CONSOLIDATED HALF-YEAR FINANCIAL REPORT

30 JUNE 2017

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

cementir holding
GRUPPO CALTAGIRONE

Contents

Company officers

Board of Directors for the period 2015-2017	*Chairman*	Francesco Caltagirone Jr.
	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[2] *(independent)*
		Chiara Mancini *(independent)*
		Roberta Neri *(independent)*
Executive Committee	*Chairman*	Francesco Caltagirone Jr.
	Member	Mario Delfini
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 for the period 2017-2019	*Chairwoman*	Silvia Muzi
	Statutory Auditors	Claudio Bianchi *(standing)*
		Maria Assunta Coluccia *(standing)*
		Patrizia Amoretti *(alternate)*
		Antonio Santi *(alternate)*
		Vincenzo Sportelli *(alternate)*
Manager responsible for financial reporting		Massimo Sala
Independent Auditors for the period 2012–2020		KPMG S.p.A.

[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

Introduction

This Half-Year financial report refers to the condensed interim consolidated financial statements as at and for the six-month period ended 30 June 2017 of 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 2016, with the exception of new standards applicable commencing as of 1 January 2017, which did not, however, have any impact on information presented in this half-year financial report.

The scope of consolidation at 30 June 2017 has not undergone substantial changes compared to the consolidated financial statements at 31 December 2016. However, it is noted that the income statement for the first half of 2017 benefits from the acquisitions completed in the second half of 2016. Therefore, the phrase “on like-for-like basis” means that the figures have been calculated by eliminating the following from the consolidated figures for the first half of 2017:

- the contribution of the Compagnie des Ciments Belges S.A. group (CCB), acquired on 25 October 2016;
- the contribution of the business division of Sacci SpA, acquired on 29 July 2016.

The Group’s business is, by its nature, subject to seasonal effects, with the performance in the first few months influenced by the weather and plant maintenance works. It follows that first half (interim) results cannot be considered representative of the performance of the entire year.

Group performance in the first half of 2017

The consolidated income statement figures for the first six months of 2017 are reported below, compared with the figures for the same period of 2016, including on a like-for-like basis.

Earnings

(EUR'000)	1st Half 2017	1st Half 2016	Change %	Like-for-like basis 1st Half 2017	Like-for-like basis Change %
REVENUE FROM SALES AND SERVICES	**631,387**	**481,006**	**31.3%**	**473,916**	**-1.5%**
Change in inventories	1,077	(3,174)	133.9%	5,646	277.9%
Other revenue [1]	14,758	7,504	96.7%	11,476	52.9%
TOTAL OPERATING REVENUE	**647,222**	**485,336**	**33.4%**	**491,038**	**1.2%**
Raw materials costs	(260,280)	(206,362)	26.1%	(208,229)	0.9%
Personnel costs	(107,593)	(78,387)	37.3%	(83,816)	6.9%
Other operating costs	(194,282)	(128,597)	51.1%	(130,495)	1.5%
TOTAL OPERATING COSTS	**(562,155)**	**(413,346)**	**36.0%**	**(422,540)**	**2.2%**
EBITDA	**85,067**	**71,990**	**18.2%**	**68,498**	**-4.9%**
EBITDA Margin %	*13.47%*	*14.97%*		*14.45%*	
Amortisation, depreciation, impairment losses and provisions	(49,249)	(40,170)	22.6%	(36,763)	-8.5%
EBIT	**35,818**	**31,820**	**12.6%**	**31,735**	**-0.3%**
EBIT Margin %	*5.67%*	*6.62%*		*6.70%*	
Share of net profits of equity-accounted investees	2,225	2,138	4.1%		
Net financial income (expense)	(13,432)	(12,355)	-8.7%		
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY-ACCOUNTED INVESTEES	**(11,207)**	**(10,217)**	**-9.7%**		
PROFIT (LOSS) BEFORE TAXES	**24,611**	**21,603**	**13.9%**		
PROFIT (LOSS) BEFORE TAXES / REVENUE %	*3.90%*	*4.49%*			
Income taxes	(5,993)	(5,853)	**2.4%**		
PROFIT (LOSS) FOR THE PERIOD	**18,618**	**15,750**	**18.2%**		
Attributable to:					
NON-CONTROLLING INTERESTS	**3,114**	**4,709**	**-33.9%**		
OWNERS OF THE PARENT	**15,504**	**11,041**	**40.4%**		

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

Sales volumes

('000)	1st Half 2017	1st Half 2016	Change %	Like-for-like basis 1st Half 2017	Like-for-like basis Change %
Grey and white cement (metric tons)	6,365	4,749	34.0%	4,635	-2.4%
Ready-mixed concrete (m^3)	2,423	2,140	13.3%	1,910	-10.7%
Aggregates (metric tons)	4,648	1,695	174.2%	1,940	14.5%

Sales **volumes** of cement and clinker in the first half 2017, equal to 6.4 million tons, increased by 34.0%; on a like-for-like basis they were down 2.4% due to poor performance in Turkey and Malaysia, while Denmark, Egypt and China performed positively and Italy was stable in terms of cement volumes.

