CONSOLIDATED HALF-YEAR FINANCIAL REPORT

30 JUNE 2016

(Translation from the Italian original which remains the definitive version)

cementir holding
GRUPPO CALTAGIRONE

Contents

Company officers

Board of Directors	*Chairman*	Francesco Caltagirone Jr.
for the period 2015-2017	*Deputy Chairman*	Carlo Carlevaris[1] *(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
Executive Committee	*Chairman*	Francesco Caltagirone Jr.
	Members	Mario Delfini
		Riccardo Nicolini
Control and Risks Committee	*Chairman*	Paolo Di Benedetto[2] *(independent)*
	Members	Veronica De Romanis *(independent)*
		Chiara Mancini *(independent)*
Appointment and Remuneration Committee	*Chairman*	Paolo Di Benedetto[2] *(independent)*
	Members	Veronica De Romanis *(independent)*
		Chiara Mancini *(independent)*
		Mario Delfini
Board of Statutory Auditors	*Chairman*	Claudio Bianchi
for the period 2014-2016	*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		KPMG S.p.A.
for the period 2012–2020		

[1]The Director only fulfils the independence requirements set out in Article 148, Paragraph 3 of Italian Legislative Decree No. 58 of 24 February 1998 (as amended).
[2]Lead Independent Director.

Directors' report

This Half-Year Financial Report refers to the Condensed Interim Consolidated Financial Statements at 30 June 2016 of the Cementir Holding Group, prepared in accordance with article 154-ter (3) of Italian Legislative Decree No. 58/1998, as amended, and the CONSOB Issuer Regulation (11971/1999).

This Half-Year Report has been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and specifically in accordance with IAS 34 "Interim Financial Reporting". The accounting policies applied in preparing this interim financial report are the same as those adopted in the Consolidated Financial Statements at 31 December 2015, with the exception of new standards applicable commencing as of 1 January 2016, which did not, however, have any impact on information presented in this half-year financial report.

Group performance for the six months and second quarter

Earnings

(EUR '000)	1st Half 2016	1st Half 2015	Change %	2nd Quarter 2016	2nd Quarter 2015	Change %
REVENUE FROM SALES AND SERVICES	**481,006**	**475,687**	**1.1%**	**270,561**	**271,031**	**-0.2%**
Change in inventories	(3,174)	(568)	458.8%	(8,222)	(13,347)	-38.4%
Other revenue[1]	7,504	7,099	5.7%	4,077	3,270	24.7%
TOTAL OPERATING REVENUE	**485,336**	**482,218**	**0.6%**	**266,416**	**260,954**	**2.1%**
Raw materials costs	(206,362)	(205,314)	0.5%	(109,187)	(108,934)	0.2%
Personnel costs	(78,387)	(77,631)	1.0%	(39,541)	(37,950)	4.2%
Other operating costs	(128,597)	(126,149)	1.9%	(67,046)	(65,148)	2.9%
TOTAL OPERATING COSTS	**(413,346)**	**(409,094)**	**1.0%**	**(215,774)**	**(212,032)**	**1.8%**
EBITDA	**71,990**	**73,124**	**-1.5%**	**50,642**	**48,922**	**3.5%**
EBITDA Margin %	*14.97%*	*15.37%*		*18.72%*	*18.05%*	
Amortisation, depreciation, impairment losses and provisions	(40,170)	(42,169)	-4.7%	(19,989)	(21,040)	-5.0%
EBIT	**31,820**	**30,955**	**2.8%**	**30,653**	**27,882**	**9.9%**
EBIT Margin %	*6.62%*	*6.51%*		*11.33%*	*10.29%*	
NET FINANCIAL INCOME (EXPENSE)	**(10,217)**	**5,251**	**-**	**(3,036)**	**4,528**	**-**
PROFIT (LOSS) BEFORE TAXES	**21,603**	**36,206**	**-40.3%**	**27,617**	**32,410**	**-14.8%**
PROFIT (LOSS) BEFORE TAXES Margin %	*4.49%*	*7.61%*		*10.21%*	*11.96%*	
Income taxes	(5,853)	(9,659)				
PROFIT (LOSS) FOR THE PERIOD	**15,750**	**26,547**	**-40.7%**			
Attributable to:						
NON-CONTROLLING INTERESTS	**4,709**	**2,696**				
OWNERS OF THE PARENT	**11,041**	**23,851**	**-53.7%**			

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

Sales volumes

('000)	1st Half 2016	1st Half 2015	Change %	2nd Quarter 2016	2nd Quarter 2015	Change %
Grey and white cement (metric tons)	4,749	4,532	4.8%	2,735	2,680	2.1%
Ready-mixed concrete (m^3)	2,140	1,783	20.0%	1,229	981	25.3%
Aggregates (metric tons)	1,695	1,843	-8.0%	997	1,053	-5.3%

In the first half, **revenue** from sales totalled EUR 481.0 million, an increase of 1.1% on the EUR 475.7 million figure recorded for the first half of 2015. The increase was primarily driven by higher revenue in Scandinavian countries and in Malaysia, which offset lower sales in Italy, Egypt and China, and the substantial stability of revenue in Turkey. As a result of the depreciation of the major foreign currencies against the Euro, the exchange rate effect was negative at EUR 28.3 million: at constant exchange rates, revenue would have amounted to EUR 509.3 million, up 7.1% on the previous year.

Operating costs, amounting to EUR 413.3 million, were up by 1.0% on the first half of 2015. However, at constant exchange rates, operating costs would have amounted to EUR 436.1 million, up EUR 6.6% on the previous year, with EUR 27.0 million attributable to the positive exchange rate effect of the depreciation of the major foreign currencies against the Euro.

In particular, the **cost of raw materials** was EUR 206.4 million, slightly higher than last year (+0.5%). However, at constant exchange rates the cost of raw materials came to EUR 220.1 million, up EUR 14.8 million on the EUR 205.3 million recorded at 30 June 2015, primarily due to higher production output of cement and ready-mixed concrete.

Personnel costs amounted to EUR 78.4 million, up 1.0% on 30 June 2015; at constant exchange rates it amounted to EUR 81.3 million, up EUR 3.7 million over 2015, due to an increased shift work among production staff in order to meet demand in Scandinavian countries and in Malaysia, as well as the effect of inflation on the salaries of employees in high-inflation countries.

Other operating costs totalled EUR 128.6 million, an increase of 1.9% on 30 June 2015; at constant exchange rates, it amounted to EUR 134.6 million, up by EUR 8.5 million over the first half of 2015 due to the increase in fixed production costs, deriving in part from performing plant maintenance work in different months of the year.

EBITDA was EUR 72.0 million, down 1.7% compared to the first half of 2015 mainly due to the depreciation of the major foreign currencies against the Euro. At constant exchange rates, EBITDA would have been EUR 77.6 million, up EUR 4.5 million compared to EUR 73.1 million at 30 June 2015, thanks to higher earnings in Scandinavian countries, Malaysia and Egypt, and the positive – albeit reduced – contribution of Turkey and China, which offset lower earnings in Italy. The EBITDA margin came to 15.0%, showing a slight drop in profitability compared to the same period of 2015 (15.4%). At constant exchange rates, the margin on revenue from sales would have been 15.1%.

Net of amortisation, depreciation and provisions totalling EUR 40.2 million, **EBIT** amounted to EUR 31.8 million (EUR 31.0 million at 30 June 2015). At constant exchange rates, EBIT would have been EUR 35.3 million, up EUR 4.4 million on 30 June 2015.

Net financial expense totalled EUR 10.2 million, a deterioration compared to 30 June 2015 (income of EUR 5.2 million). The figure was driven by the fall in the mark-to-market valuation of derivatives held to hedge commodity and interest rate risk, heavily exacerbated by “Brexit” in the final days of the half year. Hopefully, the remainder of the year will see a decrease in financial-market volatility so that the effects of the unrealised portion can be at least partially reduced.

Profit before taxes and profit for the period totalled EUR 21.6 million and EUR 15.7 million, respectively, down on the figures at 30 June 2015 (EUR 36.2 million and EUR 26.5 million, respectively) due to the net financial expense.

Profit for the period attributable to the owners of the parent amounted to EUR 11.0 million (EUR 23.8 million at 30 June 2015).

In the **second quarter** of 2016, revenue from sales and services totalled EUR 270.6 million, a decrease of 0.2% on the EUR 271.0 million figure recorded for the second quarter of 2015. However, at constant exchange rates, revenue would have been EUR 286.0 million, up EUR 14.9 million compared to the same period of the previous year, thanks to the good performance of the businesses in Scandinavian countries, Turkey and Malaysia, and the improvement in sales in China, offsetting lower revenue in Italy and Egypt.

Operating costs, amounting to EUR 215.8 million, were up by 1.8% on the second quarter of 2015. Operating costs at constant exchange rates would have totalled EUR 227.0 million, up by around EUR 15 million over the same period of the previous year (EUR 212.0 million); the increase was driven by greater variable costs deriving from higher production of cement and ready-mixed concrete and the increase in fixed costs of production.

EBITDA and **EBIT** amounted to EUR 50.6 million and EUR 48.9 million, respectively, posting an increase of 3.5% and 9.9%, respectively on the second quarter of 2015. The EBITDA margin came to 18.7% (18.0% in the second quarter of 2015), showing an improvement in the profitability of operations. At constant exchange rates, EBITDA and EBIT would have come to EUR 54.1 million and EUR 33.2 million, respectively, representing an increase of 10.6% and 19.0% compared to the second quarter of 2015.

Net financial expense was EUR 3.0 million (net financial income of EUR 4.5 million in the second quarter of 2015); this deterioration was driven by the fall in the mark-to-market valuation of derivatives held to hedge commodity and interest rate risk.

Profit before taxes amounted to EUR 27.6 million, down compared to the second quarter of 2015 (EUR 32.4 million).

Financial highlights

(EUR '000)	30-06-2016	31-03-2016	31-12-2015
Net capital employed	1,375,746	1,370,763*	1,353,192
Total equity	1,112,869	1,098,870*	1,131,105
Net financial debt[2]	262,877	271,893	222,087

* Equity at 31 March 2016 does not include the calculation of taxes on earnings for the period.

Net financial debt at 30 June 2016 amounted to EUR 262.9 million, a deterioration of EUR 40.8 million compared to 31 December 2015. The change was primarily attributable to movements in working capital, annual plant maintenance, which was performed in the early months of the year, and the distribution of EUR 15.9 million in dividends, paid out in May. However, despite the dividend payout, net financial debt in the second quarter of 2016 improved by EUR 9.0 million.

Total equity at 30 June 2016 amounted to EUR 1,112.9 million (EUR 1,131.1 million at 31 December 2015).

Financial indicators

The following table reports the most significant indicators for a brief assessment of the performance and financial position of Cementir Holding Group.

PERFORMANCE INDICATORS	30/06/2016	30/06/2015	COMPOSITION
Return on Equity	1.42%	2.37%	Profit/Equity
Return on Capital Employed	2.31%	2.16%	EBIT/(Equity + Net financial debt)
FINANCIAL INDICATORS	**30/06/2016**	**30/06/2015**	**COMPOSITION**
Equity ratio	60.92%	59.39%	Equity/Total assets
Net gearing ratio	23.62%	27.86%	Net financial debt/Equity

Return on Equity at 30 June 2016, measured at 1.42%, showed a deterioration versus the previous year, due solely to the net financial expense, which depressed profit despite higher operating results. However, the ratio is expected to improve when calculated over the entire year. Return on Capital Employed at 30 June 2016, measured at 2.31%, instead showed an improvement in profitability.

The financial indicators highlight the strong financial and equity standing of the Group.

[2] Net financial debt is measured in accordance with CONSOB Communication DEM/6064293 of 28 July 2006 and reported in Note 17.

Performance by geographic segment

Foreword

As of 1 January 2016, the Group's operating activities are organised on a regional basis and grouped into four *Regions* representing the following geographical segments: Nordic & Baltic and USA, Eastern Mediterranean, Asia Pacific and Italy.

The Nordic & Baltic and USA area includes Denmark and the operating activities previously included in the Other Scandinavian Countries (Norway, Sweden and Iceland) and in the Rest of the World (United Kingdom, Poland, Russia, France and United States).

Turkey and Egypt have been grouped into the Eastern Mediterranean area, while the Asia Pacific area (China, Malaysia and Australia) has replaced the Far East area.

The 2015 figures have been correspondingly reclassified to make them comparable.

Nordic & Baltic and United States

In the first six months of the year, the revenue generated in the Nordic & Baltic and USA area was EUR 278.1 million, up 3.6% compared to the first half of 2015 as a result of the increase in the quantity of cement and ready-mixed concrete sold in all areas of operation.

In particular, in **Denmark** there was a significant increase in sales volumes of cement (+7.3%) compared to 30 June 2015 thanks mainly to domestic market demand, driven by the strong performance of civil and residential construction. Sales in the ready-mixed concrete sector were stable compared to the first half of 2015, as the general rise in construction activity was offset by the completion of significant infrastructural works, such as the Copenhagen Metro. Exports of white cement were in line with the previous year as the lower volumes sold in the United States, due mainly to different shipping times, were offset by higher sales in other European countries.

