	**-**	**-**	**-**	**53,822**	**(71,471)**	**(17,649)**	**(5,695)**	**63,190**	**57,495**	**39,846**
Translation reserve				(69,767)			**(69,767)**		5,548	5,548	**(64,219)**
Net actuarial gains					785		**785**		(195)	(195)	**590**
Change in fair value of financial instruments					(5,529)		**(5,529)**		-	-	**(5,529)**
Total other comprehens expense	**-**	**-**	**-**	**(69,767)**	**(4,744)**	**-**	**(74,511)**	**-**	**5,353**	**5,353**	**(69,158)**
Change in other reserves					1,120		1,120		454	454	**1,574**
Total other transactions	**-**	**-**	**-**	**-**	**1,120**		**1,120**	**-**	**454**	**454**	**1,574**
Profit for the year						127,194	**127,194**	8,466		**8,466**	**135,660**
Equity at 31 December 2018	**159,120**	**35,710**	**31,825**	**(570,236)**	**1,213,533**	**127,194**	**997,146**	**8,466**	**122,772**	**131,238**	**1,128,384**

(EUR '000)	Share capital	Share premium reserve	Other reserves			Profit attributable to the owners of the parent	**Equity attributable to the owners of the parent**	Profit attributable to non-controlling interests	Reserves attributable to non-controlling interests	**Equity attributable to non-controlling interests**	**Total equity**
			Legal Reserve	Translation reserve	Other reserves						
Equity at 1 January 2019	**159,120**	**35,710**	**31,825**	**(570,236)**	**1,213,533**	**127,194**	**997,146**	**8,466**	**122,772**	**131,238**	**1,128,384**
Allocation of 2018 profit					127,194	(127,194)		(8,466)	8,466		**-**
Distribution of dividends 2018					(22,277)		(22,277)				**(22,277)**
Other changes											**-**
Total owner transactions	**-**	**-**	**-**	**-**	**104,917**	**(127,194)**	**(22,277)**	**(8,466)**	**(8,466)**	**-**	**(22,277)**
translation reserve				(12,120)			**(12,120)**		1,676	1,676	**(10,444)**
Net actuarial gains											**-**
Change in fair value of financial instruments					(1,099)		**(1,099)**				**(1,099)**
Total other comprehensive expense	**-**	**-**	**-**	**(12,120)**	**(1,099)**	**-**	**(13,219)**	**-**	**1,676**	**1,676**	**(11,543)**
Change in other reserves					88		**88**		(193)	(193)	**(105)**
Total other transactions	**-**	**-**	**-**	**-**	**88**	**-**	**88**	**-**	**(193)**	**(193)**	**(105)**
Profit for the period						27,332	**27,332**	2,598		**2,598**	**29,930**
Equity at 30 June 2019	**159,120**	**35,710**	**31,825**	**(582,356)**	**1,317,439**	**27,332**	**989,070**	**2,598**	**132,721**	**135,319**	**1,124,389**

[1] The Group adopted IFRS 16 on 1 January 2019 using the modified retrospective application method, which does not require comparative information to be restated.

Statement of cash flows

(EUR '000)	Notes	1st Half 2019	1st Half 2018[1]
Profit for the period		**29,930**	**80,064**
Amortisation and depreciation	26	52,084	37,089
Net impairment losses (gains)		302	(38,831)
Share of net profits of equity-accounted investees	5-27	(58)	(579)
Net financial income	27	15,554	3,952
(Gains) Losses on disposals		(487)	(494)
Income taxes	28	12,037	13,903
Changes in employee benefits		(446)	(2,035)
Change in provisions (current and non-current)		(657)	(618)
Operating cash flows before changes in working capital		**108,259**	**92,451**
(Increase) decrease in inventories		2,261	(12,813)
(Increase) decrease in trade receivables		(37,713)	(75,484)
Increase (decrease) in trade payables		(45,961)	(24,853)
Change in other non-current and current assets and liabilities		1,287	8,196
Change in current and deferred taxes		557	7,857
Operating cash flows		**28,690**	**(4,646)**
Dividends collected		-	1,093
Interest collected		1,186	1,668
Interest paid		(6,308)	(7,934)
Other net income (expense) collected (paid)		(4,066)	4,629
Income taxes paid		(12,143)	(18,245)
CASH FLOWS FROM OPERATING ACTIVITIES (A)		**7,358**	**(23,435)**
Investments in intangible assets		(4,541)	(477)
Investments in property, plant and equipment		(26,445)	(29,253)
Investments in equity investments and non-current securities		-	(86,096)
Proceeds from the sale of intangible assets		5	26
Proceeds from the sale of property, plant and equipment		759	1,894
Proceeds from operating activities		-	289,057
Change in non-current financial assets		1,022	343
Change in current financial assets		858	(663)
Other changes in investing activities		12,592	-
CASH FLOWS FROM INVESTING ACTIVITIES (B)		**(15,751)**	**174,831**
Change in non-current financial liabilities		(7,086)	(193,989)
Change in current financial liabilities		(10,561)	79,100
Dividends distributed		(22,281)	(16,685)
Other changes in equity		(17,545)	(4,092)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)		**(57,473)**	**(135,666)**
NET EXCHANGE RATE GAINS (LOSSES) ON CASH AND CASH EQUIVALENTS (D)		**(741)**	**1,224**
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**(66,607)**	**16,954**
Opening cash and cash equivalents	12	**232,614**	**240,471**
Closing cash and cash equivalents	12	**166,007**	**257,425**

[1] The Group adopted IFRS 16 on 1 January 2019 using the modified retrospective application method, which does not require comparative information to be restated.

Statement of financial position

pursuant to CONSOB Resolution No. 15519 of 27 July 2006

		30 June 2019		31 December 2018	
(EUR '000)	Notes	Total	of which with related parties	Total	of which with related parties
ASSETS					
Intangible assets with a finite useful life	1	219,355	-	223,545	-
Intangible assets with an indefinite useful life	2	350,311	-	353,933	-
Property, plant and equipment	3	861,685	-	789,500	-
Investment property	4	85,502	-	90,152	-
Equity-accounted investments	5	3,586	-	3,613	-
Other equity investments	6	286	-	210	-
Non-current financial assets	9	1,141	-	1,490	-
Deferred tax assets	20	48,848	-	46,772	-
Other non-current assets	11	7,592	-	7,112	-
TOTAL NON-CURRENT ASSETS		**1,578,306**	-	**1,516,327**	-
Inventories	7	182,514	-	184,775	-
Trade receivables	8	201,495	127	163,553	143
Current financial assets	9	977	-	840	-
Current tax assets	10	10,124	-	9,226	-
Other current assets	11	28,005	-	24,888	-
Cash and cash equivalents	12	166,007		232,614	
TOTAL CURRENT ASSETS		**589,122**	-	**615,896**	-
TOTAL ASSETS		**2,167,428**	-	**2,132,223**	-
EQUITY AND LIABILITIES			-		-
Share capital		159,120	-	159,120	-
Share premium reserve		35,710	-	35,710	-
Other reserves		766,908	-	675,122	-
Profit attributable to the owners of the parent		27,332	-	127,194	-
Equity attributable to the owners of the parent	13	**989,070**	-	**997,146**	-
Reserves attributable to non-controlling interests		132,721	-	122,772	-
Profit attributable to non-controlling interests		2,598	-	8,466	-
Equity attributable to non-controlling interests	13	**135,319**	-	**131,238**	-
TOTAL EQUITY		**1,124,389**	-	**1,128,384**	-
Employee benefits	14	31,425	-	31,777	-
Non-current provisions	15	27,767	-	27,804	-
Non-current financial liabilities	17	515,438	-	461,462	-
Deferred tax liabilities	20	145,873	-	145,282	-
Other non-current liabilities	19	4,435	-	4,768	-
TOTAL NON-CURRENT LIABILITIES		**724,938**	-	**671,093**	-
Current provisions	15	14,969	-	15,525	-
Trade payables	16	181,898	286	228,209	501
Current financial liabilities	17	50,611	-	27,407	-
Current tax liabilities	18	19,836	-	13,737	-
Other current liabilities	19	50,787	5	47,868	6
TOTAL CURRENT LIABILITIES		**318,101**	-	**332,746**	-
TOTAL LIABILITIES		**1,043,039**	-	**1,003,839**	-
TOTAL EQUITY AND LIABILITIES		**2,167,428**	-	**2,132,223**	-

Consolidated income statement

pursuant to CONSOB Resolution No. 15519 of 27 July 2006

(EUR '000)	Notes	1st Half 2019 Total	1st Half 2019 of which with related parties	1st Half 2018 Total	1st Half 2018 of which with related parties
REVENUE	21	**591,937**	**31**	**588,467**	**524**
Change in inventories	7	4,742	-	7,151	-
Increase for internal work	22	3,574	-	5,263	-
Other operating revenue	22	3,920	17	4,244	18
TOTAL OPERATING REVENUE		**604,173**	**-**	**605,125**	**-**
Raw materials costs	23	(231,528)	-	(244,698)	-
Personnel costs	24	(96,454)	-	(90,946)	-
Other operating costs	25	(166,127)	(313)	(173,493)	(1,049)
TOTAL OPERATING COSTS		**(494,109)**	**-**	**(509,137)**	**-**
EBITDA		**110,064**	**-**	**95,988**	**-**
Amortisation and depreciation	26	(52,084)	-	(37,089)	-
Provisions	26	(215)	-	(390)	-
Impairment losses	26	(302)	-	(24)	-
Total amortisation, depreciation, impairment losses and provisions		(52,601)	-	(37,503)	-
EBIT		**57,463**	**-**	**58,485**	**-**
Share of net profits of equity-accounted investees	5-27	58	-	579	-
Financial income	27	2,862	-	54,807	-
Financial expense	27	(14,708)	-	(15,399)	-
Net exchange rate gains (losses)	27	(3,708)	-	(4,505)	-
Net financial income (expense)		(15,554)	-	34,903	-
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY-ACCOUNTED		**(15,496)**	**-**	**35,482**	**-**
PROFIT BEFORE TAXES		**41,967**	**-**	**93,967**	**-**
Income taxes	28	(12,037)	-	(13,903)	-
PROFIT FROM CONTINUING OPERATIONS		**29,930**	**-**	**80,064**	**-**
PROFIT FOR THE PERIOD		**29,930**	**-**	**80,064**	**-**
Attributable to:					
Non-controlling interests		2,598	-	2,473	-
Owners of the parent		**27,332**	**-**	**77,591**	**-**
(EUR)					
Basic earnings per share	29	**0.172**		**0.488**	
Diluted earnings per share	29	**0.172**		**0.488**	

NOTES

General information

Cementir Holding SpA (the "parent"), a company limited by shares with registered office in Corso di Francia 200, Rome, Italy, and its subsidiaries make up the Cementir Holding Group (the "Group"), mainly active in the cement and ready-mixed concrete sector in Italy and around the world.

Based on the shareholder register, the communications received pursuant to article 120 of Legislative Decree No. 58 of 24 February 1998 and other available information, the following are the shareholders with an investment of more than 3% in the parent's share capital at 30 June 2019:

1) Francesco Gaetano Caltagirone – 104,862,053 shares (65.901%). The shareholding is held as follows:
   - Direct ownership of 1,327,560 shares (0.834%)
   - Indirect ownership through the companies:
     - Calt 2004 Srl – 47,860,813 shares (30.078%)
     - Caltagirone SpA – 22,820,015 shares (14.341%)
     - FGC Finanziaria Srl – 17,585,562 shares (11.052%)
     - Gamma Srl – 5,575,220 shares (3.504%)
     - Pantheon 2000 SpA – 4,466,928 shares (2.807%);
     - ICAL 2 SpA – 2,614,300 shares (1.643%)
     - Capitolium Srl – 2,604,794 shares (1.637%)
     - Vianini Lavori SpA – 6,861 shares (0.004%)
2) Francesco Caltagirone – 8,520,299 shares (5.355%). The shareholding is held as follows:
   - Direct ownership of 1,250,000 shares (0.786%)
   - Indirect ownership through the company Chupas 2007 Srl – 7,270,299 shares (4.569%).