Sales volumes of ready-mixed concrete, equal to 2.4 million cubic metres, were up 13.3%; on a like-for-like basis they were pulled down by the fall in sales in Turkey, which was only partially offset by the strong performance in Denmark, Norway and Sweden.

In the aggregates sector, sales volumes were up by over 174% thanks in particular to the contribution of the Belgian business (CCB). On like-for-like basis there were in any case improvements in Denmark and Sweden.

Group **revenue from sales and services** totalled EUR 631.4 million, up 31.3% compared to EUR 481.0 million in the first half 2016 due to the change in the scope of consolidation, which resulted in an increase in revenue of about EUR 157.5 million, of which EUR 33.9 million relative to Cementir Sacci and EUR 123.6 million relative to the Compagnie des Ciments Belges group.

On a like-for-like basis revenue fell slightly compared to the first half of 2016 due to the negative impact of exchange rates and the drop in revenue in Turkey and – to a lesser extent – in Malaysia, which were not offset by the strong revenue performance in Denmark, Norway, Sweden, China and Italy.

The impact on revenue of the depreciation of the major foreign currencies compared to the Euro was negative at EUR 39.1 million, so at constant exchange rates revenue would have been EUR 670.5 million.

Operating costs, amounting to EUR 562.2 million, were up by EUR 148.8 million on the first half 2016, deriving mainly from the change in the scope of consolidation (EUR 139.6 million) and after a positive exchange rate effect of EUR 31.3 million.

The **raw materials costs** were EUR 260.3 million (EUR 206.4 million in the first half of 2016), up due to the change in the scope of consolidation (EUR 52.1 million). On like-for-like basis, the figure saw a slight increase (+0.9%) despite a positive exchange rate effect of EUR 20.8 million, due to the generalised increase in the cost of fuel and raw materials, in particular in Norway and Sweden due to higher volumes produced.

Personnel costs were EUR 107.6 million, up by EUR 29.2 million mainly because of the change in the scope of consolidation (EUR 23.8 million). On like-for-like basis the increase was 6.9%. Despite savings of EUR 3.3 million due to positive exchange rate effects, the increase in costs mainly derives from inflation connected to the cost of labour in high-inflation countries, the increase in production personnel costs to meet higher demand in the Scandinavian countries and, furthermore, EUR 2.1 million in extraordinary costs were incurred for early contract terminations.

Other operating costs were EUR 194.3 million, up by EUR 65.7 million compared to the first half of 2016 mainly because of the change in the scope of consolidation (EUR 63.8 million), benefitting from savings of

EUR 7.2 million due to the positive exchange rate effect against the increase in fixed production costs above all in Denmark, Norway and Egypt.

EBITDA was EUR 85.1 million, up 18.2% on EUR 72.0 million in the same period of 2016. The acquisitions had a beneficial impact of EUR 16.6 million on EBITDA: the EBITDA of the Belgian group CCB was EUR 19.5 million, while Cementir Sacci posted negative EBITDA of EUR 2.9 million.

However, on a like-for-like basis, EBITDA was down 4.9% as a result of lower earnings in Turkey and, to a lesser extent, in Denmark and Malaysia, as well as the depreciation of foreign currencies against the Euro – mainly the Egyptian pound and the Turkish lira – partially offset by growth in Egypt, Italy, China and Norway.

The negative impact on EBITDA of the depreciation of the major foreign currencies compared to the Euro was EUR 10.8 million, so at constant exchange rates with the same period of last year, EBITDA would have been EUR 95.9 million.

The EBITDA margin came to 13.5%, showing a slight drop in profitability compared to the same period of 2016 (15.0%); at constant exchange rates the EBITDA margin would have been 14.3%.

Net of amortisation, depreciation and provisions totalling EUR 49.2 million (EUR 40.2 million in the first half of 2016), **EBIT** amounted to EUR 35.8 million (EUR 31.8 million in the first half of 2016). At constant exchange rates with last year, EBIT would have been EUR 43.7 million, up EUR 11.9 million on the first half 2016. The increase in amortisation, depreciation and provisions derives from the change in the scope of consolidation.

The **share of net profits of equity-accounted investees** was EUR 2.2 million (EUR 2.1 million in the same period of 2016).

Net financial expense, in the first half 2017, was EUR 13.4 million (EUR 12.4 million in the first half 2016) due to higher borrowing costs incurred as a result of the increased level of average debt to finance the acquisitions in July and October 2016 and the unfavourable foreign currency trend. These negative effects were partly offset by the increased mark-to-market value of financial instruments held to hedge interest rate and commodity risk, and the returns on the cash held by the Group.

Profit before taxes and **profit for the period** totalled EUR 24.6 million and EUR 18.6 million respectively (EUR 21.6 million and EUR 15.7 million respectively in the first half of 2016).

Profit attributable to the owners of the parent, once non-controlling interests were accounted for, amounted to EUR 15.5 million (EUR 11.0 million in the first half of 2016).

