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Vedi allegato.

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CALTAGIRONE GROUP

PRESS RELEASE

Cementir Holding: Board of Directors approves consolidated results at 30 September 2016, which include the change in the scope due to the acquisition of Sacci

- **Revenue: EUR 732.6 million (EUR 719.7 million in the first nine months of 2015)**
- **EBITDA: EUR 118.5 million (EUR 125.3 million in the first nine months of 2015)**
- **Profit before taxes: EUR 47.7 million (EUR 63.6 million in the first nine months of 2015)**
- **Net financial debt: EUR 350.6 million (EUR 262.9 million at 30 June 2016), including the outlay for the acquisition of Sacci (EUR 122.5 million)**

Rome, 9 November 2016 – The Board of Directors of Cementir Holding SpA, chaired by Francesco Caltagirone Jr., has examined and approved the consolidated results for the first nine months and the third quarter of 2016.

Financial highlights

(millions of euros)	Jan-Sept 2016	Jan-Sept 2015	Change %	3rd Quarter 2016	3rd Quarter 2015	Change %
Revenue from sales and services	732.6	719.7	1.8%	251.6	244.0	3.1%
EBITDA	118.5	125.3	-5.4%	46.5	52.2	-10.8%
EBIT	58.4	63.0	-7.2%	26.6	32.0	-16.9%
Net financial income (expense)	(10.7)	0.6	n.m.	(0.5)	(4.6)	-90.1%
Profit (loss) before taxes	47.7	63.6	-24.9%	26.1	27.4	-4.6%

Net financial debt

(millions of euros)	30-09-2016	30-06-2016	31-12-2015	30-09-2015
Net financial debt	350.6	262.9	222.1	291.1

Sales volumes

(‘000)	Jan-Sept 2016	Jan-Sept 2015	Change %	3rd Quarter 2016	3rd Quarter 2015	Change %
Grey and white cement (metric tons)	7,275	6,956	4.6%	2,526	2,424	4.2%
Ready-mixed concrete (m^3)	3,156	2,711	16.4%	1,017	929	9.5%
Aggregates (metric tons)	2,603	2,860	-9.0%	908	1,016	-10.6%

Group employees

	30-09-2016	31-12-2015	30-09-2015
Number of employees	3,358	3,032	3,073

Results for the first nine months of 2016 are down on 2015 mainly because of the depreciation of the major foreign currencies, which had a negative effect of EUR 6.3 million on EBITDA. The strong performance of operations in the Scandinavian countries and Malaysia failed to offset the weakness of the Italian market and other negative effects in Turkey.

Revenue from sales increased by 1.8% compared to the first nine months of 2015 thanks to strong business performance in Scandinavian countries and in Malaysia, which offset performance in Turkey, Egypt, China and Italy. Revenue of CementirSacci, included in the scope of consolidation in the third quarter of 2016, amounted to EUR 8.2 million. The depreciation of the major foreign currencies against the Euro had a negative effect of EUR 32.3 million: at constant exchange rates, revenue would have amounted to EUR 764.9 million, up 6.3% on the previous year.

In the **Nordic & Baltic and United States**[1] area, revenue was EUR 403.4 million, an increase of 4.6% from EUR 385.8 million in the same period of 2015, driven by the better results achieved in Denmark and Norway, and to a lesser extent in Sweden.

In particular, in **Denmark** revenue increased by EUR 16.0 million (+6.6%) as a result of the increase in sales volumes of cement (+10.4% compared to the first nine months of 2015) driven by the strong performance of civil construction and major projects, with sales prices substantially stable both for cement and ready-mixed concrete. Exports were also up, both for white cement (+13%) – driven in particular by exports to the United States – and for grey cement, especially to subsidiaries in Norway and Iceland.

In **Norway**, revenue increased by EUR 2.9 million (+3.3%), thanks to the significant recovery in the building sector especially in the east of the country, with sales volumes of ready-mixed concrete up 12% compared to the corresponding period of 2015. The depreciation of the Norwegian Krone of around 6.3% reduced the contribution of revenue to the financial statements stated in Euro.