In **Norway**, however, sales volumes of ready-mixed concrete increased by around 13% thanks to a recovery in the construction sector, above all in the Oslo area, which had seen a contraction in 2015. The value of the Norwegian Krone fell by about 9% compared to the average exchange rate in the first half of 2015, reducing the contribution of revenue in the consolidated financial statements stated in Euro.

In **Sweden** too, sales volumes of ready-mixed concrete rose significantly (+28.2% over the first half of 2015) driven by the increase in residential and infrastructure construction in the south of Sweden, where subsidiary operations are mostly located, while aggregate sales fell due to the completion of a number of important contracts.

In the **United Kingdom**, revenue from waste management increased by around EUR 1.2 million compared to 30 June 2015 due to the increase in volumes processed, mainly deriving from the renewal of a waste sorting contract in the county of Lancashire.

EBITDA in the Nordic & Baltic and USA area was EUR 48.1 million, up 10.6% compared to EUR 43.5 million in the first half of 2015, thanks to higher revenue from sales combined with relentless control of production costs.

Eastern Mediterranean

In the Eastern Mediterranean area, revenue from sales totalled EUR 142.9 million, a decrease of 1.1% on the EUR 144.5 million recorded for the first half of 2015.

Specifically, revenue in **Turkey** of EUR 116.9 million was substantially stable compared to the same period of the previous year; however, revenue in local currency increased by around 14% as a result of the increase in the quantity of cement and ready-mixed concrete sold (+9.1% and +41.2% compared to 30 June 2015), generated by the increase in internal demand in the Izmir and Edirne regions. However, the severe depreciation of the Turkish Lira against the Euro (-13.9% compared to the average exchange rate in the first half of 2015) completely negated this increase in the consolidated financial statements, expressed in Euro.

In **Egypt**, revenue was EUR 26.0 million, down 12.3% compared to revenue in the first half of 2015 (EUR 29.7 million), due mainly to the depreciation of the Egyptian Pound against the Euro (-12.0% compared to the average exchange rate in the first half of 2015); in fact, in local currency, revenue fell by only 1.8% due to the lower quantities of cement sold in the domestic market, partially mitigated by an increase in sales prices and higher export volumes.

EBITDA in the Eastern Mediterranean area was EUR 24.8 million, down by 14.4% compared to EUR 28.9 million in the first half of 2015, mainly due to lower earnings from the cement sector in Turkey, where there was an increase in variable costs – caused by an increase in the cost of energy and some production materials – as well as fixed costs of production, deriving from different scheduling of maintenance activities compared to the previous year. In Egypt, EBITDA improved by around EUR 0.6 million due to the reduction in variable costs as a result of the introduction of the petroleum coke production process instead of fuel oil.

Asia Pacific

In the first half of 2016, the Asia Pacific area – which includes the operations in China, Malaysia and Australia – generated revenue of EUR 38.5 million, an increase of 7.5% on the same period of the previous year (EUR 35.8 million).

In particular, in **Malaysia**, revenue in local currency grew by around 30% over the first half of 2015, thanks to the increase in sales volumes of white cement and clinker (+26.9% compared to 30 June 2015) deriving mainly from higher exports to Australia. When translated into Euros for the condensed interim consolidated financial statements, the increase was lower due to the depreciation of the Malaysian Ringgit against the Euro (-12.6% over the average exchange rate for the first half of the previous year).

In **China**, revenue in local currency was substantially stable compared to the first half of 2015 due to an increase in the quantity of cement sold on the domestic market, against prices trending downwards and a fall in export volumes. However, Chinese operations contributed a negative EUR 1 million approximately to consolidated revenue when translated into Euros, due to the depreciation of the Chinese Yuan against the Euro (-5.1% over the average exchange rate in the first half of 2015).
EBITDA in the area was EUR 8.8 million, an increase of 34.4% from EUR 6.5 million in the first half of 2015, driven by the better results achieved in Malaysia.

Italy

In the first half of 2016, revenue generated in Italy was down 8.6% on the first half of the previous year due to the fall in sales of cement and ready-mixed concrete (-9.8% and -18.5% compared to 30 June 2015), with slightly higher sales prices.
EBITDA was negative at EUR 9.6 million, a deterioration on the same period of the previous year (EUR -5.8 million at 30 June 2015), partly as a result of higher fixed costs of production deriving from changes in the scheduling of maintenance work.

Directors' report

Significant event in the half year

The results of the first half of 2016 were impacted by exchange-rate movements, which had a significant negative effect (EUR 5.6 million) on the Group's EBITDA. At constant exchange rates, EBITDA would have been up compared to 2015 thanks to strong performance of operations in Scandinavian countries, Malaysia and Egypt, as well as the positive – albeit smaller – contribution of Turkey and China, offsetting the difficulties faced in Italy. In the waste management business, both the United Kingdom and Turkey saw increases in volumes processed and in revenue compared to the first half of 2015, pointing towards the achievement of break-even.

Investments

Investments in the first half of 2016 totalled EUR 20.9 million, including EUR 12.3 million in the Nordic & Baltic and USA area, EUR 5.4 million in the Eastern Mediterranean area, EUR 1.0 million in the Asia Pacific area and EUR 2.2 million in Italy. The breakdown by business segment shows that EUR 17.0 million was invested in the cement business, EUR 3.3 million in the ready-mixed concrete business, EUR 0.4 million in the waste management business and EUR 0.2 million in the IT systems of the holding company. The breakdown by asset class instead shows that EUR 20.7 million was invested in property, plant and equipment, while EUR 0.2 million was invested in intangible assets.

Business outlook

In the second half of the year, we expect to see continued strong performance in the Nordic & Baltic area and in Malaysia, an improvement in results in China, and persistent weak demand in Italy. In the Eastern Mediterranean area, the geopolitical events continuing to affect Turkey and Egypt mean it is difficult to make reliable forecasts on market performance. However, despite these uncertainties, the Group is able to confirm the performance and financial targets for 2016, which set EBITDA at a target of approximately EUR 190 million and net financial debt at a target of approximately EUR 180 million.

Financial risk management

In the first half of 2016, no new market risks emerged in addition to those reported in the consolidated financial statements at 31 December 2015. Accordingly, no material changes were introduced to the Group's financial risk management strategy.

Main uncertainties and going concern

The Group has the financial resources to carry on its business and is not exposed to uncertainties that cast substantial doubt on its ability to continue as a going concern.

Related party transactions

With regard to Related party transactions, as defined by IAS 24, the Group did not conduct any atypical and/or unusual transactions. All business and financial dealings with related parties were conducted on terms equivalent to those that prevail in arm's length transactions. For a more detailed report on financial and business dealings with related parties, as required by CONSOB Resolution No.15519 of 27 July 2006, see Note 32 to the condensed interim consolidated financial statements.

During the half-year reporting period, the Company did not conduct any transactions of major significance or significant ordinary transactions, as defined by the CONSOB Regulation governing transactions with related parties, adopted by Resolution No.17221 of 12 March 2010, which required disclosure to supervisory authorities.

Treasury shares

At 30 June 2016, the parent and its subsidiaries did not hold, either directly or indirectly, shares or units of the ultimate parent, and no transactions were conducted for the purchase or sale of such shares.

Corporate governance

During the first half of the year, the Board of Directors' meeting held on 11 May 2016 confirmed the appointment for 2016 of Massimo Sala, the Chief Financial Officer, as Manager responsible for financial reporting. At the same meeting, in accordance with the Corporate Governance Code of Borsa Italiana S.p.A., the Board of Directors checked that the independent directors continued to meet the requirements to qualify as independent under said Code (Paolo Di Benedetto, Veronica De Romanis and Chiara Mancini).

The Supervisory Body, appointed pursuant to Italian Legislative Decree 231/2001 for the period 2015-2017, continued in its role of providing supervision and continually updating the Organisational and Control Model adopted by the Company on 8 May 2009, in accordance with said Decree.

For more detailed information on the corporate governance system and ownership structure of Cementir Holding S.p.A., see the Corporate Governance and Ownership Report prepared in accordance with article 123-bis of Italian Legislative Decree 58 of 24 February 1998 (Consolidated Finance Act) and published together with the 2015 directors' report. The Corporate Governance and Ownership Report is available on the corporate website www.cementirholding.it, in the section *Investor Relations>Corporate Governance*.

Exceptions to disclosure obligations of information documents for significant extraordinary transactions

Pursuant to art. 70, paragraph 8, and art. 71, paragraph 1-bis of Consob Issuers' Regulations, on 31 January 2013 the Board of Directors of Cementir Holding SpA resolved to exercise the power to derogate from the requirements on the disclosure of the prescribed information documents in the event of significant mergers, demergers, capital increases through contributions in kind, acquisitions and disposals.

Events after the reporting period

In July, Aalborg Portland Holding A/S, an indirect 100% subsidiary of Cementir Holding, signed an agreement with Ciments Français S.A.S, a subsidiary of Italcementi and part of HeidelbergCement, to acquire its Belgian business, mainly comprising the Belgian subsidiary of "Compagnie des Ciments Belges S.A." (CCB). The agreement is subject to approval by the European Commission.

The value of the transaction (Enterprise Value) is EUR 312 million, on a cash and debt-free basis. Closing is subject to the usual conditions for this kind of transaction and is expected to take place in the second half of 2016.

With regard to the acquisition of the business division of Sacci SpA, on 12 July 2016 the Board of Directors of Cementir Holding approved the financing for a total amount of EUR 125 million granted by the related party ICAL 2 SpA. The financing is to fund the acquisition, whose closing is expected by the end of July 2016. Therefore, the disbursement of the financing is subject to the conditions precedent of the transaction being met, whose closing is expected to take place shortly.

Rome, 28 July 2016

Chairman of the Board of Directors

/s/ Francesco Caltagirone Jr.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position*

(EUR '000)	Notes	30 June 2016	31 December 2015
ASSETS			
Intangible assets with a finite useful life	1	30,110	33,009
Intangible assets with an indefinite useful life	2	390,647	391,660
Property, plant and equipment	3	693,111	725,336
Investment property	4	115,336	116,145
Equity-accounted investments	5	23,096	23,430
Available-for-sale equity investments	6	207	207
Non-current financial assets		310	640
Deferred tax assets	20	70,716	63,006
Other non-current assets	11	9,875	11,026
TOTAL NON-CURRENT ASSETS		**1,333,408**	**1,364,459**
Inventories	7	131,981	139,954
Trade receivables	8	203,378	174,139
Current financial assets	9	4,850	6,192
Current tax assets	10	8,904	5,973
Other current assets	11	28,499	22,066
Cash and cash equivalents	12	115,703	136,768
TOTAL CURRENT ASSETS		**493,315**	**485,092**
TOTAL ASSETS		**1,826,723**	**1,849,551**
EQUITY AND LIABILITIES			
Share capital		159,120	159,120
Share premium reserve		35,710	35,710
Other reserves		822,825	786,363
Profit (loss) attributable to the owners of the parent		11,041	67,477
Equity attributable to the owners of the parent	13	**1,028,696**	**1,048,670**
Profit (loss) attributable to non-controlling interests		4,709	7,624
Reserves attributable to non-controlling interests		79,464	74,811
Equity attributable to non-controlling interests	13	**84,173**	**82,435**
TOTAL EQUITY		**1,112,869**	**1,131,105**
Employee benefits	14	17,353	17,815
Non-current provisions	15	16,498	17,036
Non-current financial liabilities	17	219,340	235,291
Deferred tax liabilities	20	70,163	71,750
Other non-current liabilities	19	8,048	8,672
TOTAL NON-CURRENT LIABILITIES		**331,402**	**350,564**
Current provisions	15	1,394	3,272
Trade payables	16	163,382	180,544
Current financial liabilities	17	164,090	129,756
Current tax liabilities	18	13,479	10,172
Other current liabilities	19	40,107	44,138
TOTAL CURRENT LIABILITIES		**382,452**	**367,882**
TOTAL LIABILITIES		**713,854**	**718,446**
TOTAL EQUITY AND LIABILITIES		**1,826,723**	**1,849,551**

* Pursuant to CONSOB Resolution No. 15519 of 27 July 2006, information about related party transactions is disclosed in the notes to the condensed interim consolidated financial statements and the following tables.