Group performance in the second quarter of 2017

Earnings

(EUR'000)	2nd Quarter 2017	2nd Quarter 2016	Change %	Like-for-like basis 2nd Quarter 2017	Like-for-like basis Change %
REVENUE FROM SALES AND SERVICES	**351,523**	**270,561**	**29.9%**	**262,327**	**-3.0%**
Change in inventories	(4,701)	(8,222)	42.8%	(1,794)	78.2%
Other revenue [1]	8,064	4,077	97.8%	7,479	83.4%
TOTAL OPERATING REVENUE	**354,886**	**266,416**	**33.2%**	**268,012**	**0.6%**
Raw materials costs	(136,456)	(109,187)	25.0%	(108,373)	-0.7%
Personnel costs	(55,553)	(39,541)	40.5%	(43,557)	10.2%
Other operating costs	(100,834)	(67,046)	50.4%	(67,709)	1.0%
TOTAL OPERATING COSTS	**(292,843)**	**(215,774)**	**35.7%**	**(219,639)**	**1.8%**
EBITDA	**62,043**	**50,642**	**22.5%**	**48,373**	**-4.5%**
EBITDA Margin %	*17.65%*	*18.72%*		*18.44%*	
Amortisation, depreciation, impairment losses and provisions	**(25,273)**	(19,989)	**26.4%**	**(18,535)**	**-7.3%**
EBIT	**36,770**	**30,653**	**20.0%**	**29,838**	**-2.7%**
EBIT Margin %	*10.46%*	*11.33%*		*11.37%*	
Share of net profits of equity-accounted investees	1,555	1,627	-4.4%		
Net financial income (expense)	(7,534)	(4,663)	-61.6%		
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY-ACCOUNTED INVESTEES	**(5,979)**	**(3,036)**	**-96.9%**		
PROFIT (LOSS) BEFORE TAXES	**30,791**	**27,617**	**11.5%**		
PROFIT (LOSS) BEFORE TAXES / REVENUE %	*8.76%*	*10.21%*			

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

Sales volumes

('000)	2nd Quarter 2017	2nd Quarter 2016	Change %	Like-for-like basis 2nd Quarter 2017	Like-for-like basis Change %
Grey and white cement (metric tons)	3,850	2,735	40.7%	2,744	0.3%
Ready-mixed concrete (m^3)	1,336	1,229	8.7%	1,023	-16.8%
Aggregates (metric tons)	2,642	997	165.0%	1,095	9.9%

Sales **volumes** of cement and clinker in the second quarter of 2017 increased by 40.7%; on a like-for-like basis they were essentially stable, with performance varying by geographical segment: a strong performance in Denmark and Egypt was accompanied by a drop in Malaysia and China, while Turkey saw a slight fall.

Sales volumes of ready-mixed concrete, equal to 1.3 million cubic metres, were up 8.7%; on a like-for-like basis they were pulled down by the fall in sales in Turkey.

In the aggregates sector, sales volumes were up by over 165% thanks in particular to the contribution of the Belgian business (CCB) and the good performance in Sweden and Denmark.

Revenue from sales and services totalled EUR 351.5 million, up 29.9% compared to EUR 270.6 million in the second quarter of 2016 as a result of the change in the scope of consolidation, which had an effect of EUR 89.2 million (of which EUR 19.0 million from Cementir Sacci and EUR 70.2 million from the CCB group). On a like-for-like basis, revenue fell 3% compared to the second quarter of 2016, due to the negative exchange rate effects. The positive trend of revenue in Denmark, Italy and Sweden offset the fall recorded in Turkey and Malaysia and the reduction in revenue expressed in Euro in Egypt. Revenue in Norway and the United Kingdom was essentially stable. The negative impact on revenue of the depreciation of the major foreign currencies compared to the Euro was EUR 22.2 million. At constant exchange rates, revenue would have amounted to EUR 303.8 million, an increase of 38% on the second quarter of the previous year.

Operating costs, amounting to EUR 292.8 million, were up by EUR 77.1 million on the second quarter of 2016, deriving mainly from the change in the scope of consolidation (EUR 73.2 million).

EBITDA and **EBIT** amounted to EUR 62.0 million and EUR 36.8 million respectively, up by 22.5% and 20% compared to the second quarter of 2016. The impact of the changes in foreign exchange rates on EBITDA and EBIT was EUR 5.8 million and EUR 4.3 million, respectively. At constant exchange rates, EBITDA would have been EUR 67.8 million and EBIT would have been EUR 41.1 million.

On a like-for-like basis, the fall in EBITDA came almost exclusively in Turkey and, to a lesser extent, in Norway. There was an improvement in EBITDA in Italy, United States, Egypt and the United Kingdom.

Net financial expense was EUR 6.0 million (EUR 3.0 million in the second quarter of 2016); the trend in financial expense in the second quarter of 2017 substantially reflects that described for the half year.

Profit before taxes came to EUR 30.8 million, up on the second quarter of 2016 (EUR 27.6 million).

Financial highlights

(EUR'000)	30-06-2017	31-03-2017	31-12-2016
Net capital employed	1,629,025	1,678,172*	1,622,741
Total equity	1,015,784	1,031,740*	1,060,303
Net financial debt[2]	613,241	646,422	562,438

* Equity at 31 March 2017 does not include the calculation of taxes on earnings for the period.

Net financial debt at 30 June 2017 was EUR 613.2 million, up EUR 50.8 million compared to 31 December 2016. The change was primarily attributable to movements in working capital, the annual maintenance of plants, usually performed in the initial months of the year, and the distribution of EUR 15.9 million in dividends, paid out in May. However, net financial debt improved by EUR 33.2 million in the second quarter of 2017 due also to significant results from the management of working capital.

