

## Cementir Holding: the Board of Directors approves results for 2012

- **Revenues: EUR 976.2 million (EUR 933.0 million at 31 December 2011)**
- **EBITDA: EUR 138.1 million (EUR 124.2 million at 31 December 2011), up 11.2%**
- **Group net profit: EUR 16.5 million (EUR 3.0 million at 31 December 2011)**
- **Proposed dividend: EUR 0.04 per share (aligned with previous year)**

**Rome, 7 March 2013** – The Board of Directors of Cementir Holding SpA, chaired by Francesco Caltagirone Jr., examined and approved the draft financial statements for the year ended 31 December 2012.

### Financial highlights

| (millions of euro)  | 2012  | 2011  | % Change |
|---------------------|-------|-------|----------|
| Revenues            | 976.2 | 933.0 | +4.6%    |
| EBITDA              | 138.1 | 124.2 | +11.2%   |
| EBIT                | 48.2  | 36.2  | +33.2%   |
| Profit before taxes | 28.6  | 15.6  | +83.4%   |
| Group net profit    | 16.5  | 3.0   | +444.2%  |

### Net financial debt

| (millions of euro) | 31-12-2012 | 31-12-2011 |
|--------------------|------------|------------|
| Net financial debt | 373.0      | 357.5      |

### Sales volumes

| ('000)                                 | 2012  | 2011   | % Change |
|--|-------|--------|----------|
| Grey and white cement (metric tons)    | 9,833 | 10,468 | -6.1%    |
| Ready-mixed concrete (m <sup>3</sup> ) | 3,580 | 3,843  | -6.8%    |
| Aggregates (metric tons)               | 3,490 | 3,834  | -9.0%    |

### Group employees

|                     | 31-12-2012 | 31-12-2011 |
|---------------------|------------|------------|
| Number of employees | 3,311      | 3,200      |

*“Despite the persistent weakness of the economy, Cementir Holding ended 2012 with results up in all the major income statement categories,” commented Francesco Caltagirone Jr., Chairman and CEO of Cementir Holding. “This positive trend has continued for the second straight year as a result of our strategy of geographical diversification initiated over ten years ago and, thanks to the significant contributions made by countries such as China and Malaysia, as well as the Scandinavian countries and Egypt, we are now better protected from the cyclical fluctuations of any given individual market”.*

### **Performance in 2012**

**Revenues** came to around EUR 976.2 million, up 4.6% over 2011, despite the decline in the volumes of sales of cement, ready-mix concrete and aggregates also due to adverse weather conditions in Italy and Turkey in the first part of the year. The positive performance is attributable mainly to good prices in all the Group’s geographical areas, although the growth rates in Scandinavia and Turkey were less robust. The **volumes of cement and clinker** reported in 2012 fell by 6% (from 10.5 million metric tons to 9.8 million metric tons) due to the slowdown in the Italian and Egyptian markets and, to a lesser extent, to the decline in Turkish exports and in Danish sales, partly offset by the positive performance in the Far East, thanks in part to the expanded capacity of the Chinese factory, now in its second full year of operation.

In the **Scandinavian countries**, revenues increased by around EUR 13 million over 2011, driven by good sales performance in Norway, a country that continues to be the leader in growth among the Nordic nations, balancing out the weakness in the Danish and Swedish markets.

In the **Far East**, the expansion in revenues, amounting to about EUR 14 million, is the result of increased sales in China and Malaysia, both domestic and export markets, and higher prices.

In **Egypt**, revenues rose by about EUR 10 million, thanks to increased exports of white cement, offsetting the decline in the domestic market, which is still strongly feeling the effects of the political crisis in that country.

In **Turkey**, by contrast, revenues from sales, expressed in the local currency and based on the same scope of consolidation, were slightly down from 2011 as a consequence of lower volumes of cement sold in export markets with slightly higher prices.