Consolidated income statement*

(EUR '000)	Notes	1st Half 2016	1st Half 2015
REVENUE	21	**481,006**	**475,687**
Change in inventories	7	(3,174)	(568)
Increase for internal work		4,557	3,760
Other operating revenue	22	2,947	3,339
TOTAL OPERATING REVENUE		**485,336**	**482,218**
Raw materials costs	23	(206,362)	(205,314)
Personnel costs	24	(78,387)	(77,631)
Other operating costs	25	(128,597)	(126,149)
TOTAL OPERATING COSTS		**(413,346)**	**(409,094)**
EBITDA		**71,990**	**73,124**
Amortisation and depreciation	26	(40,058)	(41,895)
Provisions	26	(38)	(126)
Impairment losses	26	(74)	(148)
Total amortisation, depreciation, impairment losses and provisions		(40,170)	(42,169)
EBIT		**31,820**	**30,955**
Share of net profits of equity-accounted investees	5-27	2,138	1,692
Financial income	27	1,404	7,431
Financial expense	27	(16,109)	(6,856)
Foreign exchange rate gains (losses)	27	2,350	2,984
Net financial income (expense)		(12,355)	3,559
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY-ACCOUNTED INVESTEES		**(10,217)**	**5,251**
PROFIT (LOSS) BEFORE TAXES		**21,603**	**36,206**
Income taxes	28	(5,853)	(9,659)
PROFIT FROM CONTINUING OPERATIONS		**15,750**	**26,547**
PROFIT (LOSS) FOR THE PERIOD		**15,750**	**26,547**
Attributable to:			
Non-controlling interests		4,709	2,696
Owners of the parent		**11,041**	**23,851**

(EUR)			
Basic earnings per share	29	**0.069**	**0.150**
Diluted earnings per share	29	**0.069**	**0.150**

* Pursuant to CONSOB Resolution No. 15519 of 27 July 2006, information about related party transactions is disclosed in the notes to the condensed interim consolidated financial statements and the following tables.

Consolidated statement of comprehensive income

(EUR '000)	Notes	1st Half 2016	1st Half 2015
PROFIT (LOSS) FOR THE PERIOD		**15,750**	**26,547**
Other comprehensive income (expense):			
Items that will never be reclassified to profit (loss)		**-**	**-**
Items that may be reclassified to profit (loss)			
Foreign currency translation differences - foreign operations		(22,108)	(14,049)
Financial instruments		-	-
Taxes related to equity		-	-
Total items that may be reclassified to profit (loss)		**(22,108)**	**(14,049)**
Total other comprehensive income (expense)		**(22,108)**	**(14,049)**
COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD		**(6,358)**	**12,498**
Attributable to:			
Non-controlling interests		(2,087)	3,749
Owners of the parent		**(4,271)**	**8,749**

Consolidated statement of changes in equity

(EUR '000)	Share capital	Share premium reserve	Other reserves: Legal reserve	Other reserves: Translation reserve	Other reserves: Other reserves	Profit (loss) attributable to the owners of the parent	**Equity attributable to the owners of the parent**	Profit (loss) attributable to non-controlling interests	Reserves attributable to non-controlling interests	**Equity attributable to non-controlling interests**	**Total Equity**
Equity at 1 January 2015	**159,120**	**35,710**	**31,825**	**(249,886)**	**994,667**	**71,634**	**1,043,070**	**7,091**	**73,140**	**80,231**	**1,123,301**
Allocation of 2014 profit (loss)					71,634	(71,634)	-	(7,091)	7,091		-
Distribution of 2014 dividends					(15,912)		(15,912)		(1,632)	(1,632)	(17,544)
Other changes							-			**-**	-
Total owner transactions	**-**	**-**	**-**	**-**	**55,722**	**(71,634)**	**(15,912)**	**(7,091)**	**5,459**	**(1,632)**	**(17,544)**
Change in translation reserve				(48,804)			**(48,804)**		129	129	**(48,675)**
Net actuarial gains (losses)					(524)		**(524)**		(67)	(67)	**(591)**
Total other comprehensiv Income (expense)	**-**	**-**	**-**	**(48,804)**	**(524)**	**-**	**(49,328)**	**-**	**62**	**62**	**(49,266)**
Change in other reserves					3,363		**3,363**		(3,850)	(3,850)	**(487)**
Total other transactions	**-**	**-**	**-**	**-**	**3,363**	**-**	**3,363**	**-**	**(3,850)**	**(3,850)**	**(487)**
Profit (loss) for the year						67,477	**67,477**	7,624		**7,624**	**75,101**
Equity at 31 December 2015	**159,120**	**35,710**	**31,825**	**(298,690)**	**1,053,228**	**67,477**	**1,048,670**	**7,624**	**74,811**	**82,435**	**1,131,105**

(EUR '000)	Share capital	Share premium reserve	Other reserves: Legal reserve	Other reserves: Translation reserve	Other reserves: Other reserves	Profit (loss) attributable to the owners of the parent	**Equity attributable to the owners of the parent**	Profit (loss) attributable to non-controlling interests	Reserves attributable to non-controlling interests	**Equity attributable to non-controlling interests**	**Total Equity**
Equity at 1 January 2016	**159,120**	**35,710**	**31,825**	**(298,690)**	**1,053,228**	**67,477**	**1,048,670**	**7,624**	**74,811**	**82,435**	**1,131,105**
Allocation of 2015 profit (loss)					67,477	(67,477)	-	(7,624)	7,624	-	-
Distribution of 2015 dividends					(15,912)		(15,912)		(750)	(750)	(16,662)
Other changes							-		4,689	4,689	4,689
Total owner transactions	**-**	**-**	**-**	**-**	**51,565**	**(67,477)**	**(15,912)**	**(7,624)**	**11,563**	**3,939**	**(11,973)**
Change in translation reserve				(15,312)			(15,312)		(6,796)	(6,796)	**(22,108)**
Net actuarial gains (losses)							-			-	**-**
Total other comprehensiv Income (expense)	**-**	**-**	**-**	**(15,312)**			**(15,312)**		**(6,796)**	**(6,796)**	**(22,108)**
Change in other reserves					209		209		(114)	(114)	**95**
Total other transactions	**-**	**-**	**-**	**-**	**209**	**-**	**209**		**(114)**	**(114)**	**(95)**
Profit (loss) for the period						11,041	**11,041**	4,709		**4,709**	**15,750**
Equity at 30 June 2016	**159,120**	**35,710**	**31,825**	**(314,002)**	**1,105,002**	**11,041**	**1,028,696**	**4,709**	**79,464**	**84,173**	**1,112,869**

Consolidated statement of cash flows

(EUR '000)	Notes	1st Half 2016	1st Half 2015
Profit (loss) for the year		**15,750**	**26,547**
Amortisation and depreciation	26	40,058	41,895
(Reversals of impairment losses) Impairment losses		378	148
Share of net profits of equity-accounted investees	27	(2,138)	(1,692)
Net financial income (expense)	27	12,355	(3,559)
(Gains) Losses on disposals		(118)	(715)
Income taxes	28	5,853	9,659
Change in employee benefits		(603)	(417)
Change in provisions (current and non-current)		(2,515)	(366)
Operating cash flows before changes in working capital		**69,020**	**71,500**
(Increase) decrease in inventories		7,667	(3,790)
(Increase) decrease in trade receivables		(29,299)	(26,051)
Increase (decrease) in trade payables		(16,179)	(17,682)
Change in other non-current and current assets and liabilities		(3,548)	(1,719)
Change in current and deferred taxes		(4,811)	(349)
Operating cash flows		**22,850**	**21,909**
Dividends collected		2,245	1,551
Interest collected		1,032	960
Interest paid		(4,517)	(4,758)
Other net income (expense) collected (paid)		(6,268)	(220)
Income taxes paid		(11,624)	(13,919)
CASH FLOWS FROM OPERATING ACTIVITIES (A)		**3,718**	**5,523**
Investments in intangible assets		(634)	(929)
Investments in property, plant and equipment		(21,776)	(27,074)
Investments in equity investments and other non-current securities		-	-
Proceeds from the sale of intangible assets		53	-
Proceeds from the sale of property, plant and equipment		614	1,235
Proceeds from the sale of equity investments and non-current securities		-	-
Change in non-current financial assets		329	(11)
Change in current financial assets		262	3,699
Other changes in investing activities		-	-
CASH FLOWS USED IN INVESTING ACTIVITIES (B)		**(21,152)**	**(23,080)**
Change in non-current financial liabilities		(15,952)	(10,564)
Change in current financial liabilities		28,345	48,813
Dividends distributed		(16,662)	(16,931)
Other changes in equity		1,557	(4,093)
CASH FLOWS FROM FINANCING ACTIVITIES (A)		**(2,712)**	**17,225**
NET EXCHANGE RATE GAINS (LOSSES) ON CASH AND CASH EQUIVALENTS (D)		**(919)**	**708**
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**(21,065)**	**376**
Opening cash and cash equivalents	12	**136,768**	**93,856**
Closing cash and cash equivalents	12	**115,703**	**94,232**

Consolidated statement of financial position

pursuant to CONSOB Resolution No. 15519 of 27 July 2006

(EUR '000)	Notes	30 June 2016 Total	30 June 2016 of which with related parties	31 December 2015 Total	31 December 2015 of which with related parties
ASSETS					
Intangible assets with a finite useful life	1	30,110	-	33,009	-
Intangible assets with an indefinite useful life	2	390,647	-	391,660	-
Property, plant and equipment	3	693,111	-	725,336	-
Investment property	4	115,336	-	116,145	-
Equity-accounted investments	5	23,096	-	23,430	-
Available-for-sale equity investments	6	207	-	207	-
Non-current financial assets		310	-	640	-
Deferred tax assets	20	70,716	-	63,006	-
Other non-current assets	11	9,875	-	11,026	-
TOTAL NON-CURRENT ASSETS		**1,333,408**	**-**	**1,364,459**	-
Inventories	7	131,981	-	139,954	-
Trade receivables	8	203,378	1,392	174,139	4,184
Current financial assets	9	4,850	3,726	6,192	4,155
Current tax assets	10	8,904	-	5,973	-
Other current assets	11	28,499	-	22,066	-
Cash and cash equivalents	12	115,703	2,716	136,768	1,720
TOTAL CURRENT ASSETS		**493,315**	**-**	**485,092**	-
TOTAL ASSETS		**1,826,723**	**-**	**1,849,551**	-
EQUITY AND LIABILITIES					
Share capital		159,120	-	159,120	-
Share premium reserve		35,710	-	35,710	-
Other reserves		822,825	-	786,363	-
Profit (loss) attributable to the owners of the parent		11,041	-	67,477	-
Equity attributable to the owners of the parent	13	**1,028,696**	**-**	**1,048,670**	-
Profit (loss) attributable to non-controlling interests		4,709	-	7,624	-
Reserves attributable to non-controlling interests		79,464	-	74,811	-
Equity attributable to non-controlling interests	13	**84,173**	**-**	**82,435**	-
TOTAL EQUITY		**1,112,869**	**-**	**1,131,105**	-
Employee benefits	14	17,353	-	17,815	-
Non-current provisions	15	16,498	-	17,036	-
Non-current financial liabilities	17	219,340	50,000	235,291	50,000
Deferred tax liabilities	20	70,163	-	71,750	-
Other non-current liabilities	19	8,048	1,705	8,672	1,864
TOTAL NON-CURRENT LIABILITIES		**331,402**	**-**	**350,564**	-
Current provisions	15	1,394	-	3,272	-
Trade payables	16	163,382	420	180,544	78
Current financial liabilities	17	164,090	23,231	129,756	-
Current tax liabilities	18	13,479	-	10,172	-
Other current liabilities	19	40,107	-	44,138	-
TOTAL CURRENT LIABILITIES		**382,452**	**-**	**367,882**	-
TOTAL LIABILITIES		**713,854**	**-**	**718,446**	-
TOTAL EQUITY AND LIABILITIES		**1,826,723**	**-**	**1,849,551**	-

Consolidated income statement

pursuant to CONSOB Resolution No. 15519 of 27 July 2006

		1st Half 2016		1st Half 2015	
(EUR '000)	Notes	Total	of which with related parties	Total	of which with related parties
REVENUE	21	**481,006**	**6,320**	**475,687**	**8,261**
Change in inventories	7	(3,174)	-	(568)	-
Increase for internal work		4,557	-	3,760	-
Other operating revenue	22	2,947	21	3,339	131
TOTAL OPERATING REVENUE		**485,336**	**-**	**482,218**	**-**
Raw materials costs	23	(206,362)	-	(205,314)	-
Personnel costs	24	(78,387)	-	(77,631)	-
Other operating costs	25	(128,597)	(1,070)	(126,149)	(1,017)
TOTAL OPERATING COSTS		**(413,346)**	**-**	**(409,094)**	**-**
EBITDA		**71,990**	**-**	**73,124**	**-**
Amortisation and depreciation	26	(40,058)	-	(41,895)	-
Provisions	26	(38)	-	(126)	-
Impairment losses	26	(74)	-	(148)	-
Total amortisation, depreciation, impairment losses and provisions		(40,170)	-	(42,169)	-
EBIT		**31,820**	**-**	**30,955**	**-**
Share of net profits of equity-accounted investees	5-27	2,138	-	1,692	-
Financial income	27	1,404	11	7,431	149
Financial expense	27	(16,109)	(878)	(6,856)	(859)
Foreign exchange rate gains (losses)	27	2,350	-	2,984	-
Net financial income (expense)		(12,355)	-	3,559	-
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY-ACCOUNTED		**(10,217)**	**-**	**5,251**	**-**
PROFIT (LOSS) BEFORE TAXES		**21,603**	**-**	**36,206**	**-**
Income taxes	28	(5,853)	-	(9,659)	-
PROFIT FROM CONTINUING OPERATIONS		**15,750**	**-**	**26,547**	**-**
PROFIT (LOSS) FOR THE PERIOD		**15,750**	**-**	**26,547**	**-**
Attributable to:					
Non-controlling interests		4,709	-	2,696	-
Owners of the parent		**11,041**	**-**	**23,851**	**-**
(EUR)					
Basic earnings per share	29	**0.069**		**0.150**	
Diluted earnings per share	29	**0.069**		**0.150**	

NOTES

General information

Cementir Holding SpA (the "parent"), a company limited by shares with registered office in Corso di Francia 200, Rome, Italy, and its subsidiaries make up the Cementir Holding Group (the "Group"), mainly active in the cement and ready-mixed concrete sector in Italy and around the world.