In **Sweden**, meanwhile, revenue from sales recorded a slight increase compared to the same period of 2015, due to the growth in sales volumes of ready-mixed concrete (+18%) as a result of strong performance in the residential and infrastructural sector, especially in the areas of Malmö, Lund, Thage and Nimab.

[1] 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, Central Mediterranean (Italy) and Asia Pacific. 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.

Revenue in the **United Kingdom** in local currency recorded a slight increase thanks to higher volumes of waste processed, but was pulled down by the depreciation of the British Pound after the Brexit vote (-10.4% compared to the average exchange rate in the first nine months of 2015).

In the **Eastern Mediterranean area**, revenue from sales was EUR 205.3 million, a decrease of 3.7% on the EUR 213.1 million figure recorded for the same period of 2015.

In particular, in **Turkey** revenue in local currency increased by 8.7% compared to the first nine months of 2015 thanks mainly to the increase in sales volumes of cement and ready-mixed concrete (+5% and +35.8% compared to the same period of 2015) due to growth in demand in the Izmir and Kars regions, even though the domestic context was influenced by unfavourable weather conditions at the start of the year and the uncertain national political situation. Cement prices on the domestic market were slightly down (-1.3%) compared to 2015. Exports fell 7% compared to the first nine months of 2015 in order to meet the increase in demand on the domestic market. The depreciation of the Turkish Lira against the Euro (-10.4% compared to the average exchange rate for the first nine months of 2015) in any case reduced revenue’s contribution to the consolidated financial statements stated in Euro.

In **Egypt**, revenue in local currency fell by 1.7% compared to the first nine months of 2015 due to lower quantities of cement sold in the domestic market, partially mitigated by an increase in sales prices. Exported cement volumes were substantially stable (-1%), with prices in US Dollars decreasing. The depreciation of the Egyptian Pound (-12.9% compared to the average exchange rate for the first nine months of 2015) had a negative impact on the financial statements expressed in Euro.

In the **Asia Pacific** area, revenue from sales was EUR 56.9 million, a slight increase on the EUR 56.6 million figure recorded for the same period of 2015.

In **Malaysia**, revenue in local currency increased by 7.9% compared to the first nine months of 2015, driven by an increase in average prices on export markets due to the mix of products sold and the appreciation of destination currencies against the Malaysian Ringgit, with sales volumes falling 4.8%, essentially due to the deferral to October of a major shipment of white clinker to Australia. When translated into Euros, revenue was essentially stable due to the depreciation of the Malaysian Ringgit against the Euro (-8.1% compared to the average exchange rate for the same period of 2015).

In **China**, revenue in local currency fell by 1.5% compared to the same period of 2015 due to an increase in the quantity of cement sold on the domestic market (+12%) with prices falling, and a decrease in export volumes (-4%). In addition, the depreciation of the Chinese Yuan against the Euro (-5.6% compared to the average exchange rate for the first nine months of 2015) weighed on the translation of the consolidated revenue into Euros.

Lastly, in the **Central Mediterranean** area **(Italy)**, revenue from sales totalled EUR 69.9 million, a slight increase compared to EUR 69.8 million in the same period of 2015, incorporating the revenue from the Sacci business division (EUR 8.2 million), which entered the scope of consolidation in the third quarter of 2016. On a like-for-like basis, sales revenue would have been down by 11.7% due to the decrease in sales volumes of cement and ready-mixed concrete (-11.7% and -10.2%), with average sales prices for cement substantially stable and higher for ready-mixed concrete.

Operating costs totalled EUR 620.4 million, an increase of 2.8% compared to EUR 603.7 million for the first nine months of 2015. The addition of CementirSacci to the scope of consolidation brought a EUR 11.4 million increase in operating costs. However, at constant exchange rates, operating costs would have amounted to EUR 656.7 million.