In **Italy**, the consumption of cement and ready-mix concrete continued to decline as a result of a further sharp contraction in the construction and infrastructure industry. Volumes of cement and ready-mix concrete sold domestically dropped substantially from 2011, while overall revenues fell by 5.4%, due to improved prices and a slight increase of exports.

**Operating costs** rose 3.6%, going from EUR 829.5 million in 2011 to EUR 859.3 million in 2012, mainly due to higher transport and logistics costs as a consequence of the increase in exports of cement by Egypt and Denmark and to higher volumes of ready-mix concrete sold in Norway.

The **cost of raw materials** increased slightly (1.5% over 2011), mainly due to higher electricity costs in the Group's major manufacturing countries, only partly offset by the decline in volumes manufactured and the decrease in the unit prices for fuels. Finally, **personnel costs** rose 1.8% over 2011 due to extraordinary, non-recurring charges.

**EBITDA** came to EUR 138.1 million, an improvement in both the absolute value (EUR 124.2 million in 2011) and in terms of profitability: EBITDA margin amounted to 14.1%, compared with 13.3% a year earlier.

**EBIT** amounted to EUR 48.2 million, up 33.2% over 2011 (EUR 36.2 million).

The **net result on equity investments measured using the equity method** came to EUR 2.1 million, up compared to EUR 2.0 million of 2011.

**Net financial result** yielded a negative EUR 21.8 million, an improvement over the previous year (a negative EUR 22.6 million) despite the increase in the average Group debt. Nevertheless, around EUR 9.6 million was represented by unrealised financial expense in respect of the mark-to-market measurements of financial instruments used for hedging purposes.

**Profit before tax** and the **net profit for the period**, amounting to EUR 28.6 and EUR 24.0 million, respectively, marked a considerable improvement over 2011 (EUR 15.6 and EUR 9.8 million).

**Group net profit** came to EUR 16.5 million (EUR 3.0 million in 2011), excluding the portion of the profit attributable to non-controlling interests of EUR 7.6 million (EUR 6.8 million in 2011).

**Total capital expenditure** amounted to EUR 87.5 million and includes certain improvement efforts in respect of energy efficiency, compliance with environmental regulations and investments in the waste management sector.

The **net financial debt** at 31 December 2012 amounted to EUR 373.0 million, increased by EUR 15.5 million compared with 31 December 2011. The change was largely attributable to developments in working capital, investments in the Turkish waste management industry and the distribution of dividends in the amount of EUR 6.5 million, as well as the acquisition of the Neales Waste Management Group in July 2012 for GBP 8.6 million (around EUR 10.7 million).

**Shareholders' equity** at the end of 2012 came to EUR 1,114.1 million (EUR 1,082.9 million in 2011).

### **Significant events**

On **4 July**, Cementir Holding completed its acquisition of the Neales Waste Management Group through the Turkish subsidiary Recydia A.S., which operates in the Turkish waste management and renewable energy business. The British group operates in the collection, treatment, recycling and disposal of urban and industrial waste in the county of Lancashire and in the areas of Manchester and Liverpool (England). Recydia paid a price of GBP 8.6 million at the closing for a 100% stake in the company. The operation is a first step into the promising UK waste management market and confirms Cementir Holding's commitment in the waste treatment and renewable energy segments.

Also on **4 July**, Cementir Holding SpA transferred 25% of the share capital in the Turkish subsidiary Cimentas A.S. to the wholly-owned Danish subsidiary Aalborg Portland A/S as part of a Group reorganisation of equity investments.

On **11 July**, a Framework Agreement on a company reorganisation plan was signed between the subsidiary Cementir Italia and the unions. The operational details of the agreement will be specified more completely by the end of this year.

