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Informazione
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Oggetto : Cementir Holding: Board of Directors
approves 2014 results

Testo del comunicato

Vedi allegato.

Cementir Holding: Board of Directors approves 2014 results

- The Group closes 2014 with EBITDA and net financial debt above target
- Revenue: EUR 948.0 million (EUR 988.6 million at 31 December 2013)
- EBITDA: EUR 192.4 million (EUR 169.7 million at 31 December 2013), up 13.4%
- EBIT: EUR 104.1 million (EUR 76.7 million at 31 December 2013), up 35.7%
- Group net profit: EUR 71.6 million (EUR 40.1 million at 31 December 2013), up 78.5%
- Net financial debt: EUR 278.3 million (EUR 324.9 million at 31 December 2013)
- Proposed dividend: EUR 0.10 per share (EUR 0.08 last year), up 25%

Rome, 10 March 2015 – The Board of Directors of Cementir Holding Spa, chaired by Francesco Caltagirone Jr., has examined and approved the draft financial statements for the year ended 31 December 2014.

Financial highlights

(millions of euros)	Year 2014	Year 2013	Change %
Revenue from sales and services	948.0	988.6	-4.1%
Total operating revenue	973.1	1,016.8	-4.3%
EBITDA	192.4	169.7	+13.4%
EBITDA/Revenue from sales and services %	20.3%	17.2%	
EBIT	104.1	76.7	+35.7%
Profit before taxes	99.5	63.2	+57.5%
Group net profit	71.6	40.1	+78.5%

Net financial debt

(millions of euros)	31-12-2014	31-12-2013
Net financial debt	278.3	324.9

Sales volumes

('000)	Year 2014	Year 2013	Change %
Grey and white cement (metric tons)	9,560	9,737	-1.8%
Ready-mixed concrete (m ³)	3,495	3,736	-6.5%
Aggregates (metric tons)	3,259	3,234	+0.8%

Group employees

	31-12-2014	31-12-2013
Number of employees	3,053	3,170

“The Group closed the year 2014 with earnings figures above the targets set, thanks to the strong performance of Turkish and Scandinavian operations, which, together with the positive contribution of Egyptian and Far Eastern operations, although lower than the previous year, offset the weakness of the Italian market and the adverse effects of foreign exchange movements. Stronger performance was driven primarily by improvements in the structure of fixed and variable costs, achieved through targeted action by management, but also thanks to falling raw material prices, in particular fuel prices”, commented Francesco Caltagirone Jr., Chairman and CEO.

Performance in 2014

Revenue from sales and services fell by 4.1% over 2013, due to the negative impact of depreciation of the major currencies against the Euro, which lowered revenue by approximately EUR 50.4 million. At constant exchange rates, revenue would have amounted to EUR 998.4 million, an increase of 1.0% over the previous year.

The rise in revenue at constant exchange rates was achieved in spite of the decline in cement and clinker sales, which dropped by 1.8% in volume, from 9.7 million tonnes in 2013 to 9.6 million tonnes in 2014; the increase was driven primarily by the positive performance of operations in **Turkey**, where revenues in local currency grew by 15% over 2013, due to the sharp rise in sales prices for cement and ready-mixed concrete on the domestic market. However, the depreciation of the Turkish lira against the Euro by over 14% cancelled out the increase in the financial statements, when translated into Euros.

Revenue at constant exchange rates in **Scandinavia** instead showed a slight drop compared to the previous year's figure, with performances varying across Denmark, Norway and Sweden. Denmark recorded a moderate increase in volumes of cement (+1.7%) and ready-mixed concrete (+0.5%) sold, which boosted revenue by approximately EUR 4 million. In contrast, revenue in local currency fell in both Norway and Sweden, by 5.5% and 14.5% respectively, driven down by the drop in volumes of ready-mixed concrete sales, at stable or slightly higher prices. The decrease in revenue was accentuated

when translated in the financial statements by the depreciation of the Norwegian krone and the Swedish krona against the Euro.