Specifically, the **cost of raw materials** was EUR 311.0 million (EUR 305.7 million in 2015), bearing in mind for the purposes of comparison with 2015 that CementirSacci incurred raw materials costs of EUR 5.2 million. However, at constant exchange rates the cost of raw materials would have come to EUR 326.7 million (+19.6 million on the EUR 307.1 million figure for the previous period), primarily driven by higher production output of cement and ready-mixed concrete.

Personnel costs amounted to EUR 117.8 million, of which EUR 3.0 million relative to CementirSacci. Total personnel costs at constant exchange rates would have been EUR 131.2 million, up 17.4% over 2015, due to the higher costs incurred following the increase of business in Scandinavia and the impact of inflation on employee remuneration in high-inflation countries.

Other operating costs totalled EUR 191.7 million, an increase of 3.7% on the same period of 2015. CementirSacci incurred costs of EUR 3.2 million in the third quarter of 2016. At constant exchange rates, other operating costs totalled EUR 198.8 million, an increase of 7.6% on 2015 mainly as a result of the increase in production costs and plant maintenance costs.

EBITDA, at EUR 118.5 million, was down 5.4% compared to the same period of 2015 (EUR 125.3 million) mainly as a result of the depreciation of the major foreign currencies against the Euro and lower earnings in Italy and Turkey, partly offset by the improvements in Scandinavian countries and the Asia Pacific area. At constant exchange rates, EBITDA would have been EUR 124.9 million, substantially in line with the corresponding period of 2015. CementirSacci recorded a negative EBITDA of EUR 2.3 million in the period.

The EBITDA margin came to 16.2%, showing a slight drop in profitability compared to the same period of 2015 (17.4%).

Net of amortisation, depreciation, impairment losses and provisions totalling EUR 60.1 million, **EBIT** amounted to EUR 58.4 million (EUR 63.0 million in the first nine months of 2015).

Net financial expense totalled EUR 10.7 million, a deterioration compared to the previous year (income of EUR 0.6 million in the first nine months of 2015). 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 the result of the “Brexit” vote.

Profit before taxes amounted to EUR 47.7 million, down compared to the corresponding period of the previous year (EUR 63.6 million).

Net financial debt at 30 September 2016 amounted to EUR 350.6 million, an increase of EUR 128.5 million compared to 31 December 2015. The change was due mainly to the effects of the outlay for the acquisition of the cement and ready-mixed concrete business division of Sacci SpA concluded on 29 July 2016, and also includes capital expenditure of around EUR 32 million (EUR 42 million in 2015). Excluding the effects of the acquisition, the net financial position of the Group would have been 225.3 million, down EUR 65.8 million on 30 September 2015, in line with management expectations.

The payment for the acquisition totalled EUR 122.5 million, while the remaining EUR 2.5 million will be paid as a deferred component 24 months after closing. To finance the acquisition, a financing agreement was signed with the related party ICAL 2, approved by the Board of Directors of Cementir Holding SpA on 12 July 2016.

Total equity at 30 September 2016 amounted to EUR 1,121.7 million (EUR 1,131.1 million at 31 December 2015), not including taxes on earnings for the period.

Performance in the third quarter of 2016

Revenue from sales and services for the third quarter of 2016 amounted to EUR 251.6 million (EUR 244.0 million in the third quarter of 2015); EBITDA totalled EUR 46.6 million (EUR 52.2 million in the third quarter of 2015); EBIT totalled EUR 26.6 million (EUR 32.0 million in the third quarter of 2015); and profit before taxes amounted to EUR 26.1 million (EUR 27.4 million in the third quarter of 2015).

Revenue from sales increased 3.1% thanks to the good performance of operations in Scandinavian countries and Malaysia, despite lower revenue in Turkey, Egypt and Italy. However, at constant exchange rates, revenue would have amounted to EUR 255.6 million, an increase of EUR 11.6 million on the third quarter of 2015. Revenue of CementirSacci in the third quarter of 2016 amounted to EUR 8.2 million.

