

Cementir Holding: Board of Directors approves results at 30 September 2011

Revenues: EUR 696.6 million (EUR 630.9 million at 30 September 2010)
EBITDA: EUR 91.7 million (EUR 84.4 million at 30 September 2010)
EBIT: EUR 29.3 million (EUR 20.0 million at 30 September 2010)
Profit before tax: EUR 6.6 million (EUR 27.7 million at 30 September 2010)

Rome, 7 November 2011 – The Board of Directors of Cementir Holding, chaired by Francesco Caltagirone Jr. today approved Cementir Holding's results at 30 September 2011.

Financial highlights

(millions of euros)	Jan-Sep 2011	Jan-Sep 2010	Δ%	3 rd quarter 2011	3 rd quarter 2010	Δ%
Revenues	696.6	630.9	10.4	245.7	231.1	6.3
EBITDA	91.7	84.4	8.7	44.1	34.2	28.7
EBIT	29.3	20.0	46.2	23.7	12.8	85.3
Profit before tax	6.6	27.7	-76.1	8.6	14.1	-39.4

Net financial position

(millions of euros)	30-09-2011	30-06-2011	31-12-2010	30-09-2010
NFP	(373.7)	(367.1)	(336.1)	(357.0)

Sales volumes

('000)	Jan-Sep 2011	Jan-Sep 2010	Δ%	3 rd quarter 2011	3 rd quarter 2010	Δ%
Grey and white cement (metric tons)	7,917	7,565	4.6	2,697	2,675	0.8
Ready-mix concrete (m ³)	2,861	2,344	22.1	966	846	14.2
Aggregates (metric tons)	2,785	2,717	2.5	918	970	-5.3

Group employees

	30-09-2011	31-12-2010	30-09-2010
Number of employees	3,243	3,289	3,293

The good performance posted in Scandinavia, Turkey and the Far East, and the improvement – particularly in the third quarter – seen in Italy, allowed Cementir to end the first nine months of 2011 with growing results compared to 2010. Nonetheless, the Group's results reflected both higher operating costs, resulting in part from rising fuel and energy costs, and the serious crisis that has affected the financial markets, which had an impact on financial management

Revenues amounted to EUR 696.6 million at 30 September 2011 (+10.4% compared to 30 September 2010). This growth in revenues is mainly due to good demand in Scandinavia and Turkey, where volumes have risen across all business sectors, with prices remaining stable or rising slightly. The Far East also contributed to the growth in revenues through rising manufacturing capacity in China, where operations have been fully up and running since the second half of 2010. Good performance was also reported in Italy over the third quarter, with revenues slightly higher than at 30 September 2010, marking a reversal of the decline seen over the last several quarters. Egypt continues to feel the lingering effects of recent social and political unrest, with revenues down as compared with 2010.

Operating costs rose by 10.8% compared with the figure reported at 30 September 2010, due to higher fuel and energy costs driven by rising oil prices. The costs of raw materials rose by 12.5% compared with the same period of 2010, and other operating costs, including transport and logistics, grew by 9.5%.

EBITDA came to EUR 91.7 million (EUR 84.4 million at 30 September 2010), up 8.7% compared with the same period of 2010. The figure reflects strong recovery over the third quarter (+28.7% compared with the third quarter of 2010) which served to offset the performance posted in the first half of the year.

EBIT came to EUR 29.3 million, up 46.2% compared with the same period of 2010.

The negative performance of the financial markets, in the second and third quarters of the year especially, steeply drove down the value of derivative financial instruments for hedging interest rate, exchange rate and commodity risks. This had a severe impact on **financial management**, which had a yield of negative EUR 22.6 million (positive EUR 7.7 million at 30 September 2010). However, around half of this EUR 22.6 million was due to unrealised financial expense that was recognised as a result of losses on foreign exchange rate differences on Turkish Lira and to the mark-to-market measurement of hedging financial instruments used for long-term interest rates.

The **profit before tax** for the period amounted to EUR 6.6 million (EUR 27.7 million at 30 September 2010).

The **net financial position** showed a net debt of EUR 373.7 million at 30 September 2011, representing a deterioration of EUR 37.6 million as compared with 31 December 2010, mainly due to changes in working capital. This figure also reflects the investments in Turkey's waste management sector, the distribution of dividends of EUR 9.5 million and the one-off tax payment of around EUR 5.5 million related to past years.

Performance in the third quarter of 2011

In the third quarter of 2011, revenues rose 6.3% over the same period of 2010, a sign that the Group's markets are gradually recovering. In fact, there was an increase in volumes of ready-mixed concrete sold across all of the geographical areas in which the Group operates, with good demand for cement in Scandinavia and higher prices in Italy. Operating costs grew by 2.1% over the third quarter of 2010, however they have been gradually declining over the course of the year. During the first quarter of the year, operating costs rose by 22.6%, in the second quarter by 10.2% and in the third by 2.1%. EBITDA for the third quarter rose to EUR 44.1 million, up 28.7% on the same period of 2010. Financial management presented at yield of negative EUR 15.1 million, reflecting the tensions in the financial markets, particularly over the third quarter, which had a direct impact on the values of derivative financial instruments for hedging commodity, exchange rate and interest rate risks.

Significant events

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

Outlook

The results posted for the third quarter confirmed the moderate performance reported during the first six months of the year, in line with management's expectations. Scandinavia, Turkey and the Far East have continued to follow the trend seen in the first six months, while over the last quarter, Italy has shown signs of gradually reversing the trend there in recent years. We expect this scenario to prove true even in the final part of the year so that the Group's results should be essentially in line with expectations.

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