Total equity at 30 June 2017 amounted to EUR 1,015.8 million (EUR 1,060.3 million at 31 December 2016).

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	30/06/2017	30/06/2016	COMPOSITION
Return on equity[3]	8.68%	5.78%	Profit/Equity
Return on capital employed[3]	6.06%	7.16%	EBIT/(Equity + Net financial debt)
FINANCIAL INDICATORS	**30/06/2017**	**30/06/2016**	**COMPOSITION**
Equity ratio	42.49%	60.92%	Equity/Total assets
Net gearing ratio	60.37%	23.62%	Net financial debt/Equity

The financial indicators show the increase in net financial debt of the Group due to the acquisitions during the second half of 2016.

[2] Net financial debt is measured in accordance with CONSOB Communication No. DEM/6064293 of 28 July 2006 and reported in Note 17.
[3] The Return on equity (ROE) and Return on capital employed (ROCE) indicators have been calculated taking into account the income statement figures for the last 12 months.

Performance by geographical segment

Nordic & Baltic and USA

(EUR'000)	1st Half 2017	1st Half 2016	Change %
Revenue from sales	410,560	259,549	58.2%
Denmark	*174,641*	*160,858*	*8.6%*
Norway / Sweden	*102,065*	*87,798*	*16.2%*
Belgium / France	*123,883*	*-*	*n.m.*
Other (1)	*32,008*	*29,453*	*8.7%*
Eliminations	*(22,037)*	*(18,560)*	
EBITDA	68,329	48,057	42.2%
Denmark	*39,127*	*40,133*	*-2.5%*
Norway / Sweden	*7,313*	*6,959*	*5.1%*
Belgium / France	*19,531*	*-*	*n.m.*
Other (1)	*2,358*	*965*	*144.4%*
EBITDA Margin %	16.6%	18.5%	
Investments	29,712	12,331	

(1) Poland, Russia, Iceland, United Kingdom, United States

Denmark

The country's economy is gradually improving, with 1.8% GDP growth in 2017 driven by consumer spending and private investment. The real-estate market also remains buoyant, with price increases only expected to slow partially as a result of a significant increase in new-build housing. Public investment is expected to increase moderately also in the next two years, albeit subject to marked cyclical fluctuations.

The Group's sales volumes of grey cement on the domestic market increased by 5.4% compared to the first half of 2016, driven above all by the residential sector against substantially stable average sales prices, while white cement volumes – albeit not significant have fallen by 10.5% against steadily rising prices. Export sales volumes were up for white cement (+20%) due to higher deliveries to the United States and France, and for grey cement (+15%), especially to Norway and the Faroe Islands. Overall, grey and white cement sales – including exports – were up 9.7%. Sales volumes of ready-mixed concrete were up 1% with prices slightly up.

Revenue from sales was EUR 174.6 million, compared to EUR 160.9 million in the first half of 2016.

EBITDA fell 2.5% as in the cement sector the positive impact of cement volumes and sales prices was offset by higher fixed costs, mainly personnel and maintenance costs. The ready-mixed concrete sector made slight progress.

The main investments included the upgrade of the calciner in the grey cement kiln for EUR 7.7 million in the cement sector, two new ready-mixed concrete plants, located in Ribe (Jutland peninsula, southern Denmark) for around EUR 1.6 million, and in Odense, in the south of the country, for about EUR 0.8 million.

Norway and Sweden

In **Norway** the recovery in GDP is expected to continue in the current year, thanks in part to government initiatives to stimulate economic activity. The construction sector continues to perform well, driven by the real-estate sector. However, concerns over the excessive increases in property prices and in household debt suggest the introduction of prudential measures that will imply a gradual slowdown in demand in the residential sector.

In Norway the Group's ready-mixed concrete sales volumes increased 9.4% thanks to a particularly mild winter and the significant upturn in construction activity in all regions where the Group is present, except for the south of the country, with average prices in local currency up 2%.

In **Sweden**, levels of economic activity are expected to remain lively also in 2017 (+2.5%). Robust internal demand, the increase in the workforce and the increase productivity of productive factors remain the key drivers of growth. The residential sector will be affected by measures introduced by the government to cool the property market, while public investment in infrastructure is expected to grow during the year in progress.

In Sweden, the Group's sales volumes of ready-mixed concrete increased 12.5%, driven in particular by the residential market in the Malmö, Helsingborg and Lund areas in the south of Sweden, where the Group's subsidiaries have a greater presence. Meanwhile aggregates sales saw an increase of 15.5%, driven by a major motorway project awarded at the end of 2016.

Overall, revenue and EBITDA reflected the positive trend in sales in both Norway and Sweden, despite an increase in variable costs of raw materials.

The Norwegian krone gained around 2.6% compared to the average exchange rate of the first half of 2016, increasing the contribution of this revenue to the consolidated financial statements translated into Euro, while the Swedish Krone fell by around 3.2% in the same period.