Finally, on **6 December**, the Group, through the wholly-owned subsidiary Aalborg Portland, entered into a strategic agreement with the Adelaide Brighton Limited Group, the second-leading manufacturer of cement and ready-mix concrete in Australia, that provides for: a) the sale of 30% of Aalborg Portland Malaysia to the Adelaide Brighton Limited Group for USD 29.4 million (about EUR 22.6 million); b) the expansion by Aalborg Portland Malaysia of the productive capacity of its white cement clinker by 150,000 metric tons per year (it currently operates an integrated clinker and white cement production facility in Malaysia with an annual capacity of around 200,000 metric tons). The total investment of USD 18.6 million (EUR 14.3 million) is expected to be completed by the end of 2014; c) a contract for the sale of white clinker by Aalborg Portland Malaysia to a company of the Adelaide Brighton Limited Group for a period of 10 years starting from 2015. This agreement will make it possible for the Cementir Holding Group to expand its sales in the Australian market, thereby becoming that country's leading supplier of white cement, and to significantly increase the EBITDA of Aalborg Portland Malaysia starting from 2015.

### **Outlook**

In 2013, the Group expects to improve revenues as to achieve total turnover above EUR 1 billion, and EBITDA above EUR 150 million. In fact, we expect there to be a modest recovery in sales volumes compared with 2012, thanks to the positive development in white cement sales in China and improvements in Turkey and Malaysia, which should offset the contraction expected in Italy. In Scandinavia, volumes of cement sold should stay at the same level as in 2012, while the volumes of ready-mix concrete should expand, mainly due to good performance in Sweden and Norway.

In Turkey, growth outlook, sustained by high investment in infrastructure, could be influenced by the contraction of the residential market. Price movements should be positive in all the major geographical areas in which the Group operates.

The net debt should fall below EUR 350 million, in the face of a scheduled industrial investment plan of around EUR 73 million.

Potential problems could arise in the Italian market due to renewed contraction in the construction industry as a result of current measures to contain public spending, and in Egypt, where the political and economic situation remains uncertain.

\* \* \*

The Board of Directors has resolved to propose to the Shareholders' Meeting on 18 April at first calling, and 7 May at second calling, that it approve the distribution of a dividend of EUR 0.04 per share aligned with previous year, for a total amount of EUR 6.4 million. The dividend will be paid on 23 May 2013 (ex-dividend date of 20 May), with a record date of 22 May 2013.

\* \* \*

The Board of Directors has approved the Report on Corporate Governance and Ownership Structure pursuant to Article 123-bis of Legislative Decree 58/1998 as well as the Report on Remuneration pursuant to Article 123-ter of Legislative Decree 58/1998 and Article 84-quater of the Issuers Regulation, which will be made available in accordance with the statutory deadlines at the Company's registered office, on the Company's website [www.cementirholding.it](http://www.cementirholding.it) in the Investor Relations/Corporate Governance section and at Borsa Italiana SpA.

Finally, the Board of Directors also approved the latest version of the guidelines for the internal control and risk management system and the update of the Company's Compliance Model (Legislative Decree 231/2001) and the Code of Ethics. The updated documents will also be published on the website [www.cementirholding.it](http://www.cementirholding.it) in the Investor Relations/Corporate Governance section

\* \* \*

*Massimo Sala, as the manager responsible for preparing the Company's financial reports, certifies, pursuant to Article 154-bis (2) of the Consolidated Law on Financial Intermediation, that the accounting information contained in this press release corresponds with that contained in company documents, books and accounting records.*