In the **Far East**, Malaysian and Chinese operations recorded different performance. Revenue in local currency in Malaysia was substantially stable compared to 2013, with the rise in sales prices offset by an approximate 3% drop in volumes of cement sold, as a result of plant expansion work to increase local production capacity. In China, revenue in local currency recorded a 4.4% drop over the previous year, due to declining volumes sold, with sales prices stable.

In **Egypt**, revenue in local currency was in line with 2013, with the 6.5% drop in tonnes of cement sold offset by the increase in sales prices on the domestic market.

In **Italy**, finally, revenue fell by approximately 20%, driven down by a further decline in volumes of cement and ready-mixed concrete sold, which fell by 7.8% and 48.8% respectively over 2013.

With respect to the **waste management operations**, in the United Kingdom the implementation of a new mechanical waste treatment system designed to improve efficiency in landfill management and the production of alternative fuel, was completed. In Turkey, the industrial waste sector improved its profitability significantly compared to 2013, thanks to the different mix of materials recovered, especially ferrous material, and an increase in volumes treated whereas the municipal waste in Istanbul, is nearing the end of its start-up phase and will shortly become fully operational.

Operating costs totalled EUR 780.6 million, down 7.8% on the EUR 847.1 million posted in 2013; the drop was driven by currency depreciation with respect to the Euro and targeted action by management to improve industrial efficiency. In particular, the **cost of raw materials**, totalling EUR 398.9 million, fell by EUR 36.1 million compared to 2013, due to EUR 24.6 million in positive foreign exchange effects and EUR 11.5 million in savings in fuel and energy costs, achieved thanks to a centralised procurement policy and greater plant efficiency.

Personnel costs totalled EUR 147.6 million, down EUR 8.9 million over 2013, thanks to EUR 5.2 million in positive foreign exchange effects and EUR 3.6 million in savings achieved through corporate restructuring measures in recent years. **Other operating costs**, amounting to EUR 234.1 million, fell by EUR 21.5 million compared to the previous year, driven down by EUR 9.8 million in positive foreign exchange effects and costs savings achieved through the careful monitoring of all company costs.

EBITDA rose to EUR 192.4 million, up by EUR 22.7 million over the previous year (EUR 169.7 million). This result reflected the positive effect of non-recurring items of around EUR 12 million. Net of these non-recurring items, EBITDA would have amounted to EUR 180.4 million, in line with management forecasts. The EBITDA margin rose from 17.2% in 2013 to 20.3% in 2014; net of positive non-recurring income in 2014 (EUR 12 million) and 2013 (EUR 10 million), the margin would have come to 19.0% for 2014 and 16.2% for 2013, showing an increase in profitability of 2.8 percentage points.

At constant exchange rates, EBITDA would have come to EUR 206.6 million, up by EUR 36.9 million over 2013, representing an EBITDA margin of 20.7% at constant exchange rates.

Net of amortization, depreciation and provisions totalling EUR 88.3 million, **EBIT** rose to EUR 104.1 million, an increase of 35.7% over 2013 (EUR 76.7 million); non-recurring accruals and impairment losses reduced the positive impact of extraordinary items to approximately EUR 5 million.

Net financial expense amounted to EUR 4.6 million, representing an improvement of EUR 8.9 million over the previous year (expense of EUR 13.5 million at 31 December 2013), largely due to foreign exchange gains from the appreciation of some currencies against the Euro and to the progressive drop in interest rates.

Profit before taxes totalled EUR 99.5 million, up by 57.5% over the EUR 63.2 million figure posted in 2013, driving profit for the year up to EUR 78.7 million (EUR 48.2 million in 2013).

Group net profit, once non-controlling interests were accounted for, amounted to EUR 71.6 million, up by 78.5% on 2013 (EUR 40.1 million).

Capital expenditure totalled approximately EUR 66 million and included energy efficiency improvements, extraordinary maintenance, statutory environmental work, waste management investments (approximately EUR 12 million), and capacity expansion at the Malaysian plant (approximately EUR 9 million).