This half-year financial report at 30 June 2019 was approved on 26 July 2019 by the Board of Directors, which authorised its publication.

Cementir Holding SpA is included in the interim consolidated financial statements of the Caltagirone Group. At the date of preparation of this interim financial report, the ultimate parent is FGC SpA due to the shares held via its subsidiaries.

The condensed interim consolidated financial statements at 30 June 2019 include the condensed interim financial statements of the parent and its subsidiaries. The financial statements of the individual companies prepared by their Directors were used for the consolidation.

Statement of compliance with the IFRS

The condensed interim consolidated financial statements at 30 June 2019 have been prepared on a going concern basis for the parent and its subsidiaries. These condensed interim consolidated financial statements comply with the provisions of Article 154-ter (3) of Italian Legislative Decree No. 58/1998 as amended and

Articles 2 and 3 of Italian Legislative Decree No. 38/2005, with the International Financial Reporting Standards (IFRS) and the former International Accounting Standards (IAS), as well as the interpretations thereof issued by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), as endorsed by the European Union at the reporting date. For the sake of simplicity, all these standards and interpretations are referred to herein as "IFRS".

Specifically, the condensed interim consolidated financial statements have been prepared in accordance with IAS 34 and as such do not disclose all the information required of annual financial statements. Accordingly, the condensed interim consolidated financial statements should be read together with the consolidated financial statements as at and for the year ended 31 December 2018, filed at the head office of Cementir Holding S.p.A. in Corso di Francia 200, Rome, and available on the corporate website www.cementirholding.it.

The condensed interim consolidated financial statements are consistent with the annual financial statements, in accordance with the revised version of IAS 1. The accounting policies adopted in preparing these condensed interim consolidated financial statements are the same as those applied in the preparation of the Group's annual consolidated financial statements as at and for the year ended 31 December 2018, with the exception of new standards applicable commencing as of 1 January 2019. The effects of the latter on this interim financial report are described below.

Basis of presentation

The condensed interim consolidated financial statements at 30 June 2019 are presented in Euros, the parent's functional currency. All amounts are expressed in thousands of Euros, unless indicated otherwise.

The condensed interim consolidated financial statements consist of a statement of financial position, an income statement, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and these notes. The Group has opted to present these statements as follows:

- the statement of financial position presents current and non-current assets and liabilities separately;
- the income statement classifies costs by nature;
- the statement of comprehensive income presents the effect of gains and losses recognised directly in equity, starting from the profit for the year;
- the statement of changes in equity is presented using the changes in equity method;
- the statement of cash flows is presented using the indirect method.

The IFRS have been applied consistently with the guidance provided in the Framework for the Preparation and Presentation of Financial Statements. The Group was not required to make any departures as per IAS 1.19.

CONSOB Resolution No. 15519 of 27 July 2006 requires that sub-captions be added in the financial statements, in addition to those specifically requested by IAS 1 and the other standards, when they involve significant amounts, so as to show transactions with related parties separately or, in the case of the income statement, profits and losses on non-recurring or unusual transactions, when their amounts are material.

Assets and liabilities are presented separately and are not netted.

Standards and amendments to standards adopted by the Group

a) As of 1 January 2019, the Group has adopted the following new accounting standards:

- "IFRS 16 - "*Leases*", endorsed by the EU on 31 October 2017 with Regulation no. 1986. IFRS 16 replaces IAS 17 *Leases*, as well as IFRIC 4-Determining Whether an Arrangement Contains a Lease, SIC 15-Operating Leases - Incentives and SIC 27-Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard provides a new definition of a lease and introduces a control-based criterion to distinguish leases from service contracts. Specifically, to determine whether a contract is a lease or not, IFRS 16 requires verification of whether or not the lessee has the right to control the use of an identified asset for a determined period of time. The standard applies to financial statements for financial years beginning on or after 1 January 2019. For recognition purposes, the standard provides a single model of recognition for the lessee, requiring, as a general rule, the recognition of the right to use the asset under assets and recognition of the financial liability *(lease liability*) under liabilities, the latter representing the obligation to pay the principal portion of the lease payments. The changes introduced by the new accounting standard do not significantly affect the lessor's financial statements.

Lessee

<u>Identification of the lease</u>

On the contract inception date *(*earlier than the date of conclusion of the contract and the date on which the parties undertake to comply with the contractual terms), and subsequently, with each change in the contractual terms and conditions, the company verifies whether it contains or represents a lease. In particular, a contract contains or represents a lease if it transfers the right to control the use of an identified asset for a specified period of time against consideration. To assess whether a contract contains or represents a lease the company:

• assesses whether it has the right to obtain substantially all the economic benefits associated with the use of the identified asset throughout the period of use;

• verifies whether the contract explicitly or implicitly relates to the use of a specified asset that is physically distinct or substantially encompasses all the capacities of a physically distinct asset. If the supplier has a substantive right to substitute the space, there is no identified asset

• verifies whether it has the right to direct the use of the asset. The company considers that it has this right when it is able to make the most significant decisions insofar as the manner the asset is used and the purpose.

For contracts with separate lease and non-lease components which are governed by other accounting standards, it is necessary to separate the individual components to which the respective accounting standards must be applied.

The lease term begins when the lessor makes the asset available to the lessee *(commencement date*) and is determined by considering the non-cancellable period of the contract, i.e. the period during which the parties have legally enforceable rights and obligations. This also includes the rent-free period. To the above are added:

- the period covered by an option to renew the contract (“renewal option"), when it is reasonably certain that the company will exercise that option;
- periods subsequent to the date of termination ("termination option"), when it is reasonably certain that the company will not exercise that option.

Termination options applicable only by the lessor are not considered.

The reasonable certainty of whether or not to exercise an option to renew or terminate the contract is verified by the company at the effective date, taking into account all the facts and circumstances that generate an economic incentive to exercise an option or not, and is subsequently reviewed whenever there are significant events or changes in circumstances that could affect its determination, which are under the control of the company.

<u>Accounting treatment of the lease</u>

On the date the leases become effective, the company recognises the right of use (RoU) and the lease liability.

The asset consisting of the right of use is initially valued at cost, including the amount of the initial valuation of the lease liability, adjusted for payments due for the lease made on or before the effective date, increased by the initial direct costs incurred and an estimate of the costs that the lessee will have to bear for the dismantling and removing the underlying asset or for the restoration of the underlying asset or the site where it is located, net of the lease incentives received.

The lease liability is measured at the present value of the payments due for the lease not paid at the commencement date. For discounting purposes, the company shall use, where possible and if contractually feasible, the interest rate implicit in the lease or, alternatively, the incremental borrowing rate (IBR). Lease payments due included in the valuation of the liability are fixed payments, variable payments that depend on an index or rate, amounts expected to be paid as residual value collateral, the exercise price of a purchase option (which the company is reasonably certain to exercise), payments due in an optional renewal period (if it is reasonably certain that the company will exercise the renewal option) and early termination penalties (if it is reasonably certain that the company will not to terminate the lease early).

Subsequently, the asset ensuing from the right of use is amortised on a straight-line basis over the entire term of the contract, unless the contract provides for the transfer of ownership at the end of the lease term or the cost of the lease reflects the fact that the lessee will exercise the purchase option. In the latter case, depreciation must be the shorter of the asset's useful life and the duration of the contract. The estimated useful lives of the assets ensuing from the right of use are calculated according to the same criterion applied to the reference fixed asset items. Moreover, the asset ensuing from the right of use is reduced by any impairment and adjusted to reflect the remeasurement of the lease liability.

After initial valuation at the effective date, the lease liability is valued at amortised cost using the effective interest criterion and is remeasured in the event of a change in the future payments due for the lease deriving from a change in the index or rate, a change in the amount that the company expects to pay as a guarantee on the residual value or when the company changes its valuation with reference to the exercise or non-exercise of a purchase, extension or cancellation option. When the lease liability is remeasured, the lessee makes a corresponding change in the asset ensuing from the right of use. If the carrying amount of the asset ensuing form the right of use is reduced to zero, the change is recognised in profit or loss for the period.

In the statement of financial position, the company recognises the assets ensuing from the right to use among fixed assets, under the item these assets would be recognised under if they were owned; the lease liabilities are recognised under financial liabilities. In the income statement, interest expense on lease liabilities is a component of financial charges and is shown separately from the depreciation of assets ensuing from the right of use.

Lessor

Identification of the lease

On the contract inception date and subsequently, with each change in the contractual terms and conditions, the company classifies each of its lease “assets” as a financial or operating lease. To this end, the company generally assesses whether the lease transfers substantially all the risks and rewards of ownership of the underlying asset. In this case, the lease is classified as a finance lease, otherwise it will be classified as an operating lease. In the context of this assessment, the company considers, among other indicators, whether the lease term covers most of the economic life of the underlying asset and/or whether or not there are purchase options that can reasonably be exercised.

For contracts containing a lease component and one or more lease and non-lease components, the company allocates the contract consideration in accordance with IFRS 15.

Accounting treatment of the lease

For a financial lease, the company recognises the asset in the statement of financial position as a receivable at an amount equal to the net investment in the lease. To measure the net investment in the lease, the company uses the interest rate implicit in the lease, defined in such a way as to include the initial direct costs. The company applies the provisions of IFRS 9 on the elimination of accounting entries and provisions for impairment to the net investment in the lease.

Financial income is recognised systematically over the term of the lease.

For operating leases, the company recognises the payments received as income on a straight-line basis over the lease term under "other revenue from sales and services".

Sub-leasing

As an intermediate lessor, the company classifies its share of the main lease separately from the sub-lease. To this end, it classifies sub-leasing by reference to the asset ensuing from the right of use arising from the main lease, rather than by reference to the underlying asset. If the main lease is a short-term lease that the company has recognised by applying the exemption provided for in the standard and set out below, the sub-lease is classified as an operating lease. In the presence of sub-leases, the main lease is never considered to be of a modest value.

Initial application of IFRS 16

The Cementir Group applied IFRS 16 as from 1 January 2019; in this context, a detailed analysis was carried out to verify the impacts deriving from the introduction of this new standard. The transition approach adopted was the "Modified Retrospective" approach, which involved the recognition of the right of use at the date of initial application at an amount equal to the lease liability. The analyses conducted on the impact of applying IFRS 16 show an increase in right-of-use assets of approximately EUR 81.8 million and a corresponding negative effect on net financial debt of approximately EUR 81.8 million.

At 30 June 2019, the right of use amounted to EUR 80.7 million, while the corresponding financial liabilities amounted to EUR 80.8 million. Finally, the introduction of IFRS 16 had the following effects on the Income Statement for the period:

- lower operating costs of EUR 12.3 million;
- depreciation and amortisation of EUR 12.1 million;
- financial expense of EUR 0.7 million.

With regard to the interest rates applied to leasing contracts that do not show the rate implicit in them, in the first phase of introduction, reference was made to the rates applied to the Group's indebtedness. The same rates have been updated every six months to reflect the evolution of these rates and the differential with respect to benchmark bonds.

The Group has chosen not to apply IFRS 16 to short-term contracts *(*short-term leases), i.e. no more than 12 months; to contracts of low value (low value lease), i.e. those in which the asset, when new, or the total value of the contract, is equal to or less than EUR 5,000. For these types of contracts, the Group recognises the payments due as a cost on a straight-line basis, or on another systematic basis, if more representative. For short-term leases, this is regarded as a new lease if there are contractual changes or changes in the lease term.

- "*Annual Improvements to IFRS Standards 2015-2017 Cycle*", was endorsed by the EU on 14 March 2019 with Regulation no. 412. The changes introduced apply to the financial statements for the financial years starting on or after 1 January 2019 that form part of the ordinary activity of rationalisation and clarification of the international accounting standards; they concern the following standards: (i) IFRS 3 - Business Combinations and IFRS 11 - Joint Arrangements: ISAB has clarified how to account for the increase of interest in a joint operation that meets the definition of business; (ii) IAS 12 - Income Taxes: the IASB has clarified that the income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the underlying transactions or events that generated the distributable profits (i.e. in profit or loss, OCI or equity); (iii) IAS 23 - Borrowing Costs: the IASB clarified that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings for qualifying assets that are now ready for their intended use are included in that general pool for the purposes of IAS 23.