Based on the shareholder register, the communications received pursuant to article 120 of Italian Legislative Decree No. 58 of 24 February 1998 and other available information, the following are the shareholders with an investment of more than 2% in the parent's share capital at 30 June 2016:

1) Francesco Gaetano Caltagirone – 104,921,927 shares (65.939%). The shareholding is held as follows:
    - Direct ownership of 1,327,560 shares (0.834%)
    - Indirect ownership through the companies:
        - Calt 2004 Srl – 47,860,813 shares (30.078%)
        - Lav 2004 Srl – 40,543,880 shares (25.480%)
        - Gamma Srl – 5,575,220 shares (3.504%)
        - Pantheon 2000 SpA – 4,466,928 shares (2.807%)
        - ICAL 2 SpA – 2,614,300 shares (1.643%)
        - Caltagirone SpA – 2,533,226 shares (1.592%)
2) Francesco Caltagirone – 8,020,299 shares (5.040%). The shareholding is held as follows:
    - Direct ownership of 2,520,299 shares (1.584%)
    - Indirect ownership through the company Chupas 2007 Srl – 5,500,000 shares (3.457%).

This half-year financial report at 30 June 2016 was approved on 28 July 2016 by the Board of Directors, which authorised its publication.

Cementir Holding SpA is included in the interim consolidated financial statements of the Caltagirone Group. At the date of preparation of this interim financial report, the ultimate parent is FGC SpA due to the shares held via its subsidiaries.

The condensed interim consolidated financial statements at 30 June 2016 include the condensed interim financial statements of the parent and its subsidiaries. The financial statements of the individual companies prepared by their directors were used for the consolidation.

No changes were applied over the reporting period to the scope of consolidation.

Statement of compliance with the IFRS

The condensed interim consolidated financial statements at 30 June 2016 have been prepared on a going concern basis for the parent and its subsidiaries. These condensed interim consolidated financial statements comply with the provisions of Article 154-ter (3) of Italian Legislative Decree No. 58/1998 as amended, and Articles 2 and 3 of Italian Legislative Decree No. 38/2005, with International Financial Reporting Standards (IFRS) and the former international accounting standards (IAS), as well as the interpretations thereof issued by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), as endorsed by the European Union at the reporting date. For simplicity purposes, all these standards and interpretations are referred to herein as "IFRS".

Specifically, the condensed interim consolidated financial statements have been prepared in accordance with IAS 34 and as such do not disclose all the information required of annual financial statements. Accordingly, the condensed interim consolidated financial statements should be read together with the consolidated financial statements as at and for the year ended 31 December 2015, filed at the head office of the company Cementir Holding S.p.A. in Corso di Francia 200, Rome, and available on the corporate website www.cementirholding.it.

The condensed interim consolidated financial statements are consistent with the annual financial statements, in accordance with the revised version of IAS 1. The accounting policies adopted in preparing these condensed interim consolidated financial statements are the same as those applied in the preparation of the Group's annual consolidated financial statements as at and for the year ended 31 December 2015, with the exception of new standards applicable commencing as of 1 January 2016, which did not, however, have any impact on information presented in the interim financial report.

Basis of presentation

The condensed interim consolidated financial statements at 30 June 2016 are presented in Euros, the parent's functional currency. All amounts are expressed in thousands of Euros, unless indicated otherwise.

The condensed interim consolidated financial statements consist of a statement of financial position, an income statement, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and these notes. The Group has opted to present these statements as follows:

- the statement of financial position presents current and non-current assets and liabilities separately;
- the income statement classifies costs by nature;
- the statement of comprehensive income presents the effect of gains and losses recognised directly in equity, starting from the profit for the period;
- the statement of changes in equity is presented using the changes in equity method;
- the statement of cash flows is presented using the indirect method.

The IFRS have been applied consistently with the guidance provided in the Framework for the Preparation and Presentation of Financial Statements. The company was not required to make any departures as per IAS 1.19.

CONSOB Resolution No. 15519 of 27 July 2006 requires that sub-captions be added in the financial statements, in addition to those specifically requested by IAS 1 and the other standards, when they involve significant amounts, so as to show transactions with related parties separately or, in the case of the income statement, profits and losses on non-recurring or unusual transactions, when their amounts are material.

Assets and liabilities are presented separately and are not netted.

Standards and amendments to standards adopted by the Group

a) Commencing as of 1 January 2016, the Group has adopted the following new accounting standards:

- *"Equity Method in Separate Financial Statements (Amendments to IAS 27)".* This document was endorsed by the European Union through Regulation No 2441 of 18 December 2015. The amendments permit entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.
- Amendments to IAS 1 *"Presentation of Financial Statements"*. These amendments were endorsed by the European Union through Regulation No. 2406 of 18 December 2015. The project was part of the IASB's overall *Disclosure Initiative*, the objective of which is to improve the presentation and disclosure of financial information in financial reports and resolve certain issues raised by operators.
- "*Annual Improvements to IFRSs: 2012-2014 Cycle*". This document was endorsed by the European Union through Regulation No. 2343 of 15 December 2015. The amendments introduced affect the following standards: IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*, IFRS 7 – *Financial Instruments: Disclosure*, IAS 19 – *Employee Benefits*, IAS 34 – *Interim Financial Reporting*.
- "*Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)*". These amendments clarify that a revenue-based method of amortisation is not considered appropriate because it represents the generation of economic benefits from an asset rather than the consumption of the economic benefits embodied in the asset.
- *"Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11 Joint Arrangements)"*. This document was endorsed by the European Union through Regulation No. 2173 of 24 November 2015. The amendments to IFRS 11 clarify the most appropriate approach to account for the acquisition of an interest in a joint operation that is a business.
- Amendments to IAS 16 and IAS 41 concerning bearer plants. The amendments permit bearer plants to be recognised at cost instead of fair value, while continuing to require that harvests be measured at fair value.

b) Standards and interpretations to be applied shortly:

At the date of approval of these condensed interim consolidated financial statements, the IASB has issued certain standards, interpretations and amendments that the European Union has yet to endorse, some of which are still at the discussion stage. They include:

- On 24 July 2014, the IASB published the final version of IFRS 9 *Financial Instruments*. The new standard introduces new classification, measurement and derecognition requirements, a new impairment model and a reformed approach to hedge accounting, completing the IASB's project to replace IAS 39. The final version of the standard replaces all earlier versions of IFRS 9. The IASB began the IFRS 9 project in 2008; the project involved a series of phases. In 2009, a first version of

IFRS 9 was published, which introduced new classification and measurement requirements for financial assets; classification and measurement requirements for financial liabilities and derecognition rules were added in 2010. IFRS 9 was then amended in 2013 with a reformed model of hedge accounting. In September 2015, the EFRAG completed its due process for the issue of its endorsement advice, which was then submitted to the European Commission. The endorsement advice recommends that all companies apply IFRS 9 starting from 2018, allowing for its optional application by the insurance sector. Endorsement by the EU is expected in the fourth quarter of 2016.

- On 30 January 2014, the IASB published IFRS 14 – *Regulatory Deferral Accounts*. The standard permits first-time adopters that operate in sectors subject to rate regulation to continue to account, with some limited changes, for "regulatory deferral account balances" in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. However, it requires that regulatory deferral account balances, and movements in them, are presented separately in the statement of financial position, income statement and statement of comprehensive income, and specific disclosures are required in the notes. As it stands, the European Commission has decided to suspend the Endorsement Process pending the IASB issuing the definitive accounting standard.
- On 28 May 2014, the IASB published IFRS 15 – *Revenue from Contracts with Customers*. The standard provides a single and comprehensive framework for recording revenue and sets out how to treat all contracts with customers (except contracts covered by the standards on leases, insurance contracts and financial instruments). IFRS 15 replaces the previous standards on revenue: IAS 18 Revenue and IAS 11 Construction Contracts, as well as the interpretations IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue—Barter Transactions Involving Advertising Services. The standard identifies criteria for recognising revenue from the sale of goods or the provision of services based on the "five-step model framework", and requires that useful information be provided in the notes to the financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. On 11 September 2015, the IASB published the Amendment to IFRS 15 that deferred the entry into force of the standard by one year to 1 January 2018. Early application is in any case permitted. Endorsement by the EU is expected in the third quarter of 2016. On 12 April 2016, the IASB published "*Clarifications to IFRS 15 – Revenue from Contracts with Customers*". The amendment does not change the provisions of the standard but clarifies how they should be applied. Specifically, it clarifies: (i) how to identify a performance obligation in a contract, (ii) how to determine whether an entity is a principal or an agent, and (iii) how to determine the moment at which revenue from granting licences should be recognised. The entry into force of this amendment, whose endorsement by the EU is expected in the first quarter of 2017, is also set at 1 January 2018.

- On 13 January 2016, the IASB published the new standard IFRS 16 – Leases, which replaces IAS 17. IFRS 16 applies as of 1 January 2019. The new standard de facto eliminates the difference in accounting for operating leases and finance leases, while also simplifying its application. Early application is permitted for entities that also apply IFRS 15 Revenue from Contracts with Customers. The EFRAG is expected to conclude its due process in the second half of 2016.
- On 11 September 2014, the IASB published Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28), with a view to resolving the conflict between IAS 28 and IFRS 10. Under IAS 28, the gain or loss resulting from the sale or contribution of non-monetary assets to a joint venture or associate in exchange for an equity stake in the entity is recognised only to the extent of unrelated investors' interests in the associate or joint venture. In contrast, IFRS 10 requires the recognition of the full gain or loss upon loss of control, even if the entity continues to hold a non-controlling interest in the associate, also in the case of the sale or contribution of a subsidiary to a joint venture or associate. The amendments introduced clarify that in the case of the sale or contribution of assets or a subsidiary to a joint venture or an associate, the extent to which the resulting gain or loss is recognised in the financial statements of the seller/contributor depends on whether the assets or subsidiary transferred constitute a business, as defined in IFRS 3. If the assets or subsidiary transferred represent a business, then the entity is required to recognise the full gain or loss on the entire equity interest formerly held; if the assets or subsidiary transferred do not constitute a business, only a partial gain or loss is to be recognised in relation to the equity interest still held by the entity. In December 2015, the IASB published an Amendment that indefinitely defers the entry into force of the changes to IFRS 10 and IAS 28.
- On 18 December 2014, the IASB published Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28). The objective of the amendment is to address three issues relating to the consolidation of investment entities. Endorsement by the EU is expected in the third quarter of 2016.
- On 19 January 2016, the IASB published a number of amendments to IAS 12 – Income Tax. "Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)" aims to clarify how to account for deferred financial assets relative to debt instruments measured at fair value. The amendments will become effective as of 1 January 2017. Early application is permitted. Endorsement by the EU is expected in late 2016.
- On 29 January 2016, the IASB published a number of amendments to IFRS 7 – Statement of cash flows. Disclosure Initiative (Amendments to IAS 7) aims to improve the presentation and disclosure of financial information in financial reports and resolve certain issues raised by operators. The amendments will become effective as of 1 January 2017. Endorsement by the EU is expected in late 2016.

- On 20 June 2016, the IASB published a number of amendments to IFRS 2 – *Share-based Payment*. The document "*Classifications and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)*" resolves a number of issues regarding accounting for share-based payments. Specifically, the amendment makes significant improvements to: (i) the measurement of cash-settled share-based payments, (ii) their classification, and (iii) accounting procedures if cash-settled share-based payments are changed into equity-settled share-based payments. The amendments will become effective as of 1 January 2018. Endorsement by the EU is expected in late 2017.

The potential impact of the accounting standards, amendments and interpretations to be applied in the future on the Group's financial reports is currently being studied and assessed.

Basis of consolidation

Consolidation scope

The consolidation scope includes the parent, Cementir Holding SpA, and the companies over which it has direct or indirect control.

Subsidiaries subject to direct or indirect control include companies for which the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence of potential voting rights is considered when determining whether control exists.

A list of the companies included in the consolidation scope at 30 June 2016 is provided in annex 1.