Belgium and France

In Belgium the performance of the economy will be bolstered by the upturn in private investment, benefitting from the improvement in household confidence and real interest rates being held at the current low levels. The construction sector remains dynamic, with growth in public investment expected to increase in 2018, also as a result of the municipal elections.

The Group entered the Belgian market by acquiring Compagnie des Ciments Belges in late October 2016, operating in the production and sale of cement, ready-mixed concrete and aggregates. It also has production facilities in France and exports to neighbouring countries.
The Group's cement sales volumes improved in the first six months of 2017 compared to the same period of the previous year, although the figures were still not included in the scope of consolidation, and were better than expected with an increase in sales prices in both Belgium and France.
Sales volumes in the ready-mixed concrete sector were up, especially in Belgium as a result of the good weather. Sales prices fell slightly in Belgium, while in France they were affected by a harsher competitive environment.
In the aggregates segment, the Group's sales volumes increased both in Belgium – destined mainly to the ready-mixed concrete and asphalt market – and in France, thanks to ongoing road construction projects. Prices fell slightly in Belgium compared to 2016, but were up in France due to a different sales mix.
Overall, revenue in the first half of 2017 totalled EUR 123.9 million and EBITDA was EUR 19.5 million.
Investments in the first six months of 2017 by the Belgian group mainly related to the cement plant in Gaurain (EUR 2.1 million), a number of ready-mixed concrete plants in the north of France (EUR 2.5 million), and initiatives relating to the production of aggregates (EUR 1.2 million).

Other

In the **United Kingdom**, revenue earned by the Group in local currency in the waste management sector saw an improvement compared to the first half of 2016 due to the increase in waste volumes processed by the subsidiary Quercia (+48%), spread across sales of RDF alternative fuel, disposal in landfill and recycled ferrous materials and plastics. The revenue of the subsidiary Neales decreased. EBITDA improved thanks in part to savings on fixed costs.
In the **United States**, the Group's subsidiaries reported a moderate increase in revenue from sales of concrete products and an increase in production costs, due to an operating problem at the terminal in Tampa (Florida), which was resolved in mid February. The costs incurred in relation to the restructuring of the terminal were reimbursed by the insurance company.
EBITDA increased mainly due to the improvement of waste management in the United Kingdom and the positive trend of activities in the United States.

Eastern Mediterranean

(EUR'000)	1st Half 2017	1st Half 2016	Change %
Revenue from sales	109,352	142,886	-23.5%
Turkey	*88,979*	*116,884*	*-23.9%*
Egypt	*20,373*	*26,002*	*-21.6%*
Eliminations	*-*	*-*	
EBITDA	13,915	24,766	-43.8%
Turkey	*5,473*	*18,889*	*-71.0%*
Egypt	*8,442*	*5,877*	*43.6%*
EBITDA Margin %	12.7%	17.3%	
Investments	3,686	5,448	

Turkey

The result of April's referendum was favourable to the current leader President Erdogan and should lead to a normalisation of the political scenario. GDP is expected to increase 3% in 2017, fuelled both by the recovery in household consumer spending and private investment, as well as measures to support the economy that will also have positive repercussions on the construction sector.

Revenue fell to EUR 89.0 million compared to EUR 116.9 million in the first half of 2016, partly due to the depreciation of the Turkish lira against the Euro (-21% compared to the average exchange rate in the first half of 2016).

In local currency revenue fell by 10.4% as a result of the 8.8% reduction in the Group's sales volumes of cement and clinker on the domestic market, due to adverse weather conditions, lower market demand, delays in a number of important construction projects and strong competition, as well as the uncertain domestic political situation up to April. Sales volumes of exported cement and clinker were in line with the first half of 2016 and prices in dollars were down due to strong competition on the markets.

Domestic cement prices in local currency were slightly down (-2%) but are recovering compared to the first quarter and may be sustained in the second half by the start of anticipated infrastructure projects in the regions of Eastern Anatolia, Marmara (motorway bridges, canal bridges and canals) and Egea (residential, commercial and infrastructural investments) – all of which are regions where the Group has plants.

In the ready-mixed concrete sector, sales volumes fell by 29% due to the deferral of a number of projects, with prices up 5.7% in local currency.

In the waste management sector, the subsidiary Sureko – which operates in the treatment of industrial waste – saw an improvement in revenue and profitability compared to the first half of 2016 due to the increase in volumes sent to landfill, sales volumes of alternative fuel (RDF), greater supplies of alternative fuel to the Group's cement production facilities (Edirne and Izmir), and an increase in volumes received for temporary storage, despite a decrease in recycled ferrous materials (+55% in total).

The Hereko division, which processes Istanbul’s solid urban waste, underwent a reorganisation in an effort to improve profitability and product quality, ending the half-year with significantly improved results.
The overall decrease in EBITDA is attributable mainly to the effect deriving from the depreciation of the Turkish lira and the above-mentioned fall in cement sales volumes and prices, partially offset by a reduction in electricity and raw materials prices despite an increase in fuel costs, and from savings on fixed costs (personnel, maintenance and general costs) where management concentrated its efforts on recovering profitability.
Investments totalling about EUR 1.1 million were made to increase the use of alternative fuel at the Izmir plant.