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

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## CEMENTIR HOLDING GROUP

### Consolidated statement of financial position

| (EUR '000)  | 31 December<br>2012 | 31 December<br>2011 |
|---|---------------------|---------------------|
| <b>ASSETS</b>   |                     |                     |
| Intangible assets with finite useful life                                   | 44,738              | 46,392              |
| Intangible assets with indefinite useful life                               | 441,614             | 431,225             |
| Property, plant and equipment   | 831,701             | 815,310             |
| Investment property   | 104,502             | 93,740              |
| Equity accounted investees  | 16,917              | 15,956              |
| Available for sale financial assets   | 8,231               | 8,148               |
| Non-current financial assets  | 941                 | 1,620               |
| Deferred tax assets   | 60,095              | 48,015              |
| Other non-current assets  | 7,834               | 3,070               |
| <b>TOTAL NON-CURRENT ASSETS</b>   | <b>1,516,573</b>    | <b>1,463,476</b>    |
| Inventories   | 151,721             | 144,287             |
| Trade receivables   | 200,568             | 188,771             |
| Current financial assets  | 3,361               | 1,888               |
| Current tax assets  | 5,146               | 3,681               |
| Other current assets  | 13,541              | 14,691              |
| Cash and cash equivalents   | 84,251              | 91,651              |
| <b>TOTAL CURRENT ASSETS</b>   | <b>458,588</b>      | <b>444,969</b>      |
| <b>TOTAL ASSETS</b>   | <b>1,975,161</b>    | <b>1,908,445</b>    |
| <b>EQUITY AND LIABILITIES</b>   |                     |                     |
| Share capital   | 159,120             | 159,120             |
| Share premium reserve   | 35,710              | 35,710              |
| Other reserves  | 823,628             | 806,707             |
| Profit for the year attributable to the owners of the parent                | 16,462              | 3,025               |
| <b>EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT</b>                      | <b>1,034,920</b>    | <b>1,004,562</b>    |
| Profit for the year attributable to the owners of non-controlling interests | 7,582               | 6,813               |
| Reserves attributable to non-controlling interests                          | 71,621              | 71,506              |
| <b>EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>                     | <b>79,203</b>       | <b>78,319</b>       |
| <b>TOTAL EQUITY</b>   | <b>1,114,123</b>    | <b>1,082,881</b>    |
| Employee benefit obligations  | 17,542              | 17,344              |
| Non-current provisions  | 19,405              | 15,552              |
| Non-current financial liabilities   | 220,251             | 153,164             |
| Deferred tax liabilities  | 95,150              | 96,599              |
| Other non-current liabilities   | 10,820              | 1,469               |
| <b>TOTAL NON-CURRENT LIABILITIES</b>  | <b>363,168</b>      | <b>284,128</b>      |
| Current provisions  | 2,537               | 2,862               |
| Trade payables  | 191,037             | 182,935             |
| Current financial liabilities   | 240,390             | 297,909             |
| Current tax liabilities   | 12,104              | 6,009               |
| Other current liabilities   | 51,802              | 51,721              |
| <b>TOTAL CURRENT LIABILITIES</b>  | <b>497,870</b>      | <b>541,436</b>      |
| <b>TOTAL LIABILITIES</b>  | <b>861,038</b>      | <b>825,564</b>      |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <b>1,975,161</b>    | <b>1,908,445</b>    |



## CEMENTIR HOLDING GROUP

### Consolidated income statement

| (EUR '000)  | 2012             | 2011             |
|---|------------------|------------------|
| <b>REVENUE</b>  | <b>976,193</b>   | <b>933,014</b>   |
| Change in inventories   | 8,264            | 4,289            |
| Increases for internal work   | 4,816            | 4,036            |
| Other operating revenue   | 8,023            | 12,354           |
| <b>TOTAL OPERATING REVENUE</b>  | <b>997,296</b>   | <b>953,693</b>   |
| Raw material costs  | (455,708)        | (448,968)        |
| Personnel costs   | (157,303)        | (154,459)        |
| Other operating costs   | (246,231)        | (226,075)        |
| <b>TOTAL OPERATING COSTS</b>  | <b>(859,242)</b> | <b>(829,502)</b> |
| <b>EBITDA</b>   | <b>138,054</b>   | <b>124,191</b>   |
| Depreciation and amortisation   | (85,182)         | (84,040)         |
| Provisions  | (2,689)          | (2,449)          |
| Impairment losses   | (1,953)          | (1,496)          |
| Total depreciation, amortisation, impairment losses and provisions                  | (89,824)         | (87,985)         |
| <b>EBIT</b>   | <b>48,230</b>    | <b>36,206</b>    |
| Share of profits of equity-accounted investees                                      | 2,144            | 2,000            |
| Financial income  | 6,628            | 16,566           |
| Financial expense   | (29,932)         | (36,323)         |
| Net foreign exchange rate gains (losses)  | 1,546            | (2,845)          |
| Net financial expense   | (21,758)         | (22,602)         |
| <b>NET FINANCIAL EXPENSE AND<br/>SHARE OF PROFITS OF EQUITY-ACCOUNTED INVESTEES</b> | <b>(19,614)</b>  | <b>(20,602)</b>  |
| <b>PROFIT (LOSS) BEFORE TAXES</b>   | <b>28,616</b>    | <b>15,604</b>    |
| Income taxes  | (4,572)          | (5,766)          |
| <b>PROFIT (LOSS) FOR THE PERIOD</b>   | <b>24,044</b>    | <b>9,838</b>     |
| Attributable to:  |                  |                  |
| NON-CONTROLLING INTERESTS   | 7,582            | 6,813            |
| <b>THE OWNERS OF THE PARENT</b>   | <b>16,462</b>    | <b>3,025</b>     |





