INTERIM FINANCIAL REPORT

31 MARCH 2015

cementir holding
GRUPPO CALTAGIRONE

Company Officers

Board of Directors for the period 2015 – 2017	*Chairman*	Francesco Caltagirone Jr.
	Deputy Chairman	Carlo Carlevaris *(independent)*
	Directors	Alessandro Caltagirone
		Azzurra Caltagirone
		Edoardo Caltagirone
		Saverio Caltagirone
		Mario Ciliberto
		Fabio Corsico
		Mario Delfini
		Veronica De Romanis *(independent)*
		Paolo Di Benedetto *(independent)*
		Chiara Mancini *(independent)*
		Riccardo Nicolini *(General Manager)*
Executive Committee	*Chairman*	Francesco Caltagirone Jr.
	Members	Mario Delfini
		Riccardo Nicolini
Control and Risks Committee	*Chairman*	Paolo Di Benedetto* *(independent)*
	Members	Veronica De Romanis *(independent)*
		Chiara Mancini *(independent)*
Appointment and Remuneration Committee	*Chairman*	Paolo Di Benedetto* *(independent)*
	Members	Veronica De Romanis *(independent)*
		Chiara Mancini *(independent)*
		Mario Delfini
Board of Statutory Auditors for the period 2014 – 2016	*Chairman*	Claudio Bianchi
	Statutory Auditors	Giampiero Tasco *(standing)*
		Maria Assunta Coluccia *(standing)*
		Vincenzo Sportelli (*alternate*)
		Patrizia Amoretti (*alternate*)
		Stefano Giannuli (*alternate*)
Manager responsible for financial reporting		Massimo Sala
Independent Auditors for the period 2012 – 2020		KPMG S.p.A.

* *Lead Independent Director*

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Interim Financial Report at 31 March 2015

Performance in the first quarter 2015

The interim financial report of the Cementir Holding group has been prepared in accordance with the international accounting standards (IAS/IFRS) endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002, as well as Article 154-ter (Financial Reporting) of Italian Legislative Decree 58/1998, as amended.

The following tables report performance for the first three months of 2015, with comparative figures for the corresponding period of 2014:

Earnings

(EUR'000)	1st Quarter 2015	1st Quarter 2014	Change %
REVENUE FROM SALES AND SERVICES	**204,656**	**206,611**	**-0.9%**
Change in inventories	12,779	54	
Other revenue [1]	3,829	3,749	
TOTAL OPERATING REVENUE	**221,264**	**210,414**	**5.2%**
Raw materials costs	(96,380)	(91,785)	5.0%
Personnel costs	(39,681)	(37,514)	5.8%
Other operating costs	(61,001)	(56,527)	7.9%
TOTAL OPERATING COSTS	**(197,062)**	**(185,826)**	**6.0%**
EBITDA	**24,202**	**24,588**	**-1.6%**
EBITDA Margin %	*11.83%*	*11.90%*	
Amortisation, depreciation, impairment losses and provisions	(21,129)	(20,100)	5.1%
EBIT	**3,073**	**4,488**	**-31.5%**
EBIT Margin %	*1.50%*	*2.17%*	
NET FINANCIAL INCOME (EXPENSE)	**723**	**(6,310)**	
PROFIT (LOSS) BEFORE TAXES	**3,796**	**(1,822)**	**308.3%**
PROFIT (LOSS) BEFORE TAXES Margin %	*1.85%*	*-0.88%*	

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

Sales volumes

('000)	1st Quarter 2015	1st Quarter 2014	Change %
Grey and white cement (metric tons)	1,852	2,100	-11.8%
Ready-mixed concrete (m^3)	802	862	-6.9%
Aggregates (metric tons)	791	689	14.8%

Group employees

	31-03-2015	31-12-2014	31-03-2014
Number of employees	3,038	3,053	3,133

Revenue from sales and services for the first quarter 2015 amounted to EUR 204.7 million (EUR 206.6 million in the first quarter 2014); EBITDA totalled EUR 24.2 million (EUR 24.6 million on the same period of 2014); EBIT totalled EUR 3.1 million (EUR 4.5 million in the first quarter 2014); and profit before taxes amounted to EUR 3.8 million (down EUR 1.8 million on the same period of 2014).

Revenue from sales and services for the first quarter 2015 fell by 0.9% compared to 2014, mainly due to the difficulties encountered in Turkey and Egypt, which were partially offset by the strong performance of operations in Scandinavia, the substantial stability in the Far East and Italy, and the positive impact from the appreciation of the main currencies against the Euro. At constant exchange rates, revenue from sales would have amounted to EUR 198.0 million, down 4.1% on the previous year.

In Turkey sales revenue in local currency fell by 13% on the first quarter 2014 due to particularly adverse weather conditions, which produced a significant contraction in sales volumes for cement and ready-mixed concrete (-23% and -16% compared to 31 March 2014), with sales prices rising more than inflation.

Egypt continued to experience political and social instability, which is having a negative effect on the economy: sales volumes fell by almost 20% compared to 31 March 2014, mainly due to the reduction in internal demand, and revenues from sales in local currency fell by almost 11%, despite the increase in sales prices in the domestic market.