Net financial debt at 31 December 2014 totalled EUR 278.3 million, an improvement of EUR 46.6 million compared to the figure at 31 December 2013, driven by positive cash flow from operating activities, less EUR 66 million in capital expenditure and dividend payments totalling EUR 12.7 million.

Total equity at 31 December 2014 amounted to EUR 1,123.3 million (EUR 1,029.4 million at 31 December 2013).

In September, as part of plans to restructure Cementir Group's equity investments, Cementir Holding Spa transferred a 14% shareholding in the Turkish subsidiary Cimentas AS to the Danish Aalborg Portland A/S group, wholly owned by Cementir Holding Spa. As a result of the transfer, Aalborg Portland group holds 85% of Cimentas group.

Outlook

In the year underway the Group forecasts growth in sales volumes for both cement and ready-mixed concrete, while waste treatment subsidiaries in Turkey and the United Kingdom are expected to become operational. It also expects further efficiency improvements in production costs thanks to falling energy prices and the continued restructuring of operations in Italy.

The Group expects to achieve EBITDA of around EUR 190 million and a net financial debt of about EUR 230 million, with planned industrial investments of around EUR 70–75 million.

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The Board of Directors has also decided to submit a proposal to the Shareholders' Meeting to be held on 21 April in single call for the payment of a **dividend** of EUR 0.10 per share (EUR 0.08 in 2013), for a total dividend payment of EUR 15.9 million, using the reserve for retained earnings from previous years. The dividend will be payable as of 21 May 2015 (ex-dividend date of 18 May 2015), with a record date of 20 May 2015.

The Board of Directors has approved the **Corporate Governance and Ownership Report** as per article 123-bis of Legislative Decree 58/1998, and the **Report on Remuneration** as article 123-ter of Legislative Decree 58/1998 and article 84-quater of the Issuer Regulations. The reports will be published by the deadline contemplated by laws in force, and made available from the registered office, on the corporate website, www.cementirholding.it, in the section Investor Relations/Corporate Governance, and from Borsa Italiana SpA.

In keeping with international best practice and the recommendations of the Corporate Governance Code, the Board of Directors has reviewed the performance and procedures of the Board itself and its committees, assessing their size and composition, also in consideration of professional experience, management expertise, gender, and years of service.

The Board also reviewed the work in 2014 of the Risk and Control Committee and the Supervisory Body as per Legislative Decree 231/2001.

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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.

Disclaimer

This press release contains forward-looking statements. These statements are based on current expectations and projections of the Group regarding future events and, by their very nature, are exposed to inherent risks and uncertainties. These statements relate to events and depend on circumstances that may or may not occur or exist in the future. Accordingly, readers should not to place undue reliance on them. Actual results may differ materially from those stated due to multiple factors, including: the volatility and deterioration of capital and financial markets, changes in commodity prices, changes in macroeconomic conditions and economic growth and other changes in business conditions, changes in atmospheric conditions, floods, earthquakes or other natural disasters, changes in the regulatory and institutional framework (both in Italy and abroad), production difficulties, including constraints on the use of plants and supplies and many other risks and uncertainties, most of which are outside the Group's control.

Attached are the statement of financial position and income statement from the separate 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 draft financial statements are currently being audited by the Board of Statutory Auditors and the independent auditor, in their respective capacities.