## CEMENTIR HOLDING SPA

### Statement of financial position

| (EUR)  | 31 December<br>2012 | 31 December<br>2011 |
|--|---------------------|---------------------|
| <b>ASSETS</b>  |                     |                     |
| Intangible assets                                      | 836,004             | 658,564             |
| Property, plant and equipment                          | 106,103             | 83,101              |
| Investment property                                    | 23,000,000          | 23,000,000          |
| Equity investments in subsidiaries                     | 690,148,784         | 779,439,058         |
| Available for sale financial assets                    | 8,043,280           | 7,962,826           |
| Non-current financial assets                           | 123,659             | 105,968             |
| Deferred tax assets                                    | 34,766,903          | 23,887,864          |
| <b>TOTAL NON-CURRENT ASSETS</b>                        | <b>757,024,733</b>  | <b>835,137,381</b>  |
| Trade receivables                                      | 5,215,208           | 5,153,612           |
| - Trade receivables from third parties                 | 121,068             | 117,002             |
| - Trade receivables from related parties               | 5,094,140           | 5,036,610           |
| Current financial assets                               | 17,062,007          | 6,215,764           |
| - Current financial assets from third parties          | 705,768             | 803,336             |
| - Current financial assets from related parties        | 16,356,240          | 5,412,428           |
| Current tax assets                                     | 3,105,593           | 2,091,773           |
| Other current assets                                   | 2,112,217           | 1,957,549           |
| - Other current assets from third parties              | 1,843,097           | 691,644             |
| - Other current assets from related parties            | 269,120             | 1,265,905           |
| Cash and cash equivalents                              | 5,686,113           | 5,376,605           |
| - Cash and cash equivalents with third parties         | 3,253,220           | 3,036,732           |
| - Cash and cash equivalents with related parties       | 2,432,893           | 2,339,873           |
| <b>TOTAL CURRENT ASSETS</b>                            | <b>33,181,139</b>   | <b>20,795,303</b>   |
| <b>TOTAL ASSETS</b>                                    | <b>790,205,872</b>  | <b>855,932,684</b>  |
| <b>EQUITY AND LIABILITIES</b>                          |                     |                     |
| Share capital  | 159,120,000         | 159,120,000         |
| Share premium reserve                                  | 35,710,275          | 35,710,275          |
| Other reserves   | 434,932,075         | 462,182,534         |
| Profit for the year                                    | (14,658,064)        | (20,175,215)        |
| <b>TOTAL EQUITY</b>                                    | <b>615,104,286</b>  | <b>636,837,594</b>  |
| Employee benefit obligations                           | 323,776             | 325,154             |
| Non-current provisions                                 | 600,000             | 600,000             |
| Non-current financial liabilities                      | 53,986,502          | 71,715,245          |
| - Non-current financial liabilities to third parties   | 46,238,661          | 26,926,182          |
| - Non-current financial liabilities to related parties | 7,747,841           | 44,789,063          |
| Deferred tax liabilities                               | 4,619,962           | 4,640,513           |
| Other non-current liabilities                          | -                   | 1,128,053           |
| <b>TOTAL NON-CURRENT LIABILITIES</b>                   | <b>59,530,240</b>   | <b>78,408,965</b>   |
| Trade payables   | 1,402,039           | 2,097,407           |
| - Trade payables to third parties                      | 1,091,881           | 1,257,392           |
| - Trade payables to related parties                    | 310,158             | 840,015             |
| Current financial liabilities                          | 87,849,665          | 118,350,064         |
| - Current financial liabilities to third parties       | 68,674,265          | 105,652,136         |
| - Current financial liabilities to related parties     | 19,175,400          | 12,697,928          |
| Current tax liabilities                                | 1,137,517           | 1,516,689           |
| Other current liabilities                              | 25,182,125          | 18,721,965          |
| - Other current liabilities to third parties           | 2,142,632           | 2,628,931           |
| - Other current liabilities to related parties         | 23,039,493          | 16,093,034          |
| <b>TOTAL CURRENT LIABILITIES</b>                       | <b>115,571,346</b>  | <b>140,686,125</b>  |
| <b>TOTAL LIABILITIES</b>                               | <b>175,101,586</b>  | <b>219,095,090</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                    | <b>790,205,872</b>  | <b>855,932,684</b>  |