- Amendments to IAS 19 - *Employee Benefits*. The document "*Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)*" which was endorsed by the EU on 13 March 2019 with regulation 402, clarifies a number of accounting aspects relating to amendment, curtailment or settlement of a defined benefit plan. The amendments are to be applied to amendments to plans, curtailments or transactions as of 1 January 2019, i.e. the date on which they are first applied.
- Amendments to IAS 28 - *Investments in Associates and Joint Ventures.* The document "*Long-term interests in Associates and Joint Ventures (Amendments to IAS 28)* was endorsed by the EU on 8 February 2019 with Regulation no. 237. It aims to clarify a number of aspects in cases where companies finance associates and joint ventures with preference shares or with loans for which repayment is not expected in the foreseeable future ("Long-Term Interests" or "LTI"). In particular, the amendment clarifies that although they represent an extension of the net investment in the investee companies to which IAS 28 applies, these types of receivables are still subject to the impairment provisions of IFRS 9. The amendments are applicable starting from annual reporting periods commencing on or after 1 January 2019 or later.
- *IFRIC 23 – "Uncertainty over Income Tax Treatments"* was endorsed by the EU on 23 October 2018 with its Regulation no. 1595. It provides guidance on how to reflect uncertainties over income tax treatments for a specific event when accounting for income tax. IFRIC 23 is effective for annual reporting periods beginning on or after 1 January 2019.
- Amendments to IFRS 9 - *Financial Instruments.* The document "*Prepayment features with Negative Compensation (Amendments to IFRS 9)"* was endorsed by the EU on 22 March 2018 with Regulation no. 498. It aims to amend the requirements of IFRS 9 with reference to the following two situations: (i) financial assets that contain prepayable options with negative compensation can now be managed at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other significant requirements of IFRS 9; (ii) new rules are introduced for accounting for a non-substantial modification or exchange of a financial liability measured at amortised cost that does not result in the derecognition of fixed-rate financial liabilities. The amendments are applicable starting from annual reporting periods commencing on or after 1 January 2019 or later.

Except for anything said above about IFRS 16, adopting the new standards applicable as of 1 January 2019 did not have significant effects.

b) Standards and interpretations to be applied shortly:

At the date of approval of these condensed interim consolidated financial statements, the IASB has issued certain accounting standards, interpretations and amendments that the European Union has yet to endorse, some of which are still at the discussion stage. They include:

- On 18 May 2017, the IASB published the new standard IFRS 17 – *Insurance Contracts*, which replaces IAS 4. The new standard on insurance contracts aims to increase transparency on the sources and quality of profit and to ensure greater comparability of results, introducing a single standard for revenue recognition that reflects the services provided. IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2021. The endorsement process by EFRAG is currently underway.
- On 29 March 2018, the IASB published the reviewed version of the *Conceptual Framework for Financial Reporting*. The main amendments compared to 2010 concern a new valuation chapter, better definitions and guidance, especially referred to establishing liabilities, and clarifications of important concepts, like stewardship, prudence and uncertainties in valuations. Endorsement by the EU is expected during 2019.
- On 22 October 2018, the IASB published a number of amendments to IFRS 3. The document "*Amendment to IFRS 3 Business Combinations*" introduced a much more restrictive definition of business than was contained in the current version of IFRS 3, as well as a logical path to follow to verify whether a transaction is configurable as a "business combination" or a simple acquisition of an asset. The amendment applies to acquisitions taking place from 1 January 2020. Endorsement by the EU is expected during 2019.
- On 31 October 2018, the IASB published the document "*Amendments to IAS 1 and IAS 8: Definition of Material*" with the aim of refining and aligning the definition of *"Material"* present in some IFRS, so that it is also consistent with the new *Conceptual Framework for Financial Reporting* approved in March 2018. The amendments are applicable starting from annual reporting periods commencing on or after 1 January 2020. Earlier application is allowed. Endorsement by the EU is expected during 2019.

The potential impact of the accounting standards, amendments and interpretations to be applied in the future on the Group’s financial reports is currently being studied and assessed.

Basis of consolidation

Consolidation scope

The scope of consolidation includes the parent, Cementir Holding SpA, and the companies over which it has direct or indirect control.

Subsidiaries subject to direct or indirect control include companies for which the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence of potential voting rights is considered when determining whether control exists.

A list of the companies included in the scope of consolidation at 30 June 2019 is provided in annex 1.

Use of estimates

The preparation of condensed interim consolidated financial statements requires management to use accounting policies and methods that are sometimes based on difficult and subjective judgements, estimates based on past experience and assumptions that are considered reasonable and realistic in the relevant circumstances. The application of these estimates and assumptions affects the amounts presented in the statement of financial position, income statement, statement of comprehensive income and statement of cash flows, as well as disclosures. The actual results for which these estimates and assumptions were used may differ due to the uncertainties that characterise the assumptions and the conditions on which the estimates were based.

Management regularly reviews the estimates and assumptions and the effects of each change are recognised in profit or loss if the change only affects that year. When the review affects current and future years (such as with the useful life of non-current assets), the change is recognised in the period in which it is made and in the related future years.

Some assessments, such as the testing of non-current assets for impairment, are generally only made in a complete way when preparing the annual financial statements, when all the information required for such an assessment is available, except where indicators exist calling for immediate impairment testing.

Similarly, the actuarial valuations required to measure employee benefit plans in accordance with the provisions of IAS 19 are made when preparing the annual financial statements.

Income taxes are calculated using the best estimate possible of the expected average tax rate at the consolidated level for the entire year.

Financial risk management

The Group is exposed to financial risks related to its operations, namely:

Credit risk

The Group is not particularly exposed to credit risk, despite operating in different geographical markets, as it is not overly exposed to a limited number of positions. Moreover, its operating procedures require checks on credit risk, with the sale of products and/or services restricted if the customer does not have a suitable credit rating and guarantees.

Receivables are recognised net of the allowance for impairment, calculated considering the risk of the counterpart's default, based on all available information about the customer's solvency. Therefore, the maximum exposure to credit risk is equivalent to the carrying amount.

With respect to bank deposits and derivatives, the Group has always worked with leading counterparts, thus limiting its credit risk in this sense.

Liquidity risk

Liquidity risk concerns the availability of financial resources and access to credit market and financial instruments.

Specifically, the Group monitors and manages its cash flows, funding requirements and liquidity levels in order to ensure the effective and efficient use of its financial resources.

It meets its liquidity requirements for investing activities, working capital and the payment of amounts payable drawing on cash flows generated constantly by its operating activities and on credit facilities.

The Group aims to maintain its ability to generate cash flows through operating activities, given the current market conditions. In fact, thanks to its strong financial position, any unplanned financial requirements can be funded through its access to credit facilities.

Market risk

Market risk mainly concerns currency, interest rate and commodity price risk as the Group operates internationally in areas with different currencies. It uses financial instruments to hedge these risks.

The Group monitors the financial risks to which it is exposed regularly so as to assess in advance any potential impacts and take the most suitable action to mitigate them; it does this through the use of derivatives.

Currency risk

Group companies operate internationally; as such they are structurally exposed to currency risk for cash flows from operating activities and financing operations in currencies other than the functional currency. The Group's operating activities are exposed differently to changes in exchange rates: in particular, the cement sector is exposed to currency risk on both revenues, for exports, and costs to purchase solid fuels in USD; whereas the ready-mixed concrete sector is less exposed as both revenue and costs are in local currency. The Group assesses the natural hedging of cash flows and financing for these risks and purchases currency forwards and currency put and call options for hedging purposes. Transactions involving derivatives are performed for hedging purposes.

The Group's presentation currency is the Euro. As a result, it is open to currency risk in relation to the translation of the financial statements of consolidated companies based in non-Eurozone countries (except for Denmark whose currency is historically tied to the Euro): the income statements of those companies are translated into Euros using the average annual rate and changes in exchange rates may affect the Euro balances, even when the revenue and profits in local currency remain unchanged. Pursuant to the IFRS, translation differences on assets and liabilities are recognised directly in equity in the translation reserve (note 13).

Interest rate risk

As the Group has net financial debt, it is exposed to the risk of fluctuations in interest rates. It carefully assesses expected interest rates and timeframes for the repayment of debt by using estimated cash inflows and purchases interest rates swaps to partly cover the risk.

The Group's operating and financial policies aim to minimise the impact of these risks on its performance.

Commodity price risk

The Group is exposed to the risk of fluctuations in raw materials prices. It manages this risk through supply agreements with Italian and foreign suppliers which set prices and quantities for roughly 12 months. It also uses suppliers in different geographical segments to avoid the risk of supply chain concentration and to obtain the most competitive prices.

Translation of financial statements of foreign operations

The main exchange rates used in translating the financial statements of companies with functional currencies other than the Euro are as follows:

	1st Half 2019		31 December 2018	1st Half 2018
	Final	Average	Final	Average
Turkish lira – TRY	6.57	6.36	6.06	4.96
US dollar – USD	1.14	1.13	1.15	1.21
British pound – GBP	0.90	0.87	0.89	0.88
Egyptian pound – EGP	19.00	19.56	20.55	21.46
Danish krone – DKK	7.46	7.47	7.47	7.45
Icelandic krona – ISK	141.70	137.00	133.20	123.81
Norwegian krone – NOK	9.69	9.73	9.95	9.59
Swedish krona – SEK	10.56	10.52	10.25	10.15
Malaysian ringgit – MYR	4.71	4.65	4.73	4.77
Chinese renminbi Yuan - CNY	7.82	7.67	7.88	7.71

Segment reporting

In accordance with IFRS 8, the Group has identified its operating segments on the basis of the parent's internal reporting system for management purposes.

The Group's operations are organised on a regional basis, divided into the Regions that represent the following geographical segments: Nordic & Baltic, Belgium, North America, Turkey, Egypt, Asia Pacific and Italy.

The Nordic & Baltic includes Denmark, Norway, Sweden, Iceland, Poland, Russia and the white cement operations in Belgium and France. Belgium includes the activities of the Compagnie des Ciments Belges S.A. group in Belgium and France. North America includes the United States. The Asia Pacific region includes China, Malaysia and Australia. In 2018, Turkey and Egypt were included under the Eastern Mediterranean.

The Group's geographical segments consist of the non-current assets of each company based and operating in the above segments. Transfer prices applied to transactions between segments for the exchange of goods and services comply with normal market conditions.