Use of estimates

The preparation of condensed interim consolidated financial statements requires management to use accounting policies and methods that are sometimes based on difficult and subjective judgements, estimates based on past experience and assumptions that are considered reasonable and realistic in the circumstances. The application of these estimates and assumptions affects the amounts presented in the statement of financial position, income statement and statement of cash flows, as well as disclosures. The actual results for which these estimates and assumptions were used may differ due to the uncertainties that characterise the assumptions and the conditions on which the estimates were based.

Management regularly reviews the estimates and assumptions and the effects of each change are recognised in profit or loss if the change only affects that year. When the review affects current and future periods (such as with the useful life of non-current assets), the change is recognised in the year in which it is made and in the related future years.

Some assessments, such as the testing of non-current assets for impairment, are generally only made in a complete way when preparing the annual financial statements, when all the information required for such an assessment is available, except where indicators exist calling for immediate impairment testing.

Similarly, the actuarial valuations required to measure employee benefit plans in accordance with the provisions of IAS 19 are made when preparing the annual financial statements.

Income taxes are calculated using the best estimate possible of the expected average tax rate at the consolidated level for the entire year.

Financial risk management

The Group is exposed to financial risks related to its operations, namely:

Credit risk

The Group is not particularly exposed to credit risk, despite operating in different geographical markets, as it is not overly exposed to a limited number of positions. Moreover, its operating procedures require checks on credit risk, with the sale of products and/or services restricted if the customer does not have a suitable credit rating and guarantees.

Receivables are recognised net of the allowance for impairment, calculated considering the risk of the counterparty's default, based on all available information about the customer's solvency. Therefore, the maximum exposure to credit risk is equivalent to the carrying amount.

With respect to bank deposits and derivatives, the Group has always worked with leading counterparties, thus limiting its credit risk in this sense.

Liquidity risk

Liquidity risk concerns the availability of financial resources and access to credit market and financial instruments.

Specifically, the Group monitors and manages its cash flows, funding requirements and liquidity levels in order to ensure the effective and efficient use of its financial resources.

It meets its liquidity requirements for investing activities, working capital and the payment of amounts payable drawing on cash flows generated constantly by its operating activities and on credit facilities.

In the current market conditions, the Group expects to maintain its ability to generate cash flows through operating activities. In fact, thanks to its strong financial position, any unplanned financial requirements can be funded through its access to credit facilities.

Market risk

Market risk mainly concerns currency, interest rate and commodity price risk as the Group operates internationally in areas with different currencies. It uses financial instruments to hedge these risks.

The Group monitors the financial risks to which it is exposed regularly so as to assess in advance any potential impacts and take the most suitable action to mitigate them; it does this through the use of derivatives.

Currency risk

Group companies operate internationally; as such, they are structurally exposed to currency risk for cash flows from operating activities and financing operations in currencies other than the functional currency. The Group's operating activities are exposed differently to changes in exchange rates. Specifically, the cement sector is exposed to currency risk in relation to revenue from exports and costs for the purchase of solid fuel in US dollars. The ready-mixed concrete sector is less exposed as both its revenue and costs are in local currency. The Group assesses the natural hedging of cash flows and financing for these risks and purchases currency forwards and currency put and call options for hedging purposes. Transactions involving derivatives are performed for hedging purposes.

The Group's presentation currency is the Euro. As a result, it is open to currency risk in relation to the translation of the financial statements of consolidated companies based in non-Euro zone countries (except for Denmark whose currency is historically tied to the Euro). The income statements of these companies are translated into Euro using the average rate for the period and changes in exchange rates may affect the Euro balances, even when the revenue and profits in local currency remain unchanged. Pursuant to the IFRS, translation differences on assets and liabilities are recognised directly in equity in the translation reserve (note 13).

Interest rate risk

As the Group has net financial debt, it is exposed to the risk of fluctuations in interest rates. It carefully assesses expected interest rates and timeframes for the repayment of debt by using estimated cash inflows and purchases interest rates swaps to partly cover the risk.

The Group's operating and financial policies aim to minimise the impact of these risks on its performance.

Commodity price risk

The Group is exposed to the risk of fluctuations in raw materials prices. It manages this risk through supply agreements with Italian and foreign suppliers which set prices and quantities for roughly 12 months. It also uses suppliers in different geographical areas to avoid the risk of supply chain concentration and to obtain the most competitive prices.

Translation of financial statements of foreign operations

The main exchange rates used in translating the financial statements of companies with functional currencies other than the Euro are as follows:

	1st Half 2016		31 December 2015	1st Half 2015
	Final	Average	Final	Average
Turkish lira – TRY	3.21	3.26	3.18	2.86
US dollar – USD	1.11	1.12	1.09	1.12
British pound – GBP	0.83	0.78	0.73	0.73
Egyptian pound – EGP	9.74	9.35	8.42	8.35
Danish krone – DKK	7.44	7.45	7.46	7.46
Icelandic krona – ISK	136.97	140.52	141.25	149.01
Norwegian krone – NOK	9.30	9.42	9.60	8.65
Swedish krona – SEK	9.42	9.30	9.19	9.34
Malaysian ringgit – MYR	4.43	4.57	4.70	4.06
Chinese renminbi-yuan – CNY	7.38	7.30	7.06	6.94

Segment reporting

In accordance with IFRS 8, the Group has identified its operating segments on the basis of the parent's internal reporting system for management purposes.

As of 1 January 2016, the Group's operating activities are organised on a regional basis and grouped into four *Regions* representing the following geographical segments: Nordic & Baltic and USA, Eastern Mediterranean, Asia Pacific and Italy.

The Nordic & Baltic and USA area includes Denmark and the operating activities previously included in the Other Scandinavian Countries (Norway, Sweden and Iceland) and in the Rest of the World (United Kingdom, Poland, Russia, France and United States). Turkey and Egypt have been grouped into the Eastern Mediterranean area, while the Asia Pacific area (China, Malaysia and Australia) has replaced the Far East area.

The 2015 figures have been correspondingly reclassified to make them comparable.

The Group's geographical segments consist of the non-current assets of each company based and operating in the above areas. Transfer prices applied to transactions between segments for the exchange of goods and services comply with normal market conditions.

The following table shows the performance of each operating segment at 30 June 2016:

(EUR '000)	**Nordic & Baltic and USA**		**Eastern Mediterranean**		**Asia Pacific**	**Italy**	Unallocated items and adjustments	**CEMENTIR HOLDING GROUP**
	Denmark	**Other***	**Turkey**	**Egypt**				
Operating revenue	**168,648**	**116,974**	**117,076**	**27,354**	**37,791**	**48,214**	**(30,721)**	**485,336**
Intra-segment operating revenue	(20,368)	(2,498)	-	-	-	(7,855)	30,721	**-**
Contributed operating revenue	148,280	114,476	117,076	27,354	37,791	40,359	-	485,336
Segment result (EBITDA)	**40,133**	**7,924**	**18,889**	**5,877**	**8,789**	**(9,622)**	**-**	**71,990**
Amortisation, depreciation, impairment losses and provisions	(10,593)	(4,113)	(10,093)	(1,978)	(3,130)	(10,263)	-	(40,170)
EBIT	**29,540**	**3,811**	**8,796**	**3,899**	**5,659**	**(19,885)**	-	**31,820**
Net profit (loss) of equity-accounted investees	(664)	2,802	-	-	-	-	-	2,138
Net financial income (expense)	-	-	-	-	-	-	(12,355)	(12,355)
Profit (loss) before taxes	-	-	-	-	-	-	-	**21,603**
Income taxes	-	-	-	-	-	-	-	(5,853)
Profit (loss) for the period	-	-	-	-	-	-	-	**15,750**

* "Other" includes Norway , Sweden, Iceland, United Kingdom, Poland, Russia, France and United States.

The following table shows the performance of each operating segment at 30 June 2015:

(EUR '000)	Nordic & Baltic and USA		Eastern Mediterranean		Asia Pacific	Italy	Unallocated items and adjustments	CEMENTIR HOLDING GROUP
	Denmark	Other	Turkey	Egypt				
Operating revenue	**156,323**	**116,126**	**122,233**	**28,033**	**37,622**	**53,340**	**(31,459)**	**482,218**
Intra-segment operating revenue	(18,904)	(2,743)	(39)	(1,921)	-	(7,852)	31,459	-
Contributed operating revenue	137,419	113,383	122,194	26,112	37,622	45,488	-	482,218
Segment result (EBITDA)	**36,051**	**7,408**	**23,623**	**5,295**	**6,541**	**(5,794)**	**-**	**73,124**
Amortisation and depreciation, impairment losses and provisions	(10,198)	(4,653)	(11,341)	(2,170)	(3,516)	(10,291)	-	(42,169)
EBIT	**25,853**	**2,755**	**12,282**	**3,125**	**3,025**	**(16,085)**	**-**	**30,955**
Net profit (loss) of equity-accounted investees	(71)	1,763	-	-	-	-	-	1,692
Net financial income (expense)	-	-	-	-	-	-	3,559	3,559
Profit (loss) before taxes	-	-	-	-	-	-	-	**36,206**
Income taxes	-	-	-	-	-	-	-	(9,659)
Profit (loss) for the period	-	-	-	-	-	-	-	**26,547**

The following table shows other data for each geographical segment at 30 June 2016:

(EUR '000)	Segment assets	Segment liabilities	Equity-accounted investments	[1]Investments in property, plant and equipment and intangible assets
Nordic & Baltic e USA:				
Denmark	506,680	265,681	3,272	10,853
Other	179,769	79,333	19,824	1,478
Eastern Mediterranean:				
Turkey	521,610	69,573	-	4,948
Egypt	135,042	22,203	-	500
Asia Pacific	124,542	11,501	-	1,001
Italy	359,080	265,563	-	2,181
Total	**1,826,723**	**713,854**	**23,096**	**20,961**

The following table shows other data for each segment at 31 December 2015 and at 30 June 2015:

(EUR '000)	31/12/2015			30/06/2015
	Segment assets	Segment liabilities	Equity-accounted investments	[2]Investments in property, plant and equipment and intangible assets
Nordic & Baltic e USA:				
Denmark	507,392	295,705	3,925	9,956
Other	172,931	66,612	19,505	3,438
Eastern Mediterranean:				
Turkey	531,455	83,450	-	8,098
Egypt	150,146	32,277	-	2,416
Asia Pacific	123,447	14,491	-	935
Italy	364,180	225,911	-	2,357
Total	**1,849,551**	**718,446**	**23,430**	**27,200**

[1] Investments made in the first half of 2016.
[2] Investments made in the first half of 2015.

Notes to the consolidated financial statements

1) Intangible assets with a finite useful life

At 30 June 2016, intangible assets with a finite useful life amounted to EUR 30,110 thousand (31 December 2015: EUR 33,009 thousand). Concession rights and licences mainly consisted of concessions to use quarries and software licences for the IT system (SAP R/3). Amortisation is applied over the assets' estimated useful life.

(EUR '000)	Development expenditure	Concessions, licences and trademarks	Other intangible assets	Assets under development and advances	Total
Gross amount at 1 January 2016	**1,992**	**29,751**	**34,465**	**1,170**	**67,378**
Increase	-	3	43	188	234
Decrease	-	(91)	-	-	(91)
Impairment losses	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-
Translation differences	7	(825)	(328)	5	(1,141)
Reclassifications	-	-	-	-	-
Gross amount at 30 June 2016	**1,999**	**28,838**	**34,180**	**1,363**	**66,380**
Amortisation at 1 January 2016	**1,577**	**13,329**	**19,463**	**-**	**34,369**
Amortisation	90	667	1,672	-	2,429
Decrease	-	(38)	-	-	(38)
Change in consolidation scope	-	-	-	-	-
Translation differences	4	(223)	(271)	-	(490)
Reclassifications	-	(22)	22	-	-
Amortisation at 30 June 2016	**1,671**	**13,713**	**20,886**	**-**	**36,270**
Net amount at 30 June 2016	**328**	**15,125**	**13,294**	**1,363**	**30,110**

(EUR '000)	Development expenditure	Concessions, licences and trademarks	Other intangible assets	Assets under development and advances	Total
Gross amount at 1 January 2015	**2,006**	**28,682**	**38,622**	**708**	**70,018**
Increase	-	433	1,881	1,253	3,567
Decrease	-	-	-	-	-
Impairment losses	-	-	(6,295)	-	(6,295)
Change in consolidation scope	-	-	-	-	-
Translation differences	(14)	488	(949)	(4)	(479)
Reclassifications	-	148	1,206	(787)	567
Gross amount at 31 December 2015	**1,992**	**29,751**	**34,465**	**1,170**	**67,378**
Amortisation at 1 January 2015	**1,353**	**11,886**	**15,999**	**-**	**29,238**
Amortisation	233	1,330	3,726	-	5,289
Decrease	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-
Translation differences	(9)	113	(262)	-	(158)
Reclassifications	-	-	-	-	-
Amortisation at 31 December 2015	**1,577**	**13,329**	**19,463**	**-**	**34,369**
Net amount at 31 December 2015	**415**	**16,422**	**15,002**	**1,170**	**33,009**

2) Intangible assets with an indefinite useful life

Intangible assets with an indefinite useful life comprised goodwill allocated to the CGUs, amounting at 30 June 2016 to EUR 390,647 thousand (31 December 2015: EUR 391,660 thousand). The following table shows CGUs by macro geographical segment.