Operating costs totalled EUR 207.1 million (of which EUR 11.4 million incurred by CementirSacci), up 6.4% compared to the third quarter of 2015. Operating costs at constant exchange rates would have totalled EUR 220.7 million, up by around EUR 26.1 million over the previous year (EUR 194.6 million); the increase was driven by greater variable costs deriving from higher production of cement and ready-mixed concrete and the increase in costs of production.

EBITDA and **EBIT** amounted to EUR 46.5 million and EUR 26.6 million respectively, posting a drop of 10.8% and 16.9% on the third quarter of 2015. The EBITDA margin came to 18.5% (21.4% in the third quarter of 2015), showing a deterioration in the profitability of operations. At constant exchange rates, EBITDA and EBIT would have come to EUR 47.3 million and EUR 26.9 million respectively, down 9.4% and 15.9% compared to the third quarter of 2015.

Net financial expense was EUR 0.5 million, a marked improvement on the third quarter of 2015, when it was EUR 4.6 million. This improvement was mainly driven by exchange rate losses recorded in 2015 and the improvement in the third quarter of 2016 of the mark-to-market valuation of derivatives held to hedge interest-rate and commodity risk in the third quarter of 2016.

Profit before taxes amounted to EUR 26.1 million, down compared to the third quarter of 2015 (EUR 27.4 million).

Significant events after the close of the quarter

On 25 October 2016, Aalborg Portland Holding A/S, an indirect 100% subsidiary of Cementir Holding, finalised the acquisition of 100% of the share capital of Compagnie des Ciments Belges S.A. (CCB) from Ciments Français S.A.S., a subsidiary of HeidelbergCement. The agreement had already been announced on 25 July 2016 and was subject to approval by the European Commission.

The value of the transaction (Enterprise Value) was EUR 312 million, on a cash and debt-free basis. The acquisition was financed through new credit facilities granted by a pool of banks both to finance the transaction and to refinance existing credit lines.

Outlook

No particular changes are forecast in the fourth quarter of 2016 compared to business performance in the first nine months of the year. We expect to see continued strong performance in the Nordic & Baltic area and in Malaysia, along with difficulties in the Italian market. In addition, the depreciation of the Turkish Lira and, since the Brexit vote, the British Pound, together with the double devaluation of the Egyptian Pound (-130%) and the ongoing geopolitical events affecting Turkey and Egypt, will have a negative impact on the Group's results.

The continued reorganisation of Cementir Italia and CementirSacci has already caused several days of total plant stoppages in Italy, with negative effects on industrial production; given the difficulties of the negotiations, this situation could recur in the coming months.

Considering all the above, we believe it is appropriate to revise the forecasts for the current year, taking account of these extraordinary events, to which the effects of the United States elections could also be added.

Therefore, we are forecasting EBITDA of around EUR 175 million on a like-for-like basis (excluding the recent acquisitions of Sacci and CCB) and net financial debt of about EUR 620 million, taking into account the new acquisitions.

Management has taken all necessary measures for the effective integration of CementirSacci into the Group and actions have been taken to restore industrial efficiency in Italy. In addition, all necessary steps have been taken for the successful integration of the recent acquisition in Belgium of Compagnie des Ciments Belges.

* * *

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

The consolidated income statement figures for the first nine months of 2016 and the third quarter of 2016 are attached.

Disclaimer

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

***CEMENTIR HOLDING** is an Italian multinational company that produces and distributes grey and white cement, ready-mixed concrete, aggregates and concrete products. Cementir Holding is part of the Caltagirone Group and has been listed on the Italian Stock Exchange (Borsa Italiana) since 1955, currently in the STAR segment. Through its subsidiaries Aalborg Portland, Cimentas and Cementir Italia, Cementir Holding operates in 16 countries across 5 continents.*

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Consolidated income statement for the first nine months of 2016