The following table shows the performance of each operating segment for the first half of 2019:

(EUR '000)	Nordic & Baltic		Belgium	North America	Turkey	Egypt	Asia Pacific	Italy	Unallocated items and adjustments	CEMENTIR HOLDING GROUP
	Denmark	Others *		USA						
Operating revenue	**189,453**	**129,175**	**132,683**	**80,731**	**56,168**	**18,856**	**46,627**	**37,298**	**(86,818)**	**604,173**
Intra-segment operating revenue	(46,368)	(2,079)	-	(466)	(968)	(834)	-	(36,103)	86,818	-
Contributed operating revenue	143,085	127,096	132,683	80,265	55,200	18,022	46,627	1,195	-	604,173
Segment result (EBITDA)	**47,084**	**11,332**	**31,038**	**11,031**	**(6,032)**	**3,193**	**9,006**	**3,412**	-	**110,064**
Amortisation, depreciation, impairment losses and provisions	(16,980)	(4,645)	(11,682)	(7,342)	(5,547)	(1,242)	(3,498)	(1,665)	-	(52,601)
EBIT	**30,104**	**6,687**	**19,356**	**3,689**	**(11,579)**	**1,951**	**5,508**	**1,747**	-	**57,463**
Net profit (loss) of equity-accounted investees	(61)	119	-	-	-	-	-	-	-	58
Net financial income (expense)	-	-	-	-	-	-	-	-	(15,554)	(15,554)
PROFIT BEFORE TAXES	-	-	-	-	-	-	-	-	-	**41,967**
Income taxes	-	-	-	-	-	-	-	-	(12,037)	(12,037)
Profit for the period	-	-	-	-	-	-	-	-	-	**29,930**

The following table shows the performance of each operating segment for the first half of 2018:

(EUR '000)	Nordic & Baltic		Belgium	North America	Turkey	Egypt	Asia Pacific	Italy	Unallocated items and adjustments	CEMENTIR HOLDING GROUP
	Denmark	Others *		USA						
Operating revenue	**183,801**	**121,811**	**123,060**	**50,046**	**105,220**	**12,402**	**45,301**	**45,703**	**(82,219)**	**605,125**
Intra-segment operating revenue	(39,550)	(1,610)	-	(424)	(1,651)	(637)	(25)	(38,322)	82,219	-
Contributed operating revenue	144,251	120,201	123,060	49,622	103,569	11,765	45,276	7,381	-	605,125
Segment result (EBITDA)	**38,216**	**7,969**	**23,358**	**5,764**	**10,221**	**1,516**	**8,269**	**675**	**-**	**95,988**
Amortisation, depreciation, impairment losses and provisions	(11,577)	(2,528)	(9,103)	(2,734)	(6,164)	(1,124)	(3,178)	(1,095)	-	(37,503)
EBIT	**26,639**	**5,441**	**14,255**	**3,030**	**4,057**	**392**	**5,091**	**(420)**	-	**58,485**
Net profit (loss) of equity-accounted investees	(302)	162	-	719	-	-	-	-	-	579
Net financial income (expense)	-	-	-	-	-	-	-	-	34,903	34,903
PROFIT BEFORE TAXES	-	-	-	-	-	-	-	-	-	**93,967**
Income taxes	-	-	-	-	-	-	-	-	(13,903)	(13,903)
Profit for the period	-	-	-	-	-	-	-	-	-	**80,064**

* "Other" includes the operations in Norway, Sweden, Iceland, Poland and Russia.

The following table shows other data for each geographical segment at 30 June 2019:

(EUR '000)	Segment Assets	Segment Liabilities	Equity accounted	[1]Investments in property, plant and equipment and intangible assets
Nordic & Baltic				
Denmark	547,203	280,621	2,607	13,945
Others *	148,659	70,804	979	4,649
Belgium	516,811	160,634	-	8,879
North America	325,110	56,885	-	1,900
Turkey	321,600	50,734	-	2,649
Egypt	99,116	16,396	-	766
Asia Pacific	130,108	16,627	-	4,121
Italy	78,821	390,338	-	1,154
Total	**2,167,428**	**1,043,039**	**3,586**	**38,063**

The following table shows other data for each segment at 31 December 2018 and at 30 June 2018:

(EUR '000)	31.12.2018			30.06.2018
	Segment Assets	Segment Liabilities	Equity accounted	[2]Investments in property, plant and equipment and intangible assets
Nordic & Baltic				
Denmark	507,594	273,739	2,666	10,786
Others *	126,201	60,034	888	3,201
Belgium	520,645	151,414	59	4,482
North America	305,372	39,598	-	2,750
Turkey	349,491	54,088	-	5,462
Egypt	93,752	16,628	-	119
Asia Pacific	126,423	17,888	-	2,419
Italy	102,745	390,450	-	1,690
Total	**2,132,223**	**1,003,839**	**3,613**	**30,909**

[1] Investments made in the period.

[2] Investments made in the first half of 2018.

NOTES

1) Intangible assets with a finite useful life

At 30 June 2019, intangible assets with a finite useful life amounted to EUR 219,355 thousand (31 December 2018: EUR 223,545 thousand). Concession rights and licences mainly consisted of concessions to use quarries and software licences for the IT system (SAP R/3). Other intangible assets include the determination of the values assigned at the time of acquisition of the CCB Group and the company LWCC to certain quantities such as customer lists and contracts relating to the exclusive use of quarries. These amounts were entered as part of the allocation of the price paid for the acquisition of these companies.

Amortisation is applied over the assets' estimated useful life.

(EUR '000)	Development expenditure	Concessions, licences and trademarks	Other intangible assets	Assets under development and advances	Total
Gross amount at 1 January 2019	**1,786**	**52,256**	**231,191**	**485**	**285,718**
Increase	-	1,560	2	2,521	4,083
Decrease	-	(29)	-	-	(29)
Change in consolidation scope	-	-	-	-	-
Translation differences	-	235	419	(9)	645
Reclassifications	-	-	49	-	49
Gross amount at 30 June 2019	**1,786**	**54,022**	**231,661**	**2,997**	**290,466**
Amortisation at 1 January 2019	**1,786**	**17,732**	**42,655**	**-**	**62,173**
Amortisation	-	1,576	7,458	-	9,034
Decrease	-	(24)	-	-	(24)
Change in consolidation scope	-	-	-	-	-
Translation differences	-	79	(151)	-	(72)
Reclassifications	-	-	-	-	-
Amortisation at 30 June 2019	**1,786**	**19,363**	**49,962**	**-**	**71,111**
Net amount at 30 June 2019	**-**	**34,659**	**181,699**	**2,997**	**219,355**

(EUR '000)

	Development expenditure	Concessions, licences and trademarks	Other intangible assets	Assets under development and advances	Total
Gross amount at 1 January 2018	**1,988**	**31,629**	**141,232**	**1,363**	**176,212**
Increase	-	210	2,931	863	4,004
Decrease	(207)	(165)	(1,391)	-	(1,763)
Change in consolidation scope	-	19,178	81,415	-	100,593
Translation differences	5	1,171	5,299	6	6,481
Reclassifications	-	233	1,705	(1,747)	191
Gross amount at 31 December 2018	**1,786**	**52,256**	**231,191**	**485**	**285,718**
Amortisation at 1 January 2018	**1,906**	**14,940**	**30,904**	**-**	**47,750**
Amortisation and depreciation	82	2,833	13,674	-	16,589
Decrease	(207)	(29)	(1,368)	-	(1,604)
Change in consolidation scope	-	-	314	-	314
Translation differences	5	(12)	(869)	-	(876)
Reclassifications	-	-	-	-	-
Amortisation at 31 December 2018	**1,786**	**17,732**	**42,655**	**-**	**62,173**
Net amount at 31 December 2018	**-**	**34,524**	**188,536**	**485**	**223,545**

2) Intangible assets with an indefinite useful life

Intangible assets with an indefinite useful life are formed by goodwill allocated to the CGUs. At 30 June 2019 the item amounted to EUR 350,311 thousand (EUR 353,933 thousand at 31 December 2018).

The following table shows CGUs by macro geographical segment.

								30.06.2019
	Nordic & Baltic		**North America**	**Turkey**	**Egypt**	**Asia-Pacific**	**Italy**	**Total**
	Denmark	**Other**	**USA**					
Opening balance	**230,639**	**26,509**	**26,870**	**64,924**	**1,852**	**3,139**	**-**	**353,933**
Increase	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-	-	-	-
Translation differences	7	824	165	(4,785)	151	16	-	(3,622)
Closing balance	**230,646**	**27,333**	**27,035**	**60,139**	**2,003**	**3,155**	**-**	**350,311**

								31.12.2018
	Nordic & Baltic		**North America**	**Turkey**	**Egypt**	**Asia-Pacific**	**Italy**	**Total**
	Denmark	**Other**	**USA**					
Opening balance	**230,679**	**25,564**	**-**	**85,546**	**1,784**	**3,068**	**-**	**346,641**
Increase	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-
Change in consolidation scope	-	-	24,971	-	-	-	-	24,971
Translation differences	(40)	945	1,899	(20,622)	68	71	-	(17,679)
Closing balance	**230,639**	**26,509**	**26,870**	**64,924**	**1,852**	**3,139**		**353,933**

Intangible assets with an indefinite useful life are regularly tested for impairment. For the purposes of these condensed interim consolidated financial statements, it was assessed whether any indicators existed suggesting the impairment of the assets. The impairment test was updated in light of the evolution of the financial crisis in Turkey. It did not show any impairment losses. In the context of this valuation, the expected trends for 2019-2020 and the following three years were taken into account, considering the current market economic and financial context. The discount rate used was 17.3%, while the growth rate of the final amounts was 4%.

3) Property, plant and equipment

At 30 June 2019, property, plant and equipment amounted to EUR 861,685 thousand (31 December 2018: EUR 789,499 thousand). Additional disclosures for each category of property, plant and equipment are set out below:

(Euro '000)	Land and buildings	Quarries	Plant and equipment	Other	Right-of-use assets	Assets under construction	Total
Gross amount at 1 January 2019	**489,623**	**188,968**	**1,472,226**	**64,640**	**88,272**	**47,087**	**2,350,816**
Increase	238	662	1,500	1,466	7,503	22,551	33,920
Decrease	(1)	(39)	(422)	(3,966)	(1,369)	(195)	(5,992)
Change in consolidation	-	-	-	-	-	-	-
Translation differences	(2,294)	(144)	(8,655)	(1,167)	(207)	158	(12,309)
Reclassifications	2,607	-	8,508	2,864	-	(11,197)	2,782
Gross amount at 30 June 2019	**490,173**	**189,447**	**1,473,157**	**63,837**	**94,199**	**58,404**	**2,369,217**
Amortisation at 1 January 2019	**299,238**	**21,498**	**1,107,137**	**47,437**	**3,524**	**-**	**1,478,834**
Amortisation and depreciation	5,465	873	22,823	1,692	12,166	-	43,019
Decrease	-	-	(336)	(3,865)	(138)	-	(4,339)
Change in consolidation	-	-	-	-	-	-	-
Translation differences	(1,139)	(180)	(7,893)	(736)	(34)	-	(9,982)
Reclassifications	(36)	-	36	1,977	(1,977)	-	-
Amortisation at 30 June 2019	**303,528**	**22,191**	**1,121,767**	**46,505**	**13,541**	**-**	**1,507,532**
Net amount at 30 June 2019	**186,645**	**167,256**	**351,390**	**17,332**	**80,658**	**58,404**	**861,685**

(Euro '000)	Land and buildings	Quarries	Plant and equipment	Other	Right-of-use assets	Assets under construction	Total
Gross amount at 1 January 2018	**472,658**	**187,229**	**1,412,230**	**75,609**	**-**	**47,412**	**2,195,138**
Increase	1,584	2,002	16,992	2,432	-	39,652	62,662
Decrease	(2,424)	(1,287)	(10,838)	(7,387)	-	(793)	(22,729)
Change in consolidation	35,027	919	61,443	3,994	-	3,653	105,036
Translation differences	(14,759)	(840)	(50,881)	(4,811)	-	(227)	(71,518)
Reclassifications	(2,463)	945	43,280	592	-	(42,610)	(256)
Gross amount at 31 December 2018	**489,623**	**188,968**	**1,472,226**	**70,429**	**-**	**47,087**	**2,268,333**
Amortisation at 1 January 2018	**284,169**	**20,368**	**1,076,112**	**54,649**	**-**	**-**	**1,435,298**
Amortisation and depreciation	10,400	1,625	45,802	3,679	-	-	61,506
Decrease	(1,289)	(92)	(10,215)	(6,947)	-	-	(18,543)
Change in consolidation	12,721	122	35,147	2,580	-	-	50,570
Translation differences	(6,694)	(525)	(39,778)	(3,000)	-	-	(49,997)
Reclassifications	(69)	-	69	-	-	-	-
Amortisation at 31 December 2018	**299,238**	**21,498**	**1,107,137**	**50,961**	**-**	**-**	**1,478,834**
Net amount at 31 December 2018	**190,385**	**167,470**	**365,089**	**19,468**	**-**	**47,087**	**789,499**

At 30 June 2019 property, plant and equipment include right-of-use assets of EUR 80.7 million ensuing from the first-time adoption of the new accounting standard IFRS 16.

4) Investment property

Investment property, totalling EUR 85,502 thousand (EUR 90,152 thousand at 31 December 2018), is recognised at fair value, as determined on an annual basis using appraisals prepared by independent property assessors.