Egypt

Following the significant depreciation of the Egyptian pound in November 2016, an intense programme of reforms has been launched in Egypt, helping to attract foreign capital and having positive effects on the economy. Growth in 2017 is forecast at 4.2%, against a background of inflation and continued restrictive monetary and fiscal policies. There will be no significant expansion of the construction sector, due in part to higher production costs and higher costs to purchase materials, tied to the persistent weakness of the local currency.
Revenue from sales totalled EUR 20.4 million (EUR 26.0 million in the first half of 2016), down due to the depreciation of the Egyptian pound against the Euro as, in early November 2016, the Egyptian Central Bank announced the decision to leave the Egyptian pound to float freely.
In fact, revenue in local currency increased 63% thanks to higher sales volumes of white cement on the domestic market (+11.9%) due to the increase in average sales prices in local currency (+21%) and the increase in export volumes (+10.5%), especially to the United States (offsetting lower volumes in Russia and Saudi Arabia, with the latter was penalised by the stoppage of infrastructure programmes due to the fall in oil prices), with average sales prices in dollars falling in all principal markets. Overall cement sales – including exports – were up 11.8%.
EBITDA was EUR 8.4 million (EUR 5.9 million in the first half of 2016), up thanks mainly to the reduction in the cost of fuel deriving from the full usage of petroleum coke in the production process instead of fuel oil, as well as the reduction in other variable and fixed costs due to the depreciation of the local currency.

Asia Pacific

(EUR'000)	1st Half 2017	1st Half 2016	Change %
Revenue from sales	37,772	38,485	-1.9%
China	*20,660*	*18,544*	*11.4%*
Malaysia	*17,176*	*20,044*	*-14.3%*
Eliminations	*(65)*	*(103)*	
EBITDA	8,324	8,789	-5.3%
China	*4,497*	*3,763*	*19.5%*
Malaysia	*3,827*	*5,026*	*-23.9%*
EBITDA Margin %	22.0%	22.8%	
Investments	684	1,001	

China

After a slowdown in the early months of the year, there are new signs of recovery in the Chinese economy thanks to the beneficial impact of previous fiscal and monetary stimuli. The real-estate sector has grown at a sustained pace, fuelled by the upward trend in home prices both in small and large cities, despite the oversupply of housing. However levels of activity in the sector are expected to slow down gradually over the coming months, in line with the authorities' plan to reabsorb existing economic and financial imbalances.

In local currency, revenue from sales increased 13.7% compared to the first half of the previous year thanks to the increase in the volumes of white cement and clinker sold on the domestic market (+7%), plus a favourable trend in prices (+9% in local currency). More stringent environmental controls by the local Chinese authorities have resulted in "stop and go" situations for many plants involved in the production of white cement, especially in northern China. Exports, not significant in the half year and mainly directed to South Korea and Hong Kong, were down 12% with falling prices.

EBITDA of EUR 4.5 million (EUR 3.8 million in the first half of 2016) benefitted from the positive trend in sales volumes and prices on the domestic market, partially offset by the increase in variable costs connected to the higher quantities produced and the price of raw materials and fuel, plus the increase in fixed costs.

Malaysia

The Malaysian economy continues to benefit from a favourable cycle, with growth estimates for 2017 revised upwards by the leading international forecasters (+4.4%). But, on the other hand, the residential sector remains weak as it grapples with an excess of unsold properties which is slowing investment in new homes. Levels of industry activity will not recover properly until 2018.

Australia is forecast to achieve growth of 2.4% in 2017, driven by exports, public infrastructure spending and residential investment, facilitated by low interest rates and favourable conditions for accessing credit.
Sales volumes of white cement and clinker were down 22% overall compared to the first half of the previous year. In particular, sales volumes of cement on the domestic market fell 2%, against a background of slightly higher average prices in local currency.
Exports of cement and clinker fell by around 24% mainly due to the deferral of a clinker delivery to Australia and lower volumes in India, Vietnam and South Korea, due to a number of operational problems at the plant that resulted in lower availability of finished goods. Clinker export prices are down 7.5% while cement prices are up 5.5% in both cases due to the effect of the mix of countries and exchange rates.
EBITDA fell to EUR 3.8 million compared to EUR 5.0 million in the first half of the previous year, due to lower sales volumes and to a lesser extent to fixed costs for maintenance and operating costs at the plant.

Central Mediterranean

(EUR'000)	1st Half 2017	1st Half 2016	Change %
Revenue from sales	87,780	45,327	93.7%
Italy	*87,780*	*45,327*	*93.7%*
EBITDA	(5,500)	(9,622)	42.8%
Italy	*(5,500)*	*(9,622)*	*42.8%*
EBITDA Margin %	-6.3%	-21.2%	
Investments	4,252	2,181	

Italy

Italy's GDP growth forecasts for 2017 are gradually improving (+1.3%), reflecting the acceleration in economic activity in the early part of the year, as well as more favourable developments in foreign demand and in markets in energy raw materials. Investments in residential construction have been rising since 2015 and will continue to grow, albeit at a very slow place. Public investments are expected to increase only marginally due to the continuance of the highly restrictive fiscal policy and persistent delays in the selection and execution of projects.
Revenue from sales in the first half of 2017 include EUR 33.9 million in revenue from Cementir Sacci. On a like-for-like basis, revenue from sales would in any case have been up thanks to recovering average prices, while cement sales volumes are in line with the same period of the previous year against the background of a substantially stable domestic market.
Ready-mixed concrete sales volumes were down 5% on a like-for-like basis, with prices falling.