				30/06/2016				31/12/2015
(EUR '000)	Turkey	Denmark	Italy	Total	Turkey	Denmark	Italy	Total
Opening balance	**121,732**	**264,750**	**5,178**	**391,660**	**135,900**	**266,583**	**5,178**	**407,661**
Increase	-	-	-	**-**	-	-	-	**-**
Decrease	-	-	-	**-**	-	-	-	**-**
Change in consolidation scope	-	-	-	**-**	-	-	-	**-**
Translation differences	(1,501)	488	-	**(1,013)**	(14,168)	(1,833)	-	**(16,001)**
Reclassifications	-	-	-	**-**	-	-	-	**-**
Closing balance	**120,231**	**265,238**	**5,178**	**390,647**	**121,732**	**264,750**	**5,178**	**391,660**

Intangible assets with an indefinite useful life are regularly tested for impairment. For the purposes of these condensed interim consolidated financial statements, it was assessed whether any indicators existed suggesting the impairment of the assets. On the basis of the information available, considering the expectation of future earnings and the absence of any trigger events, it was decided that impairment testing was not necessary; tests will nonetheless be conducted on the assets when preparing the annual consolidated financial statements.

3) Property, plant and equipment

At 30 June 2016, property, plant and equipment amounted to EUR 693,111 thousand (31 December 2015: EUR 725,336 thousand). Additional disclosures for each category of property, plant and equipment are set out below:

(EUR '000)	Land and buildings	Quarries	Plant and machinery	Other	Assets under construction and advances	Total
Gross amount at 1 January 2016	**422,942**	**44,622**	**1,337,187**	**84,087**	**39,000**	**1,927,838**
Increase	1,654	137	5,147	791	12,998	20,727
Decrease	-	-	(527)	(1,038)	(371)	(1,936)
Change in consolidation scope	-	-	112	-	-	112
Translation differences	(5,641)	(1,266)	(13,813)	(503)	(1,638)	(22,861)
Reclassifications	1,318	(161)	228	480	(2,060)	(195)
Gross amount at 30 June 2016	**420,273**	**43,332**	**1,328,334**	**83,817**	**47,929**	**1,923,685**
Depreciation at 1 January 2016	**226,893**	**17,168**	**899,699**	**58,742**	**-**	**1,202,502**
Depreciation	5,310	509	29,185	2,625	-	37,629
Decrease	-	-	(519)	(928)	-	(1,447)
Change in consolidation scope	-	-	125	(4)	-	121
Translation differences	(1,793)	(824)	(5,153)	(266)	-	(8,036)
Reclassifications	694	94	(1,058)	75	-	(195)
Depreciation at 30 June 2016	**231,104**	**16,947**	**922,279**	**60,244**	**-**	**1,230,574**
Net amount at 30 June 2016	**189,169**	**26,385**	**406,055**	**23,573**	**47,929**	**693,111**

(EUR '000)	Land and buildings	Quarries	Plant and machinery	Other	Assets under construction and advances	Total
Gross amount at 1 January 2015	**433,143**	**44,571**	**1,327,034**	**89,573**	**36,901**	**1,931,225**
Increase	2,677	443	17,401	1,713	35,523	57,757
Decrease	(1,219)	(782)	(2,000)	(6,209)	-	(10,210)
Impairment losses	-	-	(3,825)	-	-	(3,825)
Change in consolidation scope	(181)	204	-	-	-	23
Translation differences	(8,055)	51	(34,287)	(3,140)	(785)	(46,216)
Reclassifications	(3,426)	135	32,864	2,150	(32,639)	(916)
Gross amount at 31 December 2015	**22,942**	**44,622**	**1,337,187**	**84,087**	**39,000**	**1,927,838**
Depreciation at 1 January 2015	**222,933**	**15,440**	**863,641**	**60,502**	**-**	**1,162,516**
Depreciation	11,123	1,035	58,892	5,794	-	76,844
Decrease	(691)	(14)	(1,479)	(5,652)	-	(7,836)
Change in consolidation scope	(158)	181	-	-	-	23
Translation differences	(3,645)	548	(24,064)	(1,883)	-	(29,044)
Reclassifications	(2,669)	(22)	2,709	(19)	-	(1)
Depreciation at 31 December 2015	**226,893**	**17,168**	**899,699**	**58,742**	**-**	**1,202,502**
Net amount at 31 December 2015	**196,049**	**27,454**	**437,488**	**25,345**	**39,000**	**725,336**

4) Investment property

Investment property, totalling EUR 115,336 thousand (31 December 2015: EUR 116,145 thousand), is recognised at fair value, as determined on an annual basis using appraisals prepared by independent property assessors.

(EUR '000)	30/06/2016			31/12/2015		
	Land	Buildings	Total	Land	Buildings	Total
Opening balance	**85,971**	**30,174**	**116,145**	**80,045**	**30,262**	**110,307**
Increase	-	-	**-**	-	-	**-**
Decrease	-	(8)	**(8)**	-	-	**-**
Fair value gains (losses)	-	-	**-**	14,934	440	**15,374**
Translation differences	(758)	(43)	**(801)**	(9,008)	(528)	**(9,536)**
Reclassifications	-	-	**-**	-	-	**-**
Closing balance	**85,213**	**30,123**	**115,336**	**85,971**	**30,174**	**116,145**

At 30 June 2016, approximately EUR 18.6 million of investment property was pledged as collateral for bank loans totalling a residual, undiscounted amount of approximately EUR 8.4 million at the reporting date.

5) Equity-accounted investments

This caption shows the Group's share of equity in equity-accounted associates and joint ventures. The carrying amount of these investments and the Group's share of the associates' profit or loss are shown below:

Company	Business	Registered office	% of ownership	**Carrying amount**	**Share of profit or loss**
				30/06/2016	**30/06/2016**
Lehigh White Cement Company Joint Venture	Cement	Allentown (USA)	24.5%	17,524	2,743
Secil Unicon SGPS Lda	Cement	Lisbon (Portugal)	50%	-	-
Sola Betong AS	Ready-mixed concrete	Risvika (Norway)	33.3%	1,121	71
ECOL Unicon Spzoo	Ready-mixed concrete	Gdansk (Poland)	49%	3,586	(664)
ÅGAB Syd Aktiebolag	Aggregates	Malmö (Sweden)	40%	865	40
EPI UK R&D	Research & development	Trowbridge (UK)	50%	-	(52)
Total				**23,096**	**2,138**

Company	Business	Registered office	% of ownership	Carrying amount	Share of profit or loss
				31/12/2015	**30/06/2015**
Lehigh White Cement Company Joint Venture	Cement	Allentown (USA)	24.5%	17,286	1,905
Secil Unicon SGPS Lda	Cement	Lisbon (Portugal)	50%	-	-
Sola Betong AS	Ready-mixed concrete	Risvika (Norway)	33.3%	1,059	31
ECOL Unicon Spzoo	Ready-mixed concrete	Gdansk (Poland)	49%	4,238	(71)
ÅGAB Syd Aktiebolag	Aggregates	Malmö (Sweden)	40%	847	(64)
EPI UK R&D	Research & development	Trowbridge (UK)	50%	-	(109)
Total				**23,430**	**1,692**

No indicators of impairment were identified for these investments.

6) Available-for-sale equity investments

(EUR '000)	30/06/2016	31/12/2015
Available-for-sale equity investments *opening balance*	**207**	**213**
Increase	-	2
Decrease	-	-
Fair value gains (losses)	-	-
Change in consolidation scope	-	-
Translation differences	-	(8)
Available-for-sale equity investments *closing balance*	**207**	**207**

No indicators of impairment were identified.

7) Inventories

The carrying amount of inventories approximates their fair value; a breakdown of the caption is shown below:

(EUR '000)	30/06/2016	31/12/2015
Raw materials, consumables and supplies	79,977	83,025
Work in progress	25,630	28,180
Finished goods	25,480	27,947
Payments on account	894	802
Inventories	**131,981**	**139,954**

Changes were recorded over the period in the different inventory categories as a result of manufacturing processes and sales, the costs of factors of production and the foreign exchange rates used to translate financial statements stated in foreign currencies.

Specifically the positive change in raw materials, consumables and supplies, totalling EUR 1,833 thousand (30 June 2015: negative EUR 5,750 thousand) was expensed in the income statement as "Raw materials costs" (Note 23) while the negative change in work in progress and finished goods was expensed in the income statement for a total of EUR 3,174 thousand (30 June 2015: negative EUR 568 thousand).

8) Trade receivables

Trade receivables totalled EUR 203,378 thousand (31 December 2015: EUR 174,139 thousand) and break down as follows:

(EUR '000)		30/06/2016	31/12/2015
Trade receivables		216,604	182,070
Allowance for impairment		(16,951)	(17,245)
Net trade receivables		**199,653**	**164,825**
Advances to suppliers		2,333	5,131
Trade receivables - related parties	(note 32)	1,392	4,183
Trade receivables		**203,378**	**174,139**

The carrying amount of trade receivables equals their fair value. Trade receivables arise on commercial transactions for the sale of goods and services and do not present significant concentration risks.
The breakdown by due date is shown below:

(EUR '000)	30/06/2016	31/12/2015
Not yet due	168,019	130,350
Overdue:	48,585	51,720
0-30 days	*12,256*	*12,770*
30-60 days	*2,265*	*6,304*
60-90 days	*3,620*	*2,824*
More than 90 days	*30,444*	*29,822*
Total trade receivables	216,604	182,070
Allowance for impairment	(16,951)	(17,245)
Net trade receivables	**199,653**	**164,825**

9) Current financial assets

(EUR '000)		30/06/2016	31/12/2015
Fair value of derivatives		428	1,326
Accrued income		-	-
Prepayments		-	-
Loan assets - related parties	(note 32)	3,726	4,155
Other loan assets		696	711
Current financial assets		**4,850**	**6,192**

10) Current tax assets

Current tax assets, totalling EUR 8,904 thousand (31 December 2015: EUR 5,973 thousand), refer primarily to payments on account to tax authorities and IRES refunds requested for the non-deductibility of IRAP in previous years.

11) Other current and non-current assets

Other non-current assets totalled EUR 9,875 thousand (31 December 2015: EUR 11,026 thousand) and mainly consisted of VAT assets and deposits.

Other current assets totalled EUR 28,499 thousand (31 December 2015: EUR 22,066 thousand) and consisted of non-commercial items. The caption breaks down as follows:

(EUR '000)	30/06/2016	31/12/2015
VAT assets	169	503
Personnel	422	355
Accrued income	319	1,157
Prepayments	6,498	4,666
Other assets	21,091	15,385
Other current assets	**28,499**	**22,066**

12) Cash and cash equivalents

Totalling EUR 115,703 thousand (31 December 2015: EUR 136,768 thousand), the caption consists of temporary liquidity held by the Group, which is usually invested in short-term financial transactions. The caption breaks down as follows:

(EUR '000)		30/06/2016	31/12/2015
Bank and postal deposits		112,481	134,417
Bank deposits – related parties	(Note 32)	2,716	1,720
Cash-in-hand and cash equivalents		506	631
Cash and cash equivalents		**115,703**	**136,768**

13) Equity

Equity attributable to the owners of the parent

Equity attributable to the owners of the parent amounted to EUR 1,028,696 thousand at 30 June 2016 (31 December 2015: EUR 1,048,670 thousand). Profit for the first half of 2016 attributable to the owners of the parent totalled EUR 11,041 thousand (first half of 2015: EUR 23,851 thousand).

Share capital

The parent's share capital consists of 159,120,000 ordinary shares with a par value of EUR 1 each. It is fully paid-up and has not changed with respect to the previous year.

Translation reserve

At 30 June 2016, the translation reserve had a negative balance of EUR 314,002 thousand (31 December 2015: negative balance of EUR 298,690 thousand), broken down as follows:

(EUR '000)	**30/06/2016**	**31/12/2015**	**Change**
Turkey (Turkish lira – TRY)	(308,761)	(304,284)	(4,477)
USA (US dollar – USD)	2,466	3,251	(785)
Egypt (Egyptian pound – EGP)	(14,403)	(4,107)	(10,296)
Iceland (Icelandic krona – ISK)	(2,543)	(2,670)	127
China (Chinese renminbi – CNY)	11,488	14,456	(2,968)
Norway (Norwegian krone – NOK)	(3,508)	(5,046)	1,538
Sweden (Swedish krona – SEK)	(314)	(14)	(300)
Other countries	1,573	(276)	1,849
Total translation reserve	**(314,002)**	**(298,690)**	**(15,312)**

Other reserves

At 30 June 2016, other reserves amounted to EUR 1,105,002 thousand (31 December 2015: EUR 1,053,228 thousand) and consisted primarily of retained earnings, totalling EUR 839,715 thousand (31 December 2015: EUR 786,018 thousand), and the fair value reserve connected to changes in the designation of use of certain items of property, plant and equipment, totalling EUR 56,772 thousand (in line with 31 December 2015).