(EUR '000)	30.06.2019			31.12.2018		
	Land	Buildings	Total	Land	Buildings	Total
Opening balance	**61,429**	**28,723**	**90,152**	**65,776**	**29,318**	**95,094**
Increase	-	60	**60**	-	-	**-**
Decrease	-	-	-	-	-	**-**
Fair value gains (losses)	-	-	-	11,161	356	**11,517**
Translation differences	(4,469)	(241)	(4,710)	(15,508)	(951)	**(16,459)**
Reclassifications	-	-	-	-	-	**-**
Closing balance	**56,960**	**28,542**	**85,502**	**61,429**	**28,723**	**90,152**

At 30 June 2019, approximately EUR 7.6 million of investment property was pledged as collateral on bank loans totalling a residual, non-discounted amount of approximately EUR 6.1 million at the reporting date.

5) Equity-accounted investments

This caption shows the Group's share of equity in equity-accounted associates and joint ventures. The carrying amount of these investments and the Group's share of the investees' profit or loss are shown below:

Companies	Business	Registered office	investment %	**Carrying amount 30.06.2019**	**Share of profit or loss 30.06.2019**
ECOL Unicon Spzoo	Ready-mixed concrete	Gdansk (Poland)	49%	2,607	(61)
ÅGAB Syd Aktiebolag	Aggregates	Svedala (Sweden)	40%	979	119
Total				**3,586**	**58**

Companies	Business	Registered office	investment %	**Carrying amount 31.12.2018**	**Share of profit or loss 30.06.2018**
Lehigh White Cement Company Joint Venture	Cement	Allentown (USA)	24.5%	-	* 719
Sola Betong AS	Ready-mixed concrete	Tananger (Norway)	33.3%	-	93
ECOL Unicon Spzoo	Ready-mixed concrete	Gdansk (Poland)	49%	2,666	(302)
ÅGAB Syd Aktiebolag	Aggregates	Svedala (Sweden)	40%	888	69
Recybel	Other	Liegi-Flemalle (Belgium)	25.5%	59	-
Total				**3,613**	**579**

* The share of profit or loss, and relative investment percentage, of Lehigh White Cement Company refers to the first quarter 2018, before the acquisition of control on 29 March 2018.

No indicators of impairment were identified for these investments.

6) Other equity investments

(EUR '000)	**30.06.2019**	**31.12.2018**
Other equity investments *opening balance*	**210**	**221**
Increase (decrease)	19	-
Fair value gains (losses)	-	-
Change in consolidation scope	-	-
Reclassifications to assets held for sale	-	-
Translation differences	(2)	(11)
Reclassifications - *Recybel*	59	-
Other equity investments *closing balance*	**286**	**210**

No indicators of impairment were identified for these investments.

7) Inventories

The carrying amount of inventories approximates their fair value; a breakdown of the caption is shown below:

(EUR '000)	30.06.2019	31.12.2018
Raw materials, consumables and supplies	96,765	99,500
Work in progress	43,788	39,788
Finished goods	41,143	44,497
Advances	818	990
Inventories	**182,514**	**184,775**

Changes were recorded over the period in the different inventory categories as a result of manufacturing processes and sales, the costs of factors of production and the foreign exchange rates used to translate financial statements stated in foreign currencies.

In particular, the change to raw materials, consumables and supplies is positive by EUR 1,572 thousand (negative for EUR 11,575 thousand at 30 June 2018) and is recorded in the income statement under "Raw materials costs" (note 23), whereas the change to products in progress and finished goods recorded in the income statement is positive for EUR 4,742 thousand (positive for EUR 7,151 thousand at 30 June 2018).

8) Trade receivables

Trade receivables totalled EUR 201,495 thousand (31 December 2018: EUR 163,553 thousand) and are broken down as follows:

(EUR '000)		30.06.2019	31.12.2018
Trade receivables		206,335	167,507
Allowance for impairment		(9,170)	(8,527)
Net trade receivables		**197,165**	**158,980**
Advances to suppliers		4,203	4,430
Trade receivables - related parties	(note 32)	127	143
Trade receivables		**201,495**	**163,553**

The carrying amount of trade receivables equals their fair value. They arise on commercial transactions for the sale of goods and services and do not present significant credit risks. The increase in trade receivables compared to 31 December 2018 is due to the cyclical nature of the reference business' working capital.

The increase in the allowance for impairment relates to certain positions exhibiting collection risk, mainly in Belgium.

The breakdown by due date is shown below:

(EUR '000)	30.06.2019	31.12.2018
Not yet due	171,804	123,045
Overdue:	34,531	44,462
0-30 days	*15,821*	*23,458*
30-60 days	*3,856*	*9,541*
60-90 days	*5,062*	*2,844*
More than 90 days	*9,792*	*8,619*
Total trade receivables	206,335	167,507
Allowance for impairment	(9,170)	(8,527)
Net trade receivables	**197,165**	**158,980**

9) Current and non-current financial assets

Non-current financial assets of EUR 1,141 thousand (EUR 1,490 thousand at 31 December 2018) mainly refer to financial items which will be expensed upon termination of the loan agreement contract signed by Cementir Holding SpA.

Current assets totalled EUR 977 thousand (EUR 840 thousand at 31 December 2018) mainly consist in loan assets. Breakdown is as follows:

(EUR '000)		30.06.2019	31.12.2018
Fair value of derivatives		235	71
Accrued income/ Prepayments		741	768
Loan assets - related parties	(note 32)	-	-
Other loan assets		1	1
Current financial assets		**977**	**840**

10) Current tax assets

Current tax assets, totalling EUR 10,124 thousand (EUR 9,226 thousand at 31 December 2018), refer primarily to payments on account to tax authorities and IRES refunds requested for the non-deductibility of IRAP in previous years.

11) Other current and non-current assets

Other non-current assets totalled EUR 7,592 thousand (31 December 2018: EUR 7,112 thousand) and mainly consisted of VAT assets and deposits.

Other current assets totalled EUR 28,005 thousand (31 December 2018: EUR 24,888 thousand) and consisted of non-commercial items.

The caption breaks down as follows:

(EUR '000)	30.06.2019	31.12.2018
VAT assets	11,405	11,080
Personnel	246	293
Accrued income	483	256
Prepayments	6,376	3,790
Other receivables	9,495	9,469
Other current assets	**28,005**	**24,888**

12) Cash and cash equivalents

Totalling EUR 166,007 thousand (31 December 2018: EUR 232,614 thousand), the caption consists of temporary liquidity held by the Group, which is usually invested in short-term financial transactions. The caption breaks down as follows:

(EUR '000)		30.06.2019	31.12.2018
Bank and postal deposits		165,537	232,298
Bank deposits – related parties	(Note 32)	-	-
Cash-in-hand and cash equivalents		470	316
Cash and cash equivalents		**166,007**	**232,614**

13) Equity

Equity attributable to the owners of the parent

Equity attributable to the owners of the parent amounted to EUR 989,070 thousand at 30 June 2019 (31 December 2018: EUR 997,146 thousand). Profit for the first half of 2019 attributable to the owners of the parent totalled EUR 27,332 thousand (2018: EUR 77,591 thousand).

Share capital

The parent's share capital consists of 159,120,000 ordinary shares with a par value of EUR 1 each. It is fully paid-up and has not changed with respect to the previous year end. There are no pledges or restrictions on the shares.

Translation reserve

At 30 June 2019, the translation reserve had a negative balance of EUR 582,356 thousand (31 December 2018: negative EUR 570,236 thousand), broken down as follows:

(EUR '000)	30.06.2019	31.12.2018	Change
Turkey (Turkish lira – TRY)	(527,819)	(509,190)	(18,629)
USA (US dollar – USD)	3,829	3,212	617
Egypt (Egyptian pound – EGP)	(61,325)	(65,613)	4,288
Iceland (Icelandic krona – ISK)	(2,774)	(2,539)	(235)
China (Chinese renminbi – CNY)	7,934	7,596	338
Norway (Norwegian krone – NOK)	(4,761)	(5,470)	709
Sweden (Swedish krona – SEK)	(1,410)	(1,102)	(308)
Other countries	3,970	2,870	1,100
Total translation reserve	**(582,356)**	**(570,236)**	**(12,120)**

Other reserves

At 30 June 2019, other reserves amounted to EUR 1,317,439 thousand (31 December 2018: EUR 1,213,533 thousand) and consisted primarily of retained earnings, totalling EUR 1,120,086 thousand (31 December 2018: EUR 992,146 thousand) and the fair value reserve connected to changes in the designation of use of certain items of property, plant and equipment, totalling EUR 55,705 thousand (EUR 55,705 at 31 December 2018).

Equity attributable to non-controlling interests

Equity attributable to non-controlling interests amounted to EUR 135,319 thousand at 30 June 2019 (31 December 2018: EUR 131,238 thousand). Profit for the first half of 2019 attributable to non-controlling interests totalled EUR 2,598 thousand (first half of 2018: EUR 2,473 thousand).

14) Employee benefits

Provisions for employee benefits at 30 June 2019 totalled EUR 31,425 thousand (31 December 2018: EUR 31,777 thousand) and did not change significantly over the year. The caption includes provisions for employee benefits and post-employment benefits.

Liabilities are also recognised for future commitments when the conditions for recognition are fulfilled. These are connected with medium/long-term incentive plans that will be paid to employees at the end of the plan period. The long-term incentive (LTI) plan envisages the payment of a variable monetary bonus, calculated as a percentage on the basis of the gross annual salary of the beneficiary, which is tied to the achievement of the business and financial objectives set forth in the business plan.

Liabilities for employee benefits, mainly in Turkey, Belgium and Norway, are included in the defined benefit plans and are partly funded by insurance plans. In particular, plan assets refer to the pension plans in Belgium and Norway.

Post-employment benefits are an unfunded and fully provisioned liability recognised for benefits attributable to employees upon or after termination of employment. As they are defined benefit plans, actuarial assumptions are used for their measurement.

15) Provisions

Non-current and current provisions amounted to EUR 27,767 thousand (31 December 2018: EUR 27,804 thousand) and EUR 14,969 thousand (31 December 2018: EUR 15,525 thousand) respectively.

(EUR '000)	Quarry restructuring provision	Litigation provision	Other provisions	Total provisions
Balance at 1 January 2019	**23,165**	**4,576**	**15,588**	**43,329**
Provisions	359	148	106	613
Utilisations	(221)	(250)	(339)	(810)
Decrease	-	(63)	-	(63)
Change in consolidation scope	-	-	-	-
Translation differences	(159)	(268)	15	(412)
Reclassifications	-	80	-	80
Other changes	-	-	-	-
Balance at 30 June 2019	**23,144**	**4,223**	**15,370**	**42,737**
Including:				
Non-current provisions	22,759	1,032	3,976	**27,767**
Current provisions	385	3,191	11,393	**14,969**

(EUR '000)	Quarry restructuring provision	Litigation provision	Other provisions	Total provisions
Balance at 1 January 2018	**25,226**	**2,051**	**5,018**	**32,295**
Provisions	330	3,012	11,215	**14,557**
Utilisations	(1,202)	(68)	(1,369)	**(2,639)**
Decrease	-	(128)	(115)	**(243)**
Change in consolidation scope	-	-	657	**657**
Translation differences	(990)	(425)	46	**(1,369)**
Reclassifications	(199)	134	136	**71**
Other changes	-	-	-	**-**
Balance at 31 December 2018	**23,165**	**4,576**	**15,588**	**43,329**
Including:				
Non-current provisions	22,904	971	3,929	**27,804**
Current provisions	261	3,605	11,659	**15,525**

16) Trade payables

The carrying amount of trade payables approximates their fair value; the caption breaks down as follows:

(EUR '000)		30.06.2019	31.12.2018
Suppliers		179,261	223,967
Related parties	(note 32)	286	501
Advances		2,351	3,741
Trade payables		**181,898**	**228,209**

The decrease in trade payables compared to 31 December 2018 is due to the cyclical nature of the reference business' working capital.