The EBITDA figure includes the EUR 2.4 million negative EBITDA of Cementir Sacci. On a like-for-like basis, it benefitted from the increase in average sales prices of cement and lower fixed costs, which were only partially offset by higher variable costs (raw materials and fuel) with savings on electricity.
In the Central Mediterranean area, the main investments related to incremental maintenance of the cement production plants of the subsidiary Cementir Italia, the construction of a new ready-mixed concrete plant in Moriassi (AL), and investments by the newly acquired Cementir Sacci, mainly in the Tavernola and Cagnano plants, in the latter case to make it able to use waste-derived alternative fuels (Solid Recovered Fuel –SRF). In addition, around EUR 1.5 million was invested in IT, particularly in a long-term project to standardise, improve and transform the Group’s processes, also in view of the integration of the newly acquired companies.

Directors’ report

Significant events in the half year

Results in the first half of 2017 were up thanks to the effect of the acquisitions concluded in the second half of 2016, which added EUR 16.6 million to EBITDA, despite adverse changes in exchange rates. On a like-for-like basis, the improvement in EBITDA in Egypt, Italy, China and Norway partially offset lower earnings in Turkey and, to a lesser extent, in Denmark and Malaysia, as well as the depreciation of foreign currencies against the Euro – mainly the Egyptian pound and the Turkish lira.
On 28 April 2017, the **refinancing** was completed of a bridge loan worth a total of EUR 330 million, as part of the loan agreement signed in October 2016 with a pool of banks, made available to finance the acquisitions of CCB and the Sacci business division, to refinance existing credit lines, and to service working capital requirements. The term of the bridge loan, initially set for April 2018, has been extended with the same pool of banks to October 2021, with bullet repayment. The conditions of the loan have been aligned with those of the term loan under the same agreement.

Investments

Investments in the first half of 2017 totalled EUR 38.3 million, including EUR 29.7 million in the Nordic & Baltic and USA segment, EUR 3.7 million in the Eastern Mediterranean segment, EUR 0.7 million in the Asia Pacific segment and EUR 4.3 million in the Central Mediterranean segment. The breakdown by business segment shows that EUR 27.7 million was invested in the cement business, EUR 6.8 million in the ready-mixed concrete business, EUR 1.8 in the aggregates business, EUR 0.4 million in the waste management business, EUR 1.5 million in the IT systems of the parent and EUR 0.1 million in other activities.

Business outlook

The Group's results in the first half of 2017 were in line with management expectations, thanks to the good performance in the Nordic & Baltic segment, China and Italy, and the achievement of targets in Egypt. Work on integrating companies acquired in 2016 is progressing according to schedule.

We expect the second half of the year to be characterised by the continued strong performance of activities in the Nordic & Baltic segment, China and Egypt, and by improved results in Malaysia and Turkey.

Uncertainties remain in the second half of the year over the movements of some foreign currencies, especially the Turkish lira and the Egyptian pound, and a number of markets, including Turkey. Despite these uncertainties, the Group believes it can confirm its financial targets for 2017: EBITDA of around EUR 215 million and a net financial debt of about EUR 530 million at the end of 2017.

Financial risk management

In the first half of 2017, no new market risks emerged in addition to those reported in the consolidated financial statements at 31 December 2016. Accordingly, no material changes were introduced to the Group's financial risk management strategy.

Key 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

At its meeting of 3 March 2017 the Board of Directors resolved – in line with Consob recommendations – to make a number of changes to the Related Party Transactions Procedure, making it more effective and better suited to the operations, ownership structure and organisation of the Parent and the Group.

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 33 to the condensed interim consolidated financial statements.
During the half-year reporting period, the Parent 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 2017, the parent and its subsidiaries did not hold, either directly or indirectly, shares or quotas of the ultimate parent, and no transactions were conducted for the purchase or sale of such shares or quotas.

Corporate governance

At their meeting of 19 April 2017, the shareholders appointed the Board of Statutory Auditors and the Chairwoman of the Board of Statutory Auditors for the 2017-2018-2019 three-year period. Silvia Muzi (Chairwoman) and Antonio Santi (Alternate Auditor) were drawn from the list submitted by a group of shareholders comprising asset management companies and other investors (Minority List) and voted for by a minority of shareholders present at the meeting. Claudio Bianchi and Maria Assunta Coluccia (Standing Auditors) and Vicenzo Sportelli and Patrizia Amoretti (Alternate Auditors) were drawn from the list submitted by the shareholder Calt 2004 Srl (Majority List) and voted for by the majority of shareholders who attended the meeting.
In addition, on the proposal of the shareholder Calt 2004 Srl, Roberta Neri was appointed to replace the outgoing Riccardo Nicolini as director. Ms. Neri will remain in office for the duration of the term in office of the current Board of Directors and therefore until the date called for the approval of the financial statements at 31 December 2017. Ms. Neri has declared her independence pursuant to Legislative Decree No. 58 of 24 February 1998 (Consolidated Finance Act) and the Corporate Governance Code of Borsa Italiana.
At the meeting of 11 May 2017, the Board appointed Paolo Zugaro as General Manager of the company and also reappointed Massimo Sala to serve again in 2017 as the manager responsible for financial reporting. In accordance with the current Corporate Governance Code issued by Borsa Italiana SpA, at the same meeting the Board of Directors verified that the directors qualified as independent under said Code (Paolo Di Benedetto, Veronica De Romanis and Chiara Mancini) met the independence requirements.
The Supervisory Body appointed pursuant to Legislative Decree No. 231/2001 for the 2015–2017 three-year period has continued to update and supervise the implementation of the Organisation, Management and Control Model adopted by the Parent in accordance with said decree by resolution of 8 May 2008.