Equity attributable to non-controlling interests

Equity attributable to non-controlling interests amounted to EUR 84,173 thousand at 30 June 2016 (31 December 2015: EUR 82,435 thousand). Profit for the first half of 2016 attributable to non-controlling interests totalled EUR 4,709 thousand (first half of 2015: EUR 2,696 thousand).

14) Employee benefits

Provisions for employee benefits at 30 June 2016 totalled EUR 17,353 thousand (31 December 2015: EUR 17,815 thousand) and did not change significantly over the period. The caption includes provisions for employee benefits and post-employment benefits.

Where conditions are met for their recognition, liabilities are also recognised for future commitments connected with medium/long-term incentive plans that will be paid to employees at the end of the plan period. The long-term incentive plan envisages the payment of a variable monetary reward, calculated on the basis of the gross annual salary of the beneficiary, which is tied to the achievement of the business and financial objectives set forth in the 2014–2016 business plan.

15) Provisions

Non-current and current provisions amounted to EUR 16,498 thousand (31 December 2015: EUR 17,036 thousand) and EUR 1,394 thousand (31 December 2015: EUR 3,272 thousand), respectively.

(EUR '000)	Quarry restructuring provision	Litigation provision	Other provisions	Total provisions
Balance at 1 January 2016	**14,555**	**3,032**	**2,721**	**20,308**
Provisions	58	2	(22)	38
Utilisations	(61)	(2,088)	(70)	(2,219)
Decrease	-	-	(44)	(44)
Change in consolidation scope	-	-	-	-
Translation differences	(167)	(52)	(236)	(455)
Reclassifications	-	-	-	-
Other changes	99	-	165	264
Balance at 30 June 2016	**14,484**	**894**	**2,514**	**17,892**
Including:				
Non-current portion	14,062	813	1,623	**16,498**
Current portion	422	81	891	**1,394**

(EUR '000)	Quarry restructuring provision	Litigation provision	Other provisions	Total provisions
Balance at 1 January 2015	**16,389**	**1,000**	**2,759**	**20,148**
Provisions	121	2,405	121	**2,647**
Utilisations	(838)	(16)	(20)	**(874)**
Decrease	(752)	(247)	(230)	**(1,229)**
Change in consolidation scope	-	-	-	-
Translation differences	(540)	(110)	91	**(559)**
Reclassifications	(34)	-	-	**(34)**
Other changes	209	-	-	**209**
Balance at 31 December 2015	**14,555**	**3,032**	**2,721**	**20,308**
Including:				
Non-current portion	14,555	704	1,777	**17,036**
Current portion	-	2,328	944	**3,272**

16) Trade payables

The carrying amount of trade payables approximates their fair value; the caption breaks down as follows:

(EUR '000)		30/06/2016	31/12/2015
Suppliers		160,229	178,240
Related parties	(note 32)	420	78
Payments on account		2,733	2,226
Trade payables		**163,382**	**180,544**

17) Financial liabilities

Non-current and current financial liabilities are shown below:

(EUR '000)		30/06/2016	31/12/2015
Bank loans and borrowings		169,340	185,291
Non-current loan liabilities - related parties	(note 32)	50,000	50,000
Non-current financial liabilities		**219,340**	**235,291**
Bank loans and borrowings		96,279	76,839
Current portion of non-current financial liabilities		26,152	39,016
Current loan liabilities - related parties	(note 32)	23,231	-
Other loan liabilities		805	909
Fair value of derivatives		17,623	12,992
Current financial liabilities		**164,090**	**129,756**
Total financial liabilities		**383,430**	**365,047**

The carrying amount of non-current and current financial liabilities approximates their fair value. Approximately 56.7% of financial liabilities are subject to financial covenants, which the Group fulfilled at 30 June 2016 (31 December 2015: approx. 70.3%).

As required by CONSOB Communication No. 6064293 of 28 July 2006, the Group's net financial debt is shown in the next table:

(EUR '000)	30/06/2016	31/12/2015
A. Cash	506	631
B. Other cash equivalents	115,197	136,137
C. Securities held for trading	-	-
D. Cash and cash equivalents	**115,703**	**136,768**
E. Current loan assets	**4,850**	**6,192**
F. Current bank loans and borrowings	(119,369)	(76,839)
G. Current portion of non-current debt	(16,681)	(29,604)
H. Other current loan liabilities	(28,040)	(23,313)
I. Current financial debt (F+G+H)	**(164,090)**	**(129,756)**
J. Net current financial position (debt) (I-E-D)	**(43,537)**	**13,204**
K. Non-current bank loans and borrowings	(219,340)	(235,291)
L. Bonds issued	-	-
M. Other non-current liabilities	-	-
N. Non-current financial debt (K+L+M)	**(219,340)**	**(235,291)**
O. Net financial debt (J+N)	**(262,877)**	**(222,087)**

The financial position with related parties includes credit positions of EUR 6.4 million (31 December 2015: EUR 5.9 million) and debit positions of EUR 73.2 million (31 December 2015: EUR 50 million).

18) Current tax liabilities

Current tax liabilities amounted to EUR 13,479 thousand (31 December 2015: EUR 10,172 thousand) and relate to income tax payable, net of payments on account.

19) Other non-current and current liabilities

Other non-current liabilities, totalling EUR 8,048 thousand (31 December 2015: EUR 8,672 thousand) included approximately EUR 6.3 million of deferred income (31 December 2015: EUR 6.8 million) relating to future benefits from a business agreement which started to accrue from 1 January 2013, of which EUR 3.3 million are expected within the next five years and EUR 2.5 million (31 December 2015: EUR 3.3 million) are expected after five years.

Other current liabilities totalled EUR 40,107 thousand (31 December 2015: EUR 44,138 thousand) and break down as follows:

(EUR '000)	**30/06/2016**	**31/12/2015**
Personnel	19,237	16,027
Social security institutions	2,812	3,194
Deferred income	1,001	988
Accrued expenses	3,734	5,457
Other sundry liabilities	13,323	18,472
Other current liabilities	**40,107**	**44,138**

Deferred income refers to the future benefits of the above-mentioned business agreement (approximately EUR 1 million; 31 December 2015: EUR 0.9 million).

Other sundry liabilities principally consisted of tax liabilities for employee withholdings and VAT liabilities.

20) Deferred tax assets and liabilities

Deferred tax liabilities totalling EUR 70,163 thousand (31 December 2015: EUR 71,750 thousand) and deferred tax assets totalling EUR 70,716 thousand (31 December 2015: EUR 63,006 thousand) break down as follows:

(EUR '000)	**Deferred tax liabilities**	**Deferred tax assets**
Balance at 1 January 2016	**71,750**	**63,006**
Accrual, net of utilisation in profit or loss	131	7,946
Increase, net of decreases in equity	-	-
Change in consolidation scope	-	-
Translation differences	(1,711)	(227)
Other changes	(7)	(7)
Balance at 30 June 2016	**70,163**	**70,718**

21) Revenue

(EUR '000)		1st Half 2016	1st Half 2015
Product sales		440,712	436,430
Product sales - related parties	(note 32)	6,320	8,261
Services		33,974	30,996
Revenue		**481,006**	**475,687**

In the first half of 2016 revenue increased slightly overall compared to the previous year (-1.1%). More detailed analysis of performance by individual geographical segment is provided in segment reporting and in the directors' report.

22) Other operating revenue

(EUR '000)		1st Half 2016	1st Half 2015
Rent, lease and hires		699	784
Rent, lease and hires - related parties	(note 32)	16	123
Gains		119	723
Release of provision for risks		44	89
Insurance refunds		380	2
Other revenue and income		1,684	1,610
Other revenue and income - related parties	(note 32)	5	8
Other operating revenue		**2,947**	**3,339**

23) Raw materials costs

(EUR '000)	1st Half 2016	1st Half 2015
Raw materials and semi-finished products	105,335	98,110
Fuel	34,067	53,020
Electrical energy	41,650	39,911
Other materials	23,477	20,023
Change in raw materials, consumables and goods	1,833	(5,750)
Raw materials costs	**206,362**	**205,314**

24) Personnel costs

(EUR '000)	1st Half 2016	1st Half 2015
Wages and salaries	63,628	63,154
Social security charges	10,987	10,730
Other costs	3,772	3,747
Personnel costs	**78,387**	**77,631**

The Group’s workforce breaks down as follows:

	30/06/2016	31/12/2015	30/06/2015	Average 1st Half 2016	Average 1st Half 2015
Executives	58	59	61	60	58
Middle management, white collars and intermediates	1,406	1,423	1,451	1,409	1,432
Blue collars	1,545	1,550	1,558	1,537	1,560
Total	**3,009**	**3,032**	**3,070**	**3,006**	**3,050**

At 30 June 2016, employees in service at the parent and the Italian subsidiaries numbered 444 (31 December 2015: 452); those at the Cimentas Group numbered 1,041 (31 December 2015: 1,047), those at the Aalborg Portland Group numbered 867 (31 December 2015: 861) and those at the Unicon Group numbered 657 (31 December 2015: 672).

25) Other operating costs

(EUR ‘000)		1st Half 2016	1st Half 2015
Transport		47,010	51,792
Services and maintenance		38,871	34,502
Consultancy		4,329	4,540
Insurance		2,005	2,029
Other miscellaneous services – related parties	(note 32)	261	267
Rent, lease and hires		9,112	8,812
Rent, lease and hires - related parties	(note 32)	809	750
Other operating costs		26,200	23,457
Other operating costs		**128,597**	**126,149**

26) Amortisation, depreciation, impairment losses and provisions

(EUR ‘000)	1st Half 2016	1st Half 2015
Amortisation	2,429	2,542
Depreciation	37,629	39,353
Provisions	38	126
Impairment losses	74	148
Amortisation, depreciation, impairment losses and provisions	**40,170**	**42,169**

Impairment losses refer to trade receivables.

27) Net financial income (expense) and share of net profits of equity-accounted investees

The negative balance for the first half of 2016 of EUR 10,217 thousand (2015: positive EUR 5,251 thousand) relates to the share of net profits of equity-accounted investees and net financial expense, broken down as follows:

(EUR '000)		1st Half 2016	1st Half 2015
Share of profits of equity-accounted investees		2,854	1,937
Share of losses of equity-accounted investees		(716)	(245)
Share of net profits of equity-accounted investees		**2,138**	**1,692**
Interest and financial income		1,104	1,066
Interest and financial income - related parties	(note 32)	11	149
Grants related to interest		-	144
Financial income on derivatives		289	6,072
Total financial income		*1,404*	*7,431*
Interest expense		(3,843)	(4,260)
Other financial expense		(799)	(1,331)
Interest and financial expense - related parties	(note 32)	(878)	(859)
Losses on derivatives		(10,589)	(406)
Write-downs of equity investments		-	-
Total financial expense		*(16,109)*	*(6,856)*
Exchange rate gains		8,112	8,480
Exchange rate losses		(5,762)	(5,496)
Net exchange rate gains (losses)		*2,350*	*2,984*
Net financial income (expense)		**(12,355)**	**3,559**
Net financial income (expense) and share of net profits of equity-accounted investees		**(10,217)**	**5,251**

Net financial expense totalled EUR 12.4 million, a significant deterioration driven by the mark-to-market valuations of derivatives held to hedge commodity and interest rate risk. As a result of the recognition of the above valuations, about EUR 0.3 million (EUR 5.5 million at 30 June 2015) are unrealised gains and about EUR 5.9 million (EUR 0.2 million at 30 June 2015) are unrealised losses.

28) Income taxes

(EUR '000)	1st Half 2016	1st Half 2015
Current taxes	13,668	14,508
Deferred taxes	(7,815)	(4,849)
Income taxes	**5,853**	**9,659**

29) Earnings per share

Basic earnings per share are calculated by dividing profit for the period attributable to the owners of the parent by the weighted average number of ordinary shares outstanding in the period.

(EUR)	1st Half 2016	1st Half 2015
Profit for the period attributable to the owners of the parent (EUR '000)	11,041	23,851
Weighted average number of outstanding ordinary shares ('000)	159,120	159,120
Basic earnings per share	**0.069**	**0.150**

Diluted earnings per share equal the basic earnings per share, as the only outstanding shares are the parent's ordinary shares.

30) Company acquisitions and sales

The Group did not acquire or sell companies during the first half of 2016.