17) Financial liabilities

Non-current and current financial liabilities are shown below:

(EUR '000)		30.06.2019	31.12.2018
Bank loans and borrowings		445,813	450,980
Non-current loan liabilities - related parties	(note 32)	-	-
Other loan liabilities		59,512	
Fair value of derivatives		10,113	10,482
Non-current financial liabilities		**515,438**	**461,462**
Bank loans and borrowings		-	-
Current portion of non-current financial liabilities		13,744	14,617
Current loan liabilities - related parties	(note 32)	-	-
Other loan liabilities		21,399	2,608
Fair value of derivatives		15,468	10,182
Current financial liabilities		**50,611**	**27,407**
Total financial liabilities		**566,049**	**488,869**

The carrying amount of non-current and current financial liabilities approximates their fair value.

Non-current financial liabilities increased compared to 31 December 2018 due to the new accounting standard IFRS 16 *Leases* on the accounting treatment of leases. For current financial liabilities, the increase is mainly attributable to the worsening of the Fair Value of hedging derivatives by EUR 5 million and the increase in other loan liabilities following the introduction of IFRS 16.

Approximately 94% of financial liabilities are subject to financial covenants, which the Group complied with at 30 June 2019. In particular, the covenants to be complied with are the ratio of net financial debt to EBITDA at consolidated level and the ratio of EBITDA to net financial expense.

At 30 June 2019 the current and non-current financial liabilities include EUR 80.8 million of lease liabilities ensuing from the first-time adoption of the new accounting standard IFRS 16.

As required by CONSOB Communication 6064293 of 28 July 2006, the Group's net financial debt is shown in the next table:

(EUR '000)	30.06.2019	31.12.2018
A. Cash	470	316
B. Other cash equivalents	165,537	232,298
C. Securities held for trading	-	-
D. Cash and cash equivalents	**166,007**	**232,614**
E. Current loan assets	**977**	**840**
F. Current bank loans and borrowings	-	-
G. Current portion of non-current debt	(1,119)	(1,982)
H. Other current loan liabilities	(49,492)	(25,425)
I. Current financial debt (F+G+H)	**(50,611)**	**(27,407)**
J. Net current financial position (debt) (I-E-D)	**116,373**	**206,047**
K. Non-current bank loans and borrowings	(455,926)	(461,462)
L. Bonds issued	-	-
M. Other non-current liabilities	(59,512)	-
N. Non-current financial debt (K+L+M)	**(515,438)**	**(461,462)**
O. Net financial debt (J+N)	**(399,065)**	**(255,415)**

18) Current tax liabilities

Current tax liabilities amounted to EUR 19,836 thousand (31 December 2018: EUR 13,737 thousand) and relate to income tax payable, net of payments on account.

19) Other non-current and current liabilities

Other non-current liabilities, totalling EUR 4,435 thousand (31 December 2018: EUR 4,768 thousand) included approximately EUR 3.3 million of deferred income (31 December 2018: EUR 4.1 million) relating to future benefits from a business agreement which started to accrue from 1 January 2013, which are payable after five years (31 December 2018: EUR 0.8 million beyond five years) .

Other current liabilities totalled EUR 50,787 thousand (31 December 2018: EUR 47,868 thousand) and break down as follows:

(EUR '000)		30.06.2019	31.12.2018
Personnel		26,615	24,914
Social security institutions		3,625	3,152
Payables to related parties	(note 32)	5	6
Deferred income		932	1,035
Accrued expenses		1,771	1,151
Other sundry liabilities		17,839	17,610
Other current liabilities		**50,787**	**47,868**

Deferred income refers to the future benefits of the above-mentioned business agreement (approximately EUR 0.8 million; EUR 0.8 million at 31 December 2018).

Other sundry liabilities principally consisted of tax liabilities for employee withholdings and VAT liabilities.

20) Deferred tax assets and liabilities

Deferred tax liabilities totalling EUR 145,873 thousand (31 December 2018: EUR 145,282 thousand) and deferred tax assets totalling EUR 48,848 thousand (31 December 2018: EUR 46,772 thousand) break down as follows:

(EUR '000)	Deferred tax liabilities	Deferred tax assets
Balance at 1 January 2019	**145,282**	**46,772**
Accrual, net of utilisation in profit or loss	546	2,313
Increase, net of decreases in equity	158	573
Change in consolidation scope	-	-
Translation differences	(78)	(488)
Other changes	(35)	(322)
Balance at 30 June 2019	**145,873**	**48,848**

21) Revenue

(EUR '000)		1st Half 2019	1st Half 2018
Product sales		549,336	543,003
Product sales to related parties	(note 32)	32	524
Services		42,569	44,940
Revenue		**591,937**	**588,467**

In the first half of the year, revenue totalled EUR 591.9 million, an increase of 0.6% compared to EUR 588.5 million in the first half of 2018 (-5.0% on a like-for-like basis). This increase is due to the consolidation of LWCC in the entire first half of 2019, the positive performance in the Nordic & Baltic region (+3%), Belgium (+6%) and Egypt (+53%), offset by the negative performance in Turkey due to the well-known economic situation.

Revenue by product are shown below:

1st Half 2019	Nordic & Baltic		Belgium	North America	Turkey	Egypt	Asia Pacific	Italy	Unallocated items and adjustments**	CEMENTIR HOLDING GROUP
(EUR '000)	Denmark	Others *		USA						
Cement	127,513	29,102	66,858	70,894	33,706	17,262	43,594	-	*(31,619)*	**357,310**
Ready-mixed concrete	66,154	85,299	37,420	-	11,870	-	-	-	-	**200,743**
Aggregates	2,014	15,173	30,189	-	-	-	1,066	-	-	**48,442**
Waste	-	-	-	-	7,260	-	-	-	-	**7,260**
Other assets	-	(1,491)	-	5,867	6,216	-	-	32,401	*(13,587)*	**29,406**
Unallocated items and	*(14,514)*	-	-	-	*(5,862)*	-	*(1,002)*	-	*(29,846)*	***(51,224)***
Revenue	**181,167**	**128,083**	**134,467**	**76,761**	**53,190**	**17,262**	**43,658**	**32,401**	***(75,052)***	**591,937**

1st Half 2018	Nordic & Baltic		Belgium	North America	Turkey	Egypt	Asia Pacific	Italy	Unallocated items and adjustments**	CEMENTIR HOLDING GROUP
(EUR '000)	Denmark	Others *		USA						
Cement	120,196	26,990	59,881	36,911	68,505	11,276	41,450	-	*(25,850)*	**339,359**
Ready-mixed concrete	68,759	94,605	39,057	-	26,715	-	-	-	*(1,610)*	**227,526**
Aggregates	1,992	-	27,683	-	-	-	1,493	-	-	**31,168**
Waste	-	-	-	-	9,201	-	-	-	-	**9,201**
Other assets	-	-	-	5,065	8,812	-	-	40,065	*(5,850)*	**48,092**
Unallocated items and	*(15,138)*	-	-	-	*(12,161)*	-	*(1,478)*	-	*(38,102)*	***(66,879)***
Revenue	**175,809**	**121,595**	**126,621**	**41,976**	**101,072**	**11,276**	**41,465**	**40,065**	**(71,412)**	**588,467**

* "Other" includes the operations in Norway, Sweden, Iceland, Poland and Russia.
** "Unallocated items and adjustments" mainly refers to infra-group transactions

22) Increase for internal work and other operating revenue

Increase for internal work of EUR 3,574 thousand (EUR 5,263 thousand in the first half of 2018) refers to the capitalisation of material and personnel costs used in the realisation of property, plant and equipment and intangible fixed assets. Other operating revenue of EUR 3,920 thousand (EUR 4,244 thousand in the first half of 2018) breaks down as follows:

(EUR '000)		1st Half 2019	1st Half 2018
Rent, lease and hires		996	606
Rent, lease and hires - related parties	(note 32)	16	16
Gains		522	502
Release of provision for risks		63	43
Insurance refunds		4	11
Other revenue and income		2,318	3,064
Other revenue and income - related parties	(note 32)	1	2
Other operating revenue		**3,920**	**4,244**

23) Raw materials costs

(EUR '000)	1st Half 2019	1st Half 2018
Raw materials and semi-finished products	122,482	134,322
Fuel	42,061	61,155
Electrical energy	36,100	37,346
Other materials	29,313	23,450
Change in raw materials, consumables and goods	1,572	(11,575)
Raw materials costs	**231,528**	**244,698**

24) Personnel costs

(EUR '000)	1st Half 2019	1st Half 2018
Wages and salaries	76,871	73,648
Social security charges	14,884	13,229
Other costs	4,699	4,069
Personnel costs	**96,454**	**90,946**

Personnel costs amounted to EUR 96,454 thousand (EUR 90,946 thousand in the first half of 2018), an increase of 6.1% over the first half of 2018 due to the impact of LWCC, which was consolidated from 1 April 2018; on a like-for-like basis, the increase was 2%.

The Group's workforce breaks down as follows:

	30.06.2019	31.12.2018	30.06.2018	Average 30.06.2019	Average 30.06.2018
Executives	77	72	76	76	69
Middle management, white collars and intermediates	1,322	1,313	1,339	1,313	1,303
Blue collars	1,650	1,698	1,707	1,676	1,656
Total	**3,049**	**3,083**	**3,119**	**3,065**	**3,028**

More specifically, at 30 June 2019, employees in service at the parent and the other direct subsidiaries numbered 78 (72 at 31 December 2018); those at the Cimentas Group numbered 777 (31 December 2018: 819), those at the Aalborg Portland Group numbered 1,067 (31 December 2018: 1,053), those at the Unicon Group numbered 657 (31 December 2018: 664), and those at the CCB Group numbered 470 (31 December 2018: 475).

25) Other operating costs

(EUR '000)		1st Half 2019	1st Half 2018
Transport		76,800	73,355
Services and maintenance		49,422	51,624
Consultancy		7,044	5,867
Insurance		2,503	2,210
Other miscellaneous services – related parties	(note 32)	266	266
Rent, lease and hires		5,434	12,224
Rent, lease and hires - related parties	(note 32)	47	783
Other operating costs		24,611	27,164
Other operating costs		**166,127**	**173,493**

26) Amortisation, depreciation, impairment losses and provisions

(EUR '000)	1st Half 2019	1st Half 2018
Amortisation	9,034	7,075
Depreciation	43,050	30,014
Provisions	215	390
Impairment losses	302	24
Amortisation, depreciation, impairment losses and provisions	**52,601**	**37,503**

The item amortisation, depreciation, impairment losses and provisions includes EUR 12.1 million in right-of-use assets ensuing from the first-time adoption of the new accounting standard IFRS 16.

27) Net financial income (expense) and share of net profits of equity-accounted investees

The net financial expense for the first half of 2019 of EUR 15,496 thousand (first half of 2018: net financial income EUR 35,482 thousand) relates to the share of net profits of equity-accounted investees and net financial expense, broken down as follows:

(EUR '000)	1st Half 2019	1st Half 2018
Share of profits of equity-accounted investees	119	881
Share of losses of equity-accounted investees	(61)	(302)
Share of net profits of equity-accounted investees	**58**	**579**
Interest and financial income	2,330	1,732
Grants related to interest	66	-
Financial income on derivatives	465	14,220
Revaluation of equity investments	-	38,855
Total financial income	*2,861*	*54,807*
Interest expense	(6,514)	(8,105)
Other financial expense	(3,044)	(6,305)
Losses on derivatives	(5,149)	(989)
Write-downs of equity investments	-	-
Total financial expense	*(14,707)*	*(15,399)*
Exchange rate gains	3,550	2,496
Exchange rate losses	(7,528)	(7,001)
Foreign exchange rate gains (losses)	*(3,708)*	*(4,505)*
Net financial income (expense)	**(15,554)**	**34,903**
Net financial income (expense) and share of net profits of equity-accounted investees	**(15,496)**	**35,482**

Net financial expense came to EUR 15.5 million (net financial income of EUR 34.9 million in the first half of 2018). The balance for the first half of 2018 includes EUR 38.9 million of the fair value remeasurement of the 24.5% share already held by the Group in LWCC, as required by the IFRS (IFRS 3 Business Combinations), recognised in the second quarter with the line-by-line consolidation of LWCC and the positive mark-to-market valuation of financial instruments by EUR 14.2 million..