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CEMENTIR HOLDING GROUP

Consolidated statement of financial position

(EUR '000)	31 December 2014	31 December 2013
ASSETS		
Intangible assets with a finite useful life	40,780	40,094
Intangible assets with an indefinite useful life	407,661	403,159
Property, plant and equipment	768,709	762,098
Investment property	110,307	98,952
Equity-accounted investments	20,342	17,240
Available-for-sale equity investments	213	210
Non-current financial assets	769	840
Deferred tax assets	69,792	60,339
Other non-current assets	8,061	8,541
TOTAL NON-CURRENT ASSETS	1,426,634	1,391,473
Inventories	145,724	139,602
Trade receivables	178,084	184,204
Current financial assets	5,729	3,659
Current tax assets	5,875	5,972
Other current assets	17,508	12,391
Cash and cash equivalents	93,856	110,726
TOTAL CURRENT ASSETS	446,776	456,554
TOTAL ASSETS	1,873,410	1,848,027
EQUITY AND LIABILITIES		
Share capital	159,120	159,120
Share premium reserve	35,710	35,710
Other reserves	776,606	719,471
Profit (loss) attributable to the owners of the parent	71,634	40,124
Equity attributable to the owners of the parent	1,043,070	954,425
Profit (loss) attributable to non-controlling interests	7,091	8,038
Reserves attributable to non-controlling interests	73,140	66,946
Equity attributable to non-controlling interests	80,231	74,984
TOTAL EQUITY	1,123,301	1,029,409
Employee benefits	17,891	16,260
Non-current provisions	18,821	21,965
Non-current financial liabilities	255,754	284,135
Deferred tax liabilities	83,368	82,974
Other non-current liabilities	8,895	10,344
TOTAL NON-CURRENT LIABILITIES	384,729	415,678
Current provisions	1,327	1,119
Trade payables	181,587	183,192
Current financial liabilities	122,162	155,132
Current tax liabilities	12,693	11,201
Other current liabilities	47,611	52,296
TOTAL CURRENT LIABILITIES	365,380	402,940
TOTAL LIABILITIES	750,109	818,618
TOTAL EQUITY AND LIABILITIES	1,873,410	1,848,027



CEMENTIR HOLDING GROUP

Consolidated income statement

(EUR '000)	2014	2013
REVENUE	948,013	988,614
Change in inventories	(3,922)	3,931
Increase for internal work	4,297	4,466
Other operating revenue	24,665	19,801
TOTAL OPERATING REVENUE	973,053	1,016,812
Raw materials costs	(398,861)	(434,972)
Personnel costs	(147,624)	(156,481)
Other operating costs	(234,136)	(255,639)
TOTAL OPERATING COSTS	(780,621)	(847,092)
EBITDA	192,432	169,720
Amortisation and depreciation	(80,107)	(86,202)
Provisions	(804)	(2,247)
Impairment losses	(7,436)	(4,587)
Total amortisation, depreciation, impairment losses and provisions	(88,347)	(93,036)
EBIT	104,085	76,684
Share of net profits of equity-accounted investees	3,215	2,242
Financial income	9,355	13,985
Financial expense	(20,746)	(19,310)
Foreign exchange rate gains (losses)	3,574	(10,447)
Net financial income (expense)	(7,817)	(15,772)
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY-ACCOUNTED INVESTEEES	(4,602)	(13,530)
PROFIT (LOSS) BEFORE TAXES	99,483	63,154
Income taxes	(20,758)	(14,992)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	78,725	48,162
PROFIT (LOSS) FOR THE YEAR	78,725	48,162
Attributable to:		
Non-controlling interests	7,091	8,038
Owners of the parent	71,634	40,124



