

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 ³)	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.

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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.

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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 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 in the Investor Relations/Corporate Governance section

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Massimo Sala, as the manager responsible for preparing the Company's financial reports, certifies, pursuant to Article 154-bis (2) of the Consolidated Law on Financial Intermediation, that the accounting information contained in this 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 2012	31 December 2011
ASSETS		
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
TOTAL NON-CURRENT ASSETS	1,516,573	1,463,476
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
TOTAL CURRENT ASSETS	458,588	444,969
TOTAL ASSETS	1,975,161	1,908,445
EQUITY AND LIABILITIES		
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
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	1,034,920	1,004,562
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
EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	79,203	78,319
TOTAL EQUITY	1,114,123	1,082,881
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
TOTAL NON-CURRENT LIABILITIES	363,168	284,128
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
TOTAL CURRENT LIABILITIES	497,870	541,436
TOTAL LIABILITIES	861,038	825,564
TOTAL EQUITY AND LIABILITIES	1,975,161	1,908,445



CEMENTIR HOLDING GROUP

Consolidated income statement

(EUR '000)	2012	2011
REVENUE	976,193	933,014
Change in inventories	8,264	4,289
Increases for internal work	4,816	4,036
Other operating revenue	8,023	12,354
TOTAL OPERATING REVENUE	997,296	953,693
Raw material costs	(455,708)	(448,968)
Personnel costs	(157,303)	(154,459)
Other operating costs	(246,231)	(226,075)
TOTAL OPERATING COSTS	(859,242)	(829,502)
EBITDA	138,054	124,191
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)
EBIT	48,230	36,206
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)
NET FINANCIAL EXPENSE AND SHARE OF PROFITS OF EQUITY-ACCOUNTED INVESTEES	(19,614)	(20,602)
PROFIT (LOSS) BEFORE TAXES	28,616	15,604
Income taxes	(4,572)	(5,766)
PROFIT (LOSS) FOR THE PERIOD	24,044	9,838
Attributable to:		
NON-CONTROLLING INTERESTS	7,582	6,813
THE OWNERS OF THE PARENT	16,462	3,025



CEMENTIR HOLDING SPA

Statement of financial position

(EUR)	31 December 2012	31 December 2011
ASSETS		
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
TOTAL NON-CURRENT ASSETS	757,024,733	835,137,381
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
TOTAL CURRENT ASSETS	33,181,139	20,795,303
TOTAL ASSETS	790,205,872	855,932,684
EQUITY AND LIABILITIES		
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)
TOTAL EQUITY	615,104,286	636,837,594
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
TOTAL NON-CURRENT LIABILITIES	59,530,240	78,408,965
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
TOTAL CURRENT LIABILITIES	115,571,346	140,686,125
TOTAL LIABILITIES	175,101,586	219,095,090
TOTAL EQUITY AND LIABILITIES	790,205,872	855,932,684



CEMENTIR HOLDING SPA

Income statement

(EUR)	2012	2011
REVENUE	11,948,464	12,181,242
- 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
TOTAL OPERATING REVENUE	12,630,703	13,414,155
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)
TOTAL OPERATING COSTS	(14,601,015)	(15,143,653)
EBITDA	(1,970,312)	(1,729,498)
Depreciation, amortisation, impairment losses and provisions	(424,296)	(353,745)
EBIT	(2,394,608)	(2,083,243)
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)
NET FINANCIAL EXPENSE	(17,275,937)	(25,147,255)
PROFIT BEFORE TAXES	(19,670,545)	(27,230,499)
Income taxes	5,012,481	7,055,284
PROFIT (LOSS) FOR THE PERIOD	(14,658,064)	(20,175,215)