Of the foreign exchange gains (EUR 3.5 million) and losses (EUR 7.3 million), approximately EUR 0.6 million were unrealised gains (EUR 1.7 million in the first half of 2018) and approximately EUR 3.9 million were unrealised losses (EUR 0.5 million in the first half of 2018).

Interest expense includes EUR 0.7 million in interest on lease liabilities arising from the first-time adoption of the new IFRS 16 accounting standard.

28) Income taxes

(EUR '000)	1st Half 2019	1st Half 2018
Current taxes	13,753	13,901
Deferred taxes	(1,719)	2
Income taxes	**12,037**	**13,903**

29) Earnings per share

Basic earnings per share are calculated by dividing profit attributable to the owners of the parent by the weighted average number of ordinary shares outstanding in the year.

	1st Half 2019	1st Half 2018
Profit for the period (EUR '000)	27,332	77,591
Weighted average number of outstanding ordinary shares ('000)	159,120	159,120
Earnings per share (EUR)	**0.172**	**0.488**

Diluted earnings per share equal the basic earnings per share as the only outstanding shares are the parent's ordinary shares.

30) Other comprehensive income (expense)

The following table gives a breakdown of other comprehensive income (expense), including and excluding the related tax effect:

	1st Half 2019			1st Half 2018		
(EUR '000)	Gross amount	Tax effect	Net amount	Gross amount	Tax effect	Net amount
Net actuarial gains (losses) on post-employment benefits	-	-	**-**	-	-	**-**
Foreign currency translation differences - foreign operations	(10,444)	-	**(10,444)**	(32,923)	-	**(32,923)**
Financial instruments	(1,369)	270	**(1,099)**	(4,602)	1,120	**(3,482)**
Total other components of other comprehensive income (expense)	**(11,813)**	**270**	**(11,543)**	**(37,525)**	**1,120**	**(36,405)**

31) Fair value hierarchy

IFRS 13 requires that financial instruments carried at fair value be classified using a hierarchy which reflects the sources of the inputs used to measure their fair value. The hierarchy consists of the following levels:

- Level 1: measurement of fair value using quoted prices on active markets for identical assets or liabilities.
- Level 2: measurement of fair value using inputs other than the quoted prices included within Level 1 which are directly observable (such as prices) or indirectly observable (i.e., derived from prices) on the market.
- Level 3: measurement of fair value using inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of assets and liabilities is classified as follows:

30 June 2019 (EUR '000)	Note	Level 1	Level 2	Level 3	Total
Investment property	4		56,317	29,185	**85,502**
Current financial assets (derivative instruments)	9		235	-	**235**
Total assets			**56,552**	**29,185**	**85,737**
Current financial liabilities (derivative instruments)	17		(15,468)	-	**(15,468)**
Total liabilities			**(15,468)**	**-**	**(15,468)**

31 December 2018 (EUR '000)	Note	Level 1	Level 2	Level 3	Total
Investment property	4	-	61,027	29,125	**90,152**
Current financial assets (derivative instruments)	9	-	71	-	**71**
Total assets		**-**	**61,098**	**29,125**	**90,223**
Current financial liabilities (derivative instruments)	17	-	(10,182)	-	**(10,182)**
Total liabilities		**-**	**(10,182)**	**-**	**(10,182)**

32) Related-party transactions

On 5 November 2010, the Board of Directors of Cementir Holding SpA approved and subsequently updated a new procedure for related-party transactions complying with CONSOB guidelines, issued pursuant to CONSOB Resolution No. 17221 of 12 March 2010 and subsequent amendments and additions thereto, designed to ensure the transparency and the substantial and procedural fairness of related-party transactions within the Group, as last amended by the Board of Directors of 3 March 2017. The procedure is published on the parent's website www.cementirholding.it

Transactions performed by Group companies with related parties are part of normal business operations and take place at arm's-length conditions. No atypical or unusual transactions took place. The following tables show the value of related-party transactions:

30 June 2019 (EUR '000)	Ultimate parent	Associates	Companies under common control	Other related parties	Total related parties	Total financial statements caption	% of caption
Statement of financial position							
Trade receivables	-	-	127	-	**127**	**201,495**	0.1%
Trade payables	225		61	-	**286**	**181,898**	0.2%
Other current liabilities	-	-	5	-	**5**	**50,787**	0.01%
Income statement							
Revenue	-	-	31	-	**31**	**591,937**	0.01%
Other operating revenue	-	-	17	-	**17**	**3,920**	0.4%
Other operating costs	225	-	88	-	**313**	**166,127**	0.2%

31 December 2018 (EUR '000)	Ultimate parent	Associates	Companies under common control	Other related parties	Total related parties	Total financial statements	% of caption
Statement of financial position							
Trade receivables	33		110		**143**	**163,553**	0.1%
Trade payables	450		51		**501**	**228,209**	0.2%
Other current liabilities	-	-	6		**6**	**47,869**	0.01%
30 JUNE 2018							
Income statement							
Revenue	-	-	524	-	**524**	**588,467**	0.1%
Other operating revenue	-	-	18	-	**18**	**4,244**	0.4%
Other operating costs	225	-	824	-	**1,049**	**173,493**	0.6%

The main related-party transactions are summarised below.

Business transactions with associates concern the sale of goods and semi-finished products (cement and clinkers) at arm's-length conditions. Revenue and costs connected with business transactions with the ultimate parent and companies under common control include various services.

For relations of a financial nature, there are no non-current financial liabilities with related parties (consistent with 31 December 2018).

The Group did not grant loans to directors, statutory auditors or key management personnel during the reporting period and did not have loan assets due from them at 30 June 2019.

33) Other information

On 28 June 2019, the extraordinary shareholders' meeting of Cementir Holding approved the transfer of the registered office to Amsterdam, The Netherlands, to be carried out by adopting the legal form of a "naamloze vennootschap" governed by Dutch law, called "Cementir Holding N.V.", and by adopting new by-laws.

The transfer is expected to be completed, subject to the conditions precedent to which it is subject, by October 2019. It will not affect the company's listing on the Italian Stock Exchange or its tax residence, which will remain in Italy.

In the context of a dispute initiated in 2014 between the regulatory and supervisory body of the Turkish Stock Exchange (the so-called Capital Market Board - CMB) and the Turkish company Cimentas AS, indirectly controlled by Cementir Holding SpA, concerning the intra-group sale price of the investment in Alfacem in 2009, the recent ruling of the administrative court qualified the purchase and sale of Alfacem shares as a "hidden distribution of profits". However, the court cancelled the part of CMB's original decision concerning the amount of the alleged hidden distribution and the obligation to return. Consequently, at present, there is no effective decision requiring the downgrading of an alleged hidden distribution of profits. Both Cimentas and CMB are appealing against the judgment of the court, for the parties in respect of which they are respectively the unsuccessful party.

Finally, there are four distinct proceedings where Cementir Holding S.p.A., though not the party in question, is responsible for managing defence and could abstractly have to pay indemnity obligations, in agreements with Italcementi S.p.A. for the sale of the shares of Cementir Italia S.p.A. (now named Cemitaly S.p.A. by the new owners), Cementir Sacci S.p.A. (now Italsacci S.p.A.) and Betontir S.p.A., which became effective on 2 January 2018.

Antitrust proceedings

On 7 August 2017, upon completion of an investigation, the Italian Antitrust Authority ("Authority") served Cemitaly S.p.A. ("Cemitaly"), formerly Cementir Italia S.p.A., its final decision, imposing an administrative fine of EUR 5,090,000. The Authority found that the parties involved in the proceedings had a single, complex and ongoing arrangement to coordinate cement sales prices across Italy, also supported by a survey of the trend in their respective market shares that was carried out through an exchange of sensitive information facilitated by the industry association AITEC.

On 6 October 2017, Cemitaly appealed to the Regional Administrative Court (TAR) of Lazio for the suspension and subsequent cancellation of the final decision of the Authority, claiming it to be without foundation and unreasonable. On 11 November 2017, the Regional Administrative Court of Lazio did not grant a suspension of the decision, setting the hearing for June 2018.

With a ruling published on 30 July 2018, the Lazio Regional Administrative Court rejected the appeal in its entirety, confirming the validity of the sanctioning measure.

By appeal notified on 5 October 2018, Cemitaly therefore asked the Council of State to annul the ruling in its entirety and consequently the penalty or, alternatively, to refer a preliminary ruling to the Court of Justice, or to partially annul the ruling and the measure insofar as they recognise Cemitaly's participation in the disputed agreement and - as a result - apply the penalty imposed or, in the further alternative, to partially annul the ruling and the measure with reference to the erroneous quantification of the penalty.

On 21 March 2019, the Council of State published its decision rejecting Cemitaly's appeal as unfounded for the reasons set out in the grounds.

Tax proceedings against Cementir Italia (Eco-tax)

In 2015, the Taranto Finance Police (Guardia di Finanza) and the Taranto Provincial Police Headquarters began a tax audit of Cemitaly at the Taranto plant to check on payment of the special tax for the disposal in landfill of solid waste (“Eco-tax”), relating to the slag stored and used in the Taranto plant. On 19 October 2016, despite the defence submitted by Cemitaly, Puglia Region Local Tax Service issued a notice to pay a total of EUR 1.3 million, confirmed by the definitive tax assessment dated 12 January 2017.

Cemitaly has appealed to the Provincial Tax Commission of Bari against this decision, requesting its suspension and subsequent cancellation. The company retains that its slag is not waste but rather a by-product and in any case is not waste to be sent to landfill and hence is not subject to tax, as the material can be perfectly well recovered and used in the cement production cycle. In addition, disposal of slag is not an instance of illegal waste disposal.

On 28 June 2017, the Provincial Tax Commission of Bari accepted the request to suspend the disputed decision and set the hearing to discuss the matter for 13 December 2017.

With the decision of 14 December 2017, the Provincial Tax Commission of Bari rejected the appeal of the company. Cemitaly considers the decision to be both factually and legally incorrect. As proof of this, the offending "waste" has in the meantime been fully removed from the area of the Taranto plant and entirely recovered.

On this basis, the company appealed the first instance ruling before the Regional Tax Commission of Puglia.

Moreover, in order to avoid the continuation of a dispute with an objectively uncertain outcome, the company finally settled the dispute via the Judicial Conciliation institution pursuant to art. 48 of Legislative Decree no. 546 of 31 December 1992. This act, dated 25 June 2019 and signed also by the Puglia Region, provides for the payment of EUR 538,320.17 in full settlement and the removal of any claim in this regard. After payment of this amount on 28 June 2019, the Regional Tax Commission of Puglia is expected to declare the matter closed.

Preventive seizure of specific areas and facilities in the Cemitaly plant at Taranto

On 28 September 2017, a preventive seizure order was served on Cemitaly, Ilva SpA (in extraordinary administration) and Enel Produzione SpA, as well as some employees of the three companies, issued by the Preliminary Investigating Judge of Lecce (Case no. 3135/17 R.Gip), which also appointed the guardians and legal administrators.

As concerns Cemitaly, the seizure order related to:

1) seizure of the Cemitaly plant in Taranto, with provisional usage rights, subject to the order to immediately cease procuring ash from the Enel Produzione plant and Brindisi and the use in Cemitaly’s production cycle of fly ash compliant with application legislation;
2) seizure of the remaining inventories stored in warehouses and/or other organisational units within Italy pertaining to Cemitaly of Portland cement produced using fly ash from the Enel Produzione plant in Brindisi.

3) seizure of the assets owned by the company in Taranto used to process Ilva slag with provisional usage rights, for a period of 60 days, subject to the order for Cemitaly to manage the slag as waste and to characterise and possibly restore the areas used to store the slag.

Cemitaly's involvement concerns the administrative offences set out in articles 5, 6 and 25-undecies, paragraph 2 letter F) Legislative Decree 231/2001 referred to article 260 of Legislative Decree 152/2006, as the actions described above are alleged to have been committed by persons responsible for the direction and management of the plant in Taranto.