31) Fair value hierarchy

IFRS 13 requires that financial instruments carried at fair value be classified using a hierarchy which reflects the sources of the inputs used to measure their fair value. The hierarchy consists of the following levels:

- Level 1: determination of fair value using quoted prices on active markets for identical assets or liabilities.
- Level 2: determination of fair value using inputs other than the quoted prices included within Level 1 which are directly observable (such as prices) or indirectly observable (i.e., derived from prices) on the market.
- Level 3: determination of fair value using inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of assets and liabilities is classified as follows:

30 June 2016 (EUR '000)	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment property	4	-	86,211	29,125	**115,336**
Current financial assets (derivative instruments)	9	-	428	-	**428**
Total assets		**-**	**86,639**	**29,125**	**115,764**
Current financial liabilities (derivative instruments)	17	-	(17,623)	-	**(17,623)**
Total liabilities		**-**	**(17,623)**	**-**	**(17,623)**

31 December 2015 (EUR '000)	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment property	4	-	87,020	29,125	**116,145**
Current financial assets (derivative instruments)	9	-	1,326	-	**1,326**
Total assets		**-**	**88,346**	**29,125**	**117,471**
Current financial liabilities (derivative instruments)	17	-	(12,992)	-	**(12,992)**
Total liabilities		**-**	**(12,992)**	**-**	**(12,992)**

32) Related party transactions

On 5 November 2010, the Board of Directors of Cementir Holding SpA approved a new procedure for related party transactions complying with CONSOB guidelines, issued pursuant to CONSOB Resolution No. 17221 of 12 March 2010 and subsequent amendments and additions thereto, designed to ensure the transparency and the substantial and procedural fairness of related party transactions within the Group. The procedure is applicable starting from 1 January 2011 and is published on the parent's website www.cementirholding.it.

Transactions performed by group companies with related parties are part of normal business operations and take place at market conditions. No atypical or unusual transactions took place. The following tables show the value of related party transactions:

30 June 2016 (EUR '000)	**Ultimate parent**	**Associates**	**Companies under common control**	**Other related parties**	**Total related parties**	**Total financial statements**	% of caption
Statement of financial position							
Current financial assets	-	3,726	-	-	**3,726**	**4,850**	76.8%
Trade receivables	-	160	1,232	-	**1,392**	**203,378**	0.7%
Cash and cash equivalents	-	-	-	2,716	**2,716**	**115,703**	2.3%
Trade payables	275	-	145	-	**420**	**163,382**	0.3%
Other non-current liabilities	-	1,705	-	-	**1,705**	**8,048**	21.2%
Non-current financial liabilities	-	-	-	50,000	**50,000**	**219,340**	22.8%
Current financial liabilities	-	-	141	23,090	**23,231**	**164,090**	14.2%
Income statement							
Revenue	-	5,542	778	-	**6,320**	**481,006**	1.3%
Other operating revenue	-	-	21	-	**21**	**2,947**	0.7%
Other operating costs	225	-	845	-	**1,070**	**128,597**	0.8%
Financial income	-	11	-	-	**11**	**1,404**	0.8%
Financial expense	-	-	-	878	**878**	**16,109**	5.5%

31 December 2015 (EUR '000)	**Ultimate parent**	**Associates**	**Companies under common control**	**Other related parties**	**Total related parties**	**Total financial statements**	% of caption
Statement of financial position							
Current financial assets	-	4,155	-	-	**4,155**	**6,192**	67.1%
Trade receivables	-	3,589	595	-	**4,184**	**174,139**	2.4%
Cash and cash equivalents	-	-	-	1,720	**1,720**	**136,768**	1.3%
Trade payables	-	4	74	-	**78**	**180,544**	0.0%
Other non-current liabilities	-	1,864	-	-	**1,864**	**8,672**	21.5%
Non-current financial liabilities	-	-	-	50,000	**50,000**	**235,291**	21.3%
Current financial liabilities	-	-	-	-	**-**	**-**	-
30 June 2015							
Income statement							
Revenue	-	8,096	165	-	**8,261**	**475,687**	1.7%
Other operating revenue	-	-	131	-	**131**	**3,339**	3.9%
Other operating costs	225	-	792	-	**1,017**	**126,149**	0.8%
Financial income	-	133	16	-	**149**	**7,431**	2.0%
Financial expense	-	-	-	859	**859**	**6,856**	12.5%

The main related party transactions are summarised below.

Trading transactions with associates concern the sale of products and semi-finished products (cement and clinkers) at normal market conditions. As concerns companies under common control, the Cementir Group has long sold cement to Caltagirone Group companies. Specifically in the first half of 2016, the Group sold 7,986 metric tons of cement at arm's-length conditions to Vianini Industria (30 June 2015: 4,412 tons). Revenue and costs connected with trading transactions with the ultimate parent and companies under common control include various services, such as leases.

As concerns transactions of a financial nature, non-current financial liabilities refer to a floating-rate loan held with Banca UniCredit that expires in 2017 (no change on 31 December 2015).

Current financial liabilities refer primarily to an on-demand loan from Banca UniCredit totalling around EUR 18.6 million.

The Group did not grant loans to directors, statutory auditors or key management personnel during the reporting period and did not have loan assets due from them at 30 June 2016.

33) Events after the reporting period

In relation to the events after the reporting period, reference should be made to the directors' report.

ANNEX

Annex 1

List of equity investments at 30 June 2016

Company name	Registered office	Share capital	Currency	Type of holding % Direct	Type of holding % Indirect	Investment held by Group companies	Method
Cementir Holding SpA	Rome (Italy)	159,120,000	EUR			Parent	Line-by-line
Aalborg Cement Company Inc.	Dover (USA)	1,000	USD		100	Aalborg Portland US Inc.	Line-by-line
Aalborg Portland Holding A/S	Aalborg (Denmark)	300,000,000	DKK		75 25	Cementir España SL Globocem SL	Line-by-line
Aalborg Portland A/S	Aalborg (Denmark)	100,000,000	DKK		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland España SL	Madrid (Spain)	3,004	EUR		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland France SAS	Paris (France)	10,000	EUR		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland Islandì EHF	Kopavogur (Iceland)	303,000,000	ISK		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland Malaysia Sdn Bhd	Perak (Malaysia)	95,400,000	MYR		70	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland Polska Spzoo	Warsaw (Poland)	100,000	PLN		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland US Inc.	Dover (USA)	1,000	USD		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland (Anqing) Co Ltd	Anqing (China)	265,200,000	CNY		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland (Australia) Pty Ltd	Sydney (Australia)	1,000	AUD		100	Aalborg Portland Malaysia Sdn Bhd	Line-by-line
Aalborg Portland OOO	St. Petersburg (Russia)	14,700,000	RUB		99.9 0.1	Aalborg Portland A/S Aalborg Portland Holding A/S	Line-by-line
Aalborg Resources Sdn Bhd	Perak (Malaysia)	2,543,972	MYR		100	Aalborg Portland Malaysia Sdn Bhd	Line-by-line
AB Sydsten	Malmö (Sweden)	15,000,000	SEK		50	Unicon A/S	Line-by-line
AGAB Syd Aktiebolag	Malmö (Sweden)	500,000	SEK		40	AB Sydsten	Equity
Alfacem Srl	Rome (Italy)	1,010,000	EUR	99.99		Cementir Holding SpA	Line-by-line
Basi 15 Srl	Rome (Italy)	400,000	EUR	100		Cementir Holding SpA	Line-by-line
Betontir SpA	Rome (Italy)	104,000	EUR		99.89	Cementir Italia SpA	Line-by-line
Cem 15 Srl	Rome (Italy)	10,000	EUR		100	Cementir Italia SpA	Line-by-line
Cementir España SL	Madrid (Spain)	3,007	EUR	100		Cementir Holding SpA	Line-by-line
Cementir Italia SpA	Rome (Italy)	40,000,000	EUR	100		Cementir Holding SpA	Line-by-line
Cimbeton AS	Izmir (Turkey)	1,770,000	TRY		50.28 0.06	Cimentas AS Kars Cimento AS	Line-by-line
Cimentas AS	Izmir (Turkey)	87,112,463	TRY		97.8 0.12 0.48	Aalborg Portland España Cimbeton AS Kars Cimento AS	Line-by-line
Destek AS	Izmir (Turkey)	50,000	TRY		99.99 0.01	Cimentas AS Cimentas Foundation	Line-by-line

Annex 1 (*cont'd*)

Company name	Registered office	Share capital	Currency	Type of holding % Direct	% Indirect	Shareholding through Group companies	Method
ECOL Unicon Spzoo	Gdansk (Poland)	1,000,000	PLN		49	Unicon A/S	Equity
Environmental Power International (UK R&D) Limited	Trowbridge (Great Britain)	100	GBP		50	Recydia	Equity
Everts Betongpump & Entreprenad AB	Halmstad (Sweden)	100,000	SEK		73.5	AB Sydsten	Line-by-line
Gaetano Cacciatore LLC	Somerville N.J. (USA)	-	USD		100	Aalborg Cement Company Inc.	Line-by-line
Globocem SL	Madrid (Spain)	3,007	EUR		100	Alfacem Srl	Line-by-line
Ilion Cimento Ltd.	Soma (Turkey)	300,000	TRY		100	Cimbeton AS	Line-by-line
Kars Cimento AS	Kars (Turkey)	3,000,000	TRY		58.38 41.62	Cimentas AS Alfacem Srl	Line-by-line
Kudsk & Dahl A/S	Vojens (Denmark)	10,000,000	DKK		100	Unicon A/S	Line-by-line
Lehigh White Cement Company–*J.V.*	Allentown (USA)	-	USD		24.5	Aalborg Cement Company Inc.	Equity
Neales Waste Management Ltd	Lancashire (Great Britain)	100,000	GBP		100	NWM Holdings Ltd	Line-by-line
NWM Holdings Ltd	Lancashire (Great Britain)	5,000,001	GBP		100	Recydia AS	Line-by-line
Quercia Ltd	Lancashire (Great Britain)	5,000,100	GBP		100	NWM Holdings Ltd	Line-by-line
Recydia AS	Izmir (Turkey)	551,544,061	TRY		62.82 24.94 12.24	Kars Cimento AS Cimentas AS Aalborg Portland Holding	Line-by-line
Secil Unicon SGPS Lda	Lisbon (Portugal)	4,987,980	EUR		50	Unicon A/S	Equity
Secil Prebetão SA	Montijo (Portugal)	3,454,775	EUR		79.60	Secil Unicon SGPS Lda	Equity
Sinai White Portland Cement Co. SAE	Cairo (Egypt)	350,000,000	EGP		57.14	Aalborg Portland Holding A/S	Line-by-line
Skane Grus AB	Malmö (Sweden)	1,000,000	SEK		60	AB Sydsten	Line-by-line
Sola Betong AS	Risvika (Norway)	9,000,000	NOK		33.33	Unicon AS	Equity
Sureko AS	Izmir (Turkey)	43,443,679	TRY		100	Recydia AS	Line-by-line
Svim 15 Srl	Rome (Italy)	400,000	EUR	100		Cementir Holding SpA	Line-by-line
Unicon A/S	Copenhagen (Denmark)	150,000,00 0	DKK		100	Aalborg Portland Holding A/S	Line-by-line
Unicon AS	Sandvika (Norway)	13,289,100	NOK		100	Unicon A/S	Line-by-line
Vianini Pipe Inc	Somerville N.J. (USA)	4,483,396	USD		99.99	Aalborg Portland US Inc.	Line-by-line

Rome, 28 July 2016

Chairman of the Board of Directors

/s/ Francesco Caltagirone Jr.

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Certification on the condensed interim consolidated financial statements as per article 81-ter of CONSOB Regulation No. 11971 of 14 May 1999 as amended

1. The undersigned Francesco Caltagirone Jr., Chairman of the Board of Directors, and Massimo Sala, as Manager responsible for financial reporting, of Cementir Holding SpA, hereby certify, having also taken into consideration the provisions of Article 154-bis, paragraphs 3 and 4 of Italian Legislative Decree No. 58 of 24 February 1998:

- the adequacy, in relation to the characteristics of the Company, and
- the effective implementation of the administrative and accounting procedures for the preparation of the condensed interim consolidated financial statements in the first half of 2016.

2. No significant aspects emerged in this regard.

3. It is also certified that:

3.1 the condensed interim consolidated financial statements:

a) have been prepared in accordance with the applicable international accounting standards, as endorsed by the European Union as per Regulation 1606/2002/EC of the European Parliament and of the Council of 19 July 2002;
b) are consistent with the entries in the accounting books and records;
c) provide a true and fair representation of the financial position, earnings performance and cash flows of the issuer and the companies included in the scope of consolidation.

3.2 The directors' report refers to key events that took place during the period and their impact on the condensed interim consolidated financial statements; it also describes the main risks and uncertainties for the second half of the year. In addition, the directors' report includes a reliable analysis of the information on significant transactions with related parties.

Rome, 28 July 2016

Chairman of the Board of Directors	Manager responsible for financial reporting
/s/ Francesco Caltagirone Jr.	/s/ Massimo Sala

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(Translation from the Italian original which remains the definitive version)

Report on review of condensed interim consolidated financial statements

To the shareholders of
Cementir Holding S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Cementir Holding Group comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes thereto, as at and for the six months ended 30 June 2016. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Cementir Holding Group as at and for the six months ended 30 June 2016 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Rome, 29 July 2016

KPMG S.p.A.

(signed on the original)

Marcella Balistreri
Director of Audit