(EUR '000)	Jan-Sept 2016	Jan-Sept 2015	Change % 2016/2015	Like-for-like basis* Jan-Sept 2016	Like-for-like basis* Change % 2016/2015
REVENUE FROM SALES AND SERVICES	**732,644**	**719,720**	**1.8%**	**724,475**	**0.7%**
Change in inventories	(4,725)	(221)	n.m.	(5,365)	n.m.
Other revenue**	11,024	9,504	16.0%	10,719	12.8%
TOTAL OPERATING REVENUE	**738,943**	**729,003**	**1.4%**	**729,829**	**0.1%**
Raw materials costs	(310,955)	(307,106)	1.3%	(305,722)	-0.4%
Personnel costs	(117,761)	(111,821)	5.3%	(114,771)	2.6%
Other operating costs	(191,689)	(184,771)	3.7%	(188,480)	2.0%
TOTAL OPERATING COSTS	**(620,405)**	**(603,698)**	**2.8%**	**(608,973)**	**0.9%**
EBITDA	**118,538**	**125,305**	**-5.4%**	**120,856**	**-3.5%**
EBITDA Margin %	*16.18%*	*17.41%*		*16.68%*	
Amortisation, depreciation, impairment losses and provisions	**(60,118)**	**(62,340)**	**-3.6%**	**(59,804)**	**-4.1%**
EBIT	**58,420**	**62,965**	**-7.2%**	**61,052**	**-3.0%**
EBIT Margin %	*7.97%*	*8.75%*		*8.43%*	
NET FINANCIAL INCOME (EXPENSE)	**(10,675)**	**632**	**n.m.**	**(10,332)**	**n.m.**
PROFIT (LOSS) BEFORE TAXES	**47,745**	**63,597**	**-24.9%**	**50,720**	**-20.2%**
PROFIT (LOSS) BEFORE TAXES Margin %	*6.52%*	*8.84%*		*7.00%*	

* Like-for-like basis figures exclude CementirSacci in the scope of consolidation.

** "Other revenue" includes the income statement captions "Increase for internal work" and "Other operating revenue".

Consolidated income statement for the third quarter of 2016

(EUR '000)	3rd Quarter 2016	3rd Quarter 2015	Change % 2016/2015	Like-for-like basis * 3rd Quarter 2016	Like-for-like basis * Change % 2016/2015
REVENUE FROM SALES AND SERVICES	**251,638**	**244,033**	**3.1%**	**243,469**	**-0.2%**
Change in inventories	(1,551)	347	-547.0%	(2,191)	-731.4%
Other revenue **	3,520	2,405	46.4%	3,215	33.7%
TOTAL OPERATING REVENUE	**253,607**	**246,785**	**2.8%**	**244,493**	**-0.9%**
Raw materials costs	(104,593)	(101,792)	2.7%	(99,360)	-2.4%
Personnel costs	(39,374)	(34,190)	15.2%	(36,384)	6.4%
Other operating costs	(63,092)	(58,622)	7.6%	(59,883)	2.1%
TOTAL OPERATING COSTS	**(207,059)**	**(194,604)**	**6.4%**	**(195,627)**	**0.5%**
EBITDA	**46,548**	**52,181**	**-10.8%**	**48,866**	**-6.3%**
EBITDA Margin %	*18.50%*	*21.38%*		*20.07%*	
Amortisation, depreciation, impairment losses and provisions	**(19,948)**	**(20,171)**	**-1.1%**	**(19,634)**	**-2.7%**
EBIT	**26,600**	**32,010**	**-16.9%**	**29,232**	**-8.7%**
EBIT Margin %	*10.57%*	*13.12%*		*12.01%*	
NET FINANCIAL INCOME (EXPENSE)	**(458)**	**(4,619)**	**90.1%**	**(115)**	**-97.5%**
PROFIT (LOSS) BEFORE TAXES	**26,142**	**27,391**	**-4.6%**	**29,117**	**6.3%**
PROFIT (LOSS) BEFORE TAXES Margin %	*10.39%*	*11.22%*		*11.96%*	

* Like-for-like basis figures exclude CementirSacci in the scope of consolidation

** "Other revenue" includes the income statement captions "Increase for internal work" and "Other operating revenue".

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