According to the investigators' allegations (i) the fly ash that Cemitaly bought from Enel Produzione did not comply with applicable legislation, as traces of substances not derived solely from burning coal were found. Cemitaly's involvement in the issue, as mere purchaser of the product, is due to allegations that it knew about this situation; (ii) the blast-furnace slag supplied by Ilva to Cemitaly should be treated as waste, due to its alleged "mechanical" impurities (presence of ferrous metals, crushed stone, debris, etc). According to the investigators, this is also proved by the treatments to which the slag in question needs to be subjected in order to be used in the cement production cycle, namely screening and deferrization, both of which are outside "normal industrial practice" for "pozzolana cement".

Both allegations appear to be completely without foundation.

The supply of fly ash ceased in early 2016 and there are therefore no remaining quantities of cement produced using fly ash from Enel Produzione.

Regarding the slag supplied by Ilva, "the normal industrial practice" for the use of slag (which is different to pozzolana) in the production of cement includes both screening and deferrization, both expressly authorised in the Integrated Environmental Authorisation (AIA) of the Taranto plant.

With a series of subsequent measures, the judge - on request of the prosecutor - launched a special enquiry into the above events.

At the same time, the judge "unblocked" a series of rights of the company that were originally prevented by the seizure, including the right to sell the slag cement stored at the site on the date of seizure.

With the report deposited on 16 July 2018, experts appointed by the Court found (i) that the blast-furnace slag supplied by Ilva to Cemitaly qualifies, for all purposes, as a by-product; (ii) that the fly ash that Cemitaly bought from Enel Produzione, originating from the thermoelectric plant in Brindisi, is compliant with applicable regulations.

On 23 July 2018, the company presented a formal appeal to release the Taranto production plant, on the grounds that the accusations were manifestly unfounded, as proven by the expert's report. By order of 31 July 2018, the Public Prosecutor's Office of Lecce ordered the release of all seized assets. The Judge then set the hearing for the discussion of the technical report for 22 January 2019. On that date the trial was adjourned until the hearing of 15 April 2019 during which the experts were examined, almost exclusively on the question of fly ash, while a few questions concerned the slag.

Despite the certainly favourable outcome of the expert's report for the defence, the Public Prosecutor decided to notify the notice of conclusion of the investigation (pursuant to art. 415 bis cpp) to all the defendants, for all the provisional charges already formulated in the seizure order. The defendants have until 31 August to submit defence briefs and/or technical advice.

Litigation against Cemitaly S.p.A. by Lavorazioni Inerti Fluviali s.r.l. (LAIF)

With a claim form served on 22 March 2019, L.A.I.F. summonsed Cemitaly before the Civil Court of Rome. L.A.I.F. claimed to have obtained supplies of cement in bulk from Cemitaly from July 2014 to December 2015 (i.e. the period of the infringement as ascertained by the measure itself) and consequently requested the payment of EUR 400,000, plus interest and monetary revaluation, as compensation for the damage allegedly caused by the defendant's participation in the alleged "cartel", the existence of which was ascertained in the proceedings before the Antitrust Authority referred to above.

Cemitaly is currently appearing before the court. This company intends to demonstrate that, given the specific nature of the supply relationship with LAIF, which, by force of circumstance, could not have been included in the antitrust authority's measure, aimed at a general assessment, (i) no damage has occurred and that (ii) if there has been any damage (though this assumption is excluded), L.A.I.F. has certainly passed it on to its customers according to the passing-on scheme, i.e. the passing on to customers of the alleged undue increase in the price of the cement supply. In addition, Cemitaly intends to plead the lack of jurisdiction of the court and the nullity of the claim form.

The first hearing is scheduled for 11 September 2019.

34) Significant events after the reporting date

Please refer to the half year Directors' Report for any information on significant events that occurred after the reporting date.

ANNEX

Annex 1

List of equity investments at 30 June 2019

Company name	Registered office	Share capital	Currency	Type of % Direct	% Indirect	Investment held by Group companies	Method
Cementir Holding SpA	Rome (I)	159,120,000	EUR			Parent	Line-by-line
Aalborg Cement Company Inc.	Branchburg N.J. (USA)	1,000	USD		100	Aalborg Portland US Inc,	Line-by-line
Aalborg Portland Holding A/S	Aalborg (DK)	300,000,000	DKK		75 23	Cementir Espana SL Globocem SL	Line-by-line
Aalborg Portland A/S	Aalborg (DK)	100,000,000	DKK		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland Belgium SA	Antwerp (B)	500,000	EUR		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland España SL	Madrid (E)	3,004	EUR		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland France SAS	Paris (FR)	10,010	EUR		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland Islandì EHF	Kopavogur (IS)	303,000,000	ISK		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland Malaysia Sdn Bhd	Perak (MAL)	95,400,000	MYR		of 13 May 2011	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland Polska Spzoo	Warszawa (PL)	100,000	PLN		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland US Inc	Branchburg N.J. (USA)	1,000	USD		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland (Anqing) Co Ltd	Anqing (CN)	265,200,000	CNY		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland (Australia) Pty Ltd	Brisbane (AUS)	1,000	AUD		100	Aalborg Portland Malaysia Sdn Bhd	Line-by-line
Aalborg Portland OOO	Kingisepp (RUS)	14,700,000	RUB		99.9 0.1	Aalborg Portland A/S Aalborg Portland Holding A/S	Line-by-line
Aalborg Resources Sdn Bhd	Perak (MAL)	2,543,972	MYR		100	Aalborg Portland Malaysia Sdn Bhd	Line-by-line
AB Sydsten	Malmö (S)	15,000,000	SEK		50	Unicon A/S	Line-by-line
AGAB Syd Aktiebolag	Svedala (S)	500,000	SEK		40	AB Sydsten	Equity
Alfacem Srl	Rome (I)	1,010,000	EUR	99.99		Cementir Holding SpA	Line-by-line
Basi 15 Srl	Rome (I)	400,000	EUR	100		Cementir Holding SpA	Line-by-line
Cementir Espana SL	Madrid (E)	3,007	EUR	100		Cementir Holding SpA	Line-by-line
Cimbeton AS	Izmir (TR)	1,770,000	TRY		50.28 0.06	Cimentas AS Kars Cimento AS	Line-by-line
Cimentas AS	Izmir (TR)	87,112,463	TRY		97.8 0.12 0.48	Aalborg Portland España Cimbeton AS Kars Cimento AS	Line-by-line
Compagnie des Ciments Belges SA	Gaurain (B)	179,344,485	EUR		100	Aalborg Portland Holding A/S	Line-by-line
Compagnie des Ciments Belges France SAS (CCBF)	Villenueve d'Ascq (FR)	34,363,400	EUR		100	Compagnie des Ciments Belges SA	Line-by-line
Destek AS	Izmir (TR)	50,000	TRY		99.99 0.01	Cimentas AS Cimentas Foundation	Line-by-line

Annex 1 *(cont'd)*

Company name	Registered office	Share capital	Currency	Type of % Direct	% Indirect	Investment held by Group companies	Method
De Paepe Beton NV	Gent (B)	500.000	EUR		100	Compagnie des Ciments Belges SA	Line-by-line
ECOL Unicon Spzoo	Gdansk (PL)	1,000,000	PLN		49	Unicon A/S	Equity
Gaetano Cacciatore LLC	Branchburg N.J. (USA)	-	USD		100	Aalborg Cement Company Inc	Line-by-line
Globocem SL	Madrid (E)	3,007	EUR		100	Alfacem Srl	Line-by-line
Ilion Cimento Ltd	Izmir (TR)	300,000	TRY		100	Cimbeton AS	Line-by-line
Kars Cimento AS	Izmir (TR)	513,162,416	TRY		41.55 58.45	Cimentas AS Alfacem Srl	Line-by-line
Kudsk & Dahl A/S	Vojens (DK)	10,000,000	DKK		100	Unicon A/S	Line-by-line
Lehigh White Cement Company	West Palm Beach (USA)	-	USD		24.52 38.73	Aalborg Cement Company Inc White Cement Company LLC	Line-by-line
Neales Waste Management Ltd	Preston (GB)	100,000	GBP		100	NWM Holdings Ltd	Line-by-line
NWM Holdings Ltd	Preston (GB)	5,000,001	GBP		100	Recydia AS	Line-by-line
Quercia Ltd	Preston (GB)	5,000,100	GBP		100	NWM Holdings Ltd	Line-by-line
Recybel SA	Liegi-Flemalle (B)	99,200	EUR		25.5	Compagnie des Ciments Belges SA	Equity
Recydia AS	Izmir (TR)	759,544,061	TRY		67.39 23.72 8.89	Kars Cimento AS Cimentas AS Aalborg Portland Holding	Line-by-line
Sinai White Portland Cement Co. SAE	Cairo (ET)	350,000,000	EGP		71.11	Aalborg Portland Holding A/S	Line-by-line
Skane Grus AB	Ljungbyhed (S)	1,000,000	SEK		60	AB Sydsten	Line-by-line
Société des Carrières du Tournaisis SA	Gaurain (B)	12,297,053	EUR		65	Compagnie des Ciments Belges SA	Proportionate
Spartan Hive SpA	Rome (I)	300,000	EUR	100		Cementir Holding SpA	Line-by-line
Sureko AS	Izmir (TR)	43,443,679	TRY		100	Recydia AS	Line-by-line
Svim 15 Srl	Rome (I)	400,000	EUR	100		Cementir Holding SpA	Line-by-line
Trabel Affretement SA	Gaurain (B)	61,500	EUR		100	Compagnie des Ciments Belges SA	Line-by-line
Trabel Transports SA	Gaurain (B)	750,000	EUR		100	Compagnie des Ciments Belges SA	Line-by-line
Unicon A/S	Copenaghen (DK)	150,000,000	DKK		100	Aalborg Portland Holding A/S	Line-by-line
Unicon AS	Oslo (N)	13,289,100	NOK		100	Unicon A/S	Line-by-line
Vianini Pipe Inc	Branchburg N.J. (USA)	4,483,396	USD		99.99	Aalborg Portland US Inc	Line-by-line
White Cement Company LLC	Branchburg N.J. (USA)	-	USD		100	Aalborg Cement Company Inc.	Line-by-line

Rome, 26 July 2019

Chairman of the Board of Directors

/s/ Francesco Caltagirone Jr.

Statement on the condensed interim consolidated financial statements pursuant to article 81-ter of CONSOB Regulation No. 11971 of 14 May 1999 and subsequent amendments and integrations

1. The undersigned Francesco Caltagirone Jr., Chairman of the Board of Directors, and Giovanni Luise, as Manager responsible for financial reporting, of Cementir Holding SpA, hereby state, having also taken into consideration the provisions of Article 154-*bis*, paragraphs 3 and 4, of Italian Legislative Decree No. 58 of 24 February 1998 58:

- the adequacy, in relation to the characteristics of the Group, and
- the effective implementation of the administrative and accounting procedures for the preparation of the condensed interim consolidated financial statements as at and for the six-month period ended 30 June 2019.

2. In this regard, there are no findings to report.

3. They also state that:

the condensed interim consolidated financial statements:

a) have been prepared in accordance with the applicable IFRS, as endorsed by the European Union as per Regulation (EC) No. 1606/2002/EC of the European Parliament and of the Council of 19 July 2002;
b) are consistent with the entries in the accounting books and records;
c) provide a true and fair view of the financial position, financial performance and cash flows of the issuer and the companies included in the scope of consolidation.

3.2 The directors' report includes a reliable analysis of the important events that have occurred in the first six months of the year and their impact on the condensed interim consolidated financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The director's report also reliably discloses information on significant transactions with related parties.

Rome, 26 July 2019

Chairman of the Board of Directors	The Manager responsible for Financial reporting
/s/ Francesco Caltagirone Jr.	/s/ Giovanni Luise

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(Translation from the Italian original which remains the definitive version)

Report on review of condensed interim consolidated financial statements

To the shareholders of
Cementir Holding S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Cementir Holding Group, comprising the statement of financial position as at 30 June 2019, the income statement and the statements of comprehensive income, changes in equity and cash flows for the six months then ended and notes thereto. The directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Cementir Holding Group as at and for the six months ended 30 June 2019 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Rome, 31 July 2019

KPMG S.p.A.

(signed on the original)

Marcella Balistreri
Director of Audit