In Scandinavia, however, revenue increased by around 3% on the first quarter 2014, driven by the strong performance in Denmark and Sweden, which offset the contraction recorded in Norway. In Denmark, mild winter temperatures facilitated progress on public and private construction work, resulting in a rise in sales of cement (+2%) and ready-mixed concrete (+14%), with sales prices slightly up. In Sweden, construction picked up again in the Malmö area, where the plants of our subsidiaries are primarily located, with an increase in sales volumes of ready-mixed concrete (+13%) and aggregates (+19%) and significantly higher sales prices. In Norway, however, ready-mixed concrete sales fell 18% on the first quarter 2014, with sales prices stable, due to the contraction in the residential construction sector and the completion of a number of major infrastructure projects.

In the Far East, revenue for the first quarter were essentially stable. In China, the increase in sales volumes in export markets was offset by the slowdown in internal demand, enabling the achievement of revenues in local currency essentially in line with the first quarter 2014. In Malaysia, on the other hand, technical delays in bringing the plant up to full operations, after having increased production capacity in 2014, led to a temporary shortage of cement and a consequent 10% decline in sales volumes compared to the first quarter of last year. However, the reduction in sales volumes was offset by the increase in sales prices, especially in export markets, resulting in only a slight contraction in sales revenues in local currency.

Lastly, in Italy, revenue from sales were in line with 31 March 2014, where initial signs of recovery in demand generated a slight increase in sales volumes for cement and ready-mixed concrete, of 9% and 25% respectively, whose effects were, however, neutralised by a reduction in sales prices compared to the first quarter 2014.

We also note that total operating revenue, amounting to EUR 221.3 million, was up 5.2% on the EUR 210.4 million for the first quarter 2014, as a result of stockpiling of finished products accumulated for sale in later months.

Operating costs, amounting to EUR 197.0 million, were up by a total of EUR 11.2 million on the first quarter 2014. However, at constant exchange rates, operating costs would have amounted to EUR 190.3 million, up EUR 4.5 million on the previous year, with EUR 6.7 million attributable to the negative exchange rate effect of the appreciation of the major currencies against the Euro. In particular, the cost of raw materials at constant exchange rates amounted to EUR 92.0 million, up EUR 0.2 million on the EUR 91.8 million at 31 March 2014, caused by the fall in fossil fuel prices and the increase in electricity and other variable costs. Personnel costs at constant exchange rates amounted to EUR 38.6 million, up EUR 1.1 million over 2014, mainly due to the impact of inflation on employee remuneration in high-inflation countries. Other operating costs at constant exchange rates amounted to EUR 59.7 million, up EUR 3.2 million on the first quarter 2014, due to the increase in fixed costs of production.

EBITDA, at EUR 24.2 million, was down 1.6% on the EUR 24.6 million for 2014, as a result of lower earnings in Turkey, Egypt and the Far East, stable performance in Scandinavia and the improvement in Italy. The EBITDA margin came to 11.8%, essentially in line with profitability in the first quarter 2014 (11.9%). At constant exchange rates, EBITDA would have been EUR 23.0 million, down EUR 1.6 million on 31 March 2014, representing an EBITDA margin of 11.6% at constant exchange rates.

Net of amortisation, depreciation and provisions totalling EUR 21.1 million, EBIT amounted to EUR 3.1 million (EUR 4.5 million at 31 March 2014).

Net financial income amounted to EUR 0.7 million, a significant improvement on the first quarter 2014 (expense of EUR 6.3 million), driven by exchange rate gains from the appreciation of the major currencies against the Euro and the fall in interest rates.

Profit before taxes amounted to EUR 3.8 million, an improvement of EUR 5.6 million on the loss of EUR 1.8 million at 31 March 2014.

Financial highlights

(EUR'000)	31-03-2015	31-12-2014	31-03-2014
Net capital employed	1,480,653	1,401,632	1,389,390
Total equity [2]	1,154,382	1,123,301	1,026,147
Net financial debt	326,271	278,331	363,243

[2] Equity at 31 March 2015 and 2014 does not include the calculation of the taxes on earnings for the period.

Net financial debt at 31 March 2015 amounted to EUR 326.3 million, representing a negative change of EUR 47.9 million compared to 31 December 2014, mainly attributable to movements in working capital and annual maintenance of plants, usually carried out in the early part of the year.
Total equity at 31 March 2015 amounted to EUR 1,154.4 million (EUR 1,123.3 million at 31 December 2014), not including taxes on earnings for the period.

Directors' report and significant events

The results for the first quarter 2015 are in line overall with management expectations, despite the difficulties encountered in Turkey, Egypt and Malaysia.
During the year we will implement the measures required to meet our performance and financial objectives for the year 2015, which we therefore confirm at approximately EUR 190 million for EBITDA and around EUR 230 million for net financial debt.

Rome, 11 May 2015
Chairman of the Board of Directors
/s/ Francesco Caltagirone Jr.

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Massimo Sala, as the Manager responsible for financial reporting, certifies, pursuant to Article 154-bis (2) of the Consolidated Law on Financial Intermediation, that the accounting information contained in this report corresponds with that contained in company documents, books and accounting records.