CEMENTIR HOLDING SPA

Statement of financial position

(EUR)	31 December 2014	31 December 2013
ASSETS		
Intangible assets	944,380	908,144
Property, plant and equipment	443,273	231,529
Investment property	23,000,000	23,000,000
Investments in subsidiaries	410,965,477	525,854,677
Non-current financial assets	140,759	143,959
Deferred tax assets	45,328,322	39,460,139
TOTAL NON-CURRENT ASSETS	480,822,211	589,598,448
Trade receivables	15,934,683	7,698,414
- <i>Trade receivables - third parties</i>	123,371	61,215
- <i>Trade receivables - related parties</i>	15,811,312	7,637,199
Current financial assets	193,131,639	114,725,442
- <i>Current financial assets - third parties</i>	259,389	538,712
- <i>Current financial assets - related parties</i>	192,872,250	114,186,730
Current tax assets	4,827,156	4,574,494
Other current assets	1,091,993	620,332
- <i>Other current assets - third parties</i>	369,464	103,462
- <i>Other current assets - related parties</i>	722,529	516,870
Cash and cash equivalents	3,267,446	4,871,474
- <i>Cash and cash equivalents - third parties</i>	2,918,078	2,894,064
- <i>Cash and cash equivalents - related parties</i>	349,368	1,977,410
TOTAL CURRENT ASSETS	218,252,917	132,490,156
TOTAL ASSETS	699,075,128	722,088,604
EQUITY AND LIABILITIES		
Share capital	159,120,000	159,120,000
Share premium reserve	35,710,275	35,710,275
Other reserves	403,029,368	417,386,751
Profit (loss) for the year	(75,453,281)	(1,608,773)
TOTAL EQUITY	522,406,362	610,608,253
Employee benefits	438,137	406,579
Non-current provisions	-	600,000
Non-current financial liabilities	76,700,964	36,483,482
- <i>Non-current financial liabilities - third parties</i>	26,700,964	36,483,482
- <i>Non-current financial liabilities - related parties</i>	50,000,000	-
Deferred tax liabilities	4,751,890	4,754,324
TOTAL NON-CURRENT LIABILITIES	81,890,991	42,244,385
Trade payables	2,269,669	1,495,198
- <i>Trade payables - third parties</i>	1,803,676	1,276,231
- <i>Trade payables - related parties</i>	465,993	218,967
Current financial liabilities	54,826,214	35,653,580
- <i>Current financial liabilities - third parties</i>	35,975,607	26,263,346
- <i>Current financial liabilities - related parties</i>	18,850,607	9,390,234
Current tax liabilities	362,152	-
Other current liabilities	37,319,740	32,087,188
- <i>Other current liabilities - third parties</i>	4,305,635	3,458,285
- <i>Other current liabilities - related parties</i>	33,014,105	28,628,903
TOTAL CURRENT LIABILITIES	94,777,775	69,235,966
TOTAL LIABILITIES	176,668,766	111,480,351
TOTAL EQUITY AND LIABILITIES	699,075,128	722,088,604



CEMENTIR HOLDING SPA

Income statement

(EUR)	2014	2013
REVENUE	17,767,234	14,581,961
- Revenue - related parties	17,767,234	14,581,961
Other operating revenue	659,892	638,178
- Other operating revenue - third parties	220,182	200,438
- Other operating revenue - related parties	439,710	437,740
TOTAL OPERATING REVENUE	18,427,126	15,220,139
Personnel costs	(9,031,160)	(7,843,994)
- Personnel costs - third parties	(9,031,160)	(7,843,994)
- Personnel costs - related parties	-	-
Other operating costs	(9,960,046)	(8,273,382)
- Other operating costs - third parties	(8,068,246)	(7,150,167)
- Other operating costs - related parties	(1,891,800)	(1,123,215)
TOTAL OPERATING COSTS	(18,991,206)	(16,117,376)
EBITDA	(564,080)	(897,237)
Amortisation, depreciation, impairment losses and provisions	(486,807)	(433,898)
EBIT	(1,050,887)	(1,331,135)
Financial income	4,491,311	10,044,154
- Financial income - third parties	3,041,116	9,177,495
- Financial income - related parties	1,450,195	866,659
Financial expense	(80,300,479)	(9,003,482)
- Financial expense - third parties	(79,531,622)	(7,636,119)
- Financial expense - related parties	(768,857)	(1,367,363)
NET FINANCIAL INCOME (EXPENSE)	(75,809,168)	1,040,672
PROFIT (LOSS) BEFORE TAXES	(76,860,055)	(290,463)
Income taxes	1,406,774	(1,318,310)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	(75,453,281)	(1,608,773)
PROFIT (LOSS) FOR THE YEAR	(75,453,281)	(1,608,773)

Fine Comunicato n.0091-14

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