## CEMENTIR HOLDING SPA

### Income statement

| (EUR)  | 2012                | 2011                |
|--|---------------------|---------------------|
| <b>REVENUE</b>   | <b>11,948,464</b>   | <b>12,181,242</b>   |
| - Revenue - related parties                                  | 11,948,464          | 12,181,242          |
| Other operating revenue                                      | 682,239             | 1,232,913           |
| - Other revenue - third parties                              | 252,239             | 462,542             |
| - Other revenue - related parties                            | 430,000             | 770,371             |
| <b>TOTAL OPERATING REVENUE</b>                               | <b>12,630,703</b>   | <b>13,414,155</b>   |
| Personnel costs  | (8,459,506)         | (9,134,729)         |
| - Personnel costs - third parties                            | (8,370,690)         | (8,826,927)         |
| - Personnel costs - related parties                          | (88,816)            | (307,802)           |
| Other operating costs  | (6,141,509)         | (6,008,924)         |
| - Other operating costs - third parties                      | (5,442,638)         | (5,386,195)         |
| - Other operating costs - related parties                    | (698,871)           | (622,729)           |
| <b>TOTAL OPERATING COSTS</b>                                 | <b>(14,601,015)</b> | <b>(15,143,653)</b> |
| <b>EBITDA</b>  | <b>(1,970,312)</b>  | <b>(1,729,498)</b>  |
| Depreciation, amortisation, impairment losses and provisions | (424,296)           | (353,745)           |
| <b>EBIT</b>  | <b>(2,394,608)</b>  | <b>(2,083,243)</b>  |
| Financial income   | 2,429,645           | 3,017,366           |
| - Financial income - third parties                           | 2,394,279           | 2,985,587           |
| - Financial income - related parties                         | 35,366              | 31,779              |
| Financial expense  | (19,705,582)        | (28,164,621)        |
| - Financial expense - third parties                          | (18,258,382)        | (26,181,572)        |
| - Financial expense - related parties                        | (1,447,200)         | (1,983,049)         |
| <b>NET FINANCIAL EXPENSE</b>                                 | <b>(17,275,937)</b> | <b>(25,147,255)</b> |
| <b>PROFIT BEFORE TAXES</b>                                   | <b>(19,670,545)</b> | <b>(27,230,499)</b> |
| Income taxes   | 5,012,481           | 7,055,284           |
| <b>PROFIT (LOSS) FOR THE PERIOD</b>                          | <b>(14,658,064)</b> | <b>(20,175,215)</b> |