For more detailed information on the corporate governance system and ownership structure of Cementir Holding SpA, see the Corporate Governance and Ownership Report prepared in accordance with article 123-bis of Italian Legislative Decree No. 58 of 24 February 1998 and published together with the 2016 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 depart 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.

Alternative performance indicators

In addition to conventional financial indicators under IFRS, the Cementir Holding Group also uses a number of alternative performance indicators to allow a better assessment of earnings and financial performance. In line with Consob Communication No. 92543/2015 and the ESMA Guidelines (ESMA/2015/1415), the meaning and content of the indicators used are provided below.

- EBITDA: an indicator of operating performance calculated by adding together "EBIT" and "Amortisation, depreciation, impairment losses and provisions";
- Net financial debt: an indicator of financial structure calculated according to Consob Communication No. 6064293/2006, as the sum of the items:
  - Current financial assets
  - Cash and cash equivalents
  - Current and non-current liabilities
- Net capital employed: is calculated as the total amount of non-financial assets, after deducting non-financial liabilities.

Events after the reporting period

There are no significant events to report.

Rome, 27 July 2017

Chairman of the Board of Directors

/s/ Francesco Caltagirone Jr.

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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Statement of financial position*

(EUR '000)	Note	30 June 2017	31 December 2016
ASSETS			
Intangible assets with a finite useful life	1	73,266	70,372
Intangible assets with an indefinite useful life	2	365,679	375,142
Property, plant and equipment	3	1,041,066	1,067,126
Investment property	4	93,505	98,823
Equity-accounted investments	5	22,735	22,893
Available-for-sale equity investments	6	1,956	571
Non-current financial assets	9	2,623	2,970
Deferred tax assets	20	81,327	73,274
Other non-current assets	11	11,242	11,075
TOTAL NON-CURRENT ASSETS		**1,693,399**	**1,722,246**
Inventories	7	173,851	163,822
Trade receivables	8	279,619	236,498
Current financial assets	9	3,213	3,491
Current tax assets	10	9,412	8,368
Other current assets	11	34,775	56,994
Cash and cash equivalents	12	196,290	244,025
TOTAL CURRENT ASSETS		**697,160**	**713,198**
TOTAL ASSETS		**2,390,559**	**2,435,444**
EQUITY AND LIABILITIES			
Share capital		159,120	159,120
Share premium reserve		35,710	35,710
Other reserves		738,461	730,597
Profit (loss) attributable to the owners of the parent		15,504	67,270
Equity attributable to the owners of the parent	13	**948,795**	**992,697**
Profit (loss) attributable to non-controlling interests		3,114	18,079
Reserves attributable to non-controlling interests		63,875	49,527
Equity attributable to non-controlling interests	13	**66,989**	**67,606**
TOTAL EQUITY		**1,015,784**	**1,060,303**
Employee benefits	14	39,191	41,520
Non-current provisions	15	21,915	24,617
Non-current financial liabilities	17	717,057	744,606
Deferred tax liabilities	20	143,077	146,262
Other non-current liabilities	19	9,710	10,084
TOTAL NON-CURRENT LIABILITIES		**930,950**	**967,089**
Current provisions	15	3,096	3,484
Trade payables	16	253,969	263,443
Current financial liabilities	17	95,687	65,349
Current tax liabilities	18	21,443	16,769
Other current liabilities	19	69,630	59,007
TOTAL CURRENT LIABILITIES		**443,825**	**408,052**
TOTAL LIABILITIES		**1,374,775**	**1,375,141**
TOTAL EQUITY AND LIABILITIES		**2,390,559**	**2,435,444**

* 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.

Income statement*

(EUR '000)	Note	1st Half 2017	1st Half 2016
REVENUE	21	**631,387**	**481,006**
Change in inventories	7	1,077	(3,174)
Increase for internal work	22	5,422	4,557
Other operating revenue	22	9,336	2,947
TOTAL OPERATING REVENUE		**647,222**	**485,336**
Raw materials costs	23	(260,280)	(206,362)
Personnel costs	24	(107,593)	(78,387)
Other operating costs	25	(194,282)	(128,597)
TOTAL OPERATING COSTS		**(562,155)**	**(413,346)**
EBITDA		**85,067**	**71,990**
Amortisation and depreciation	26	(48,968)	(40,058)
Provisions	26	(70)	(38)
Impairment losses	26	(211)	(74)
Total amortisation, depreciation, impairment losses and provisions		(49,249)	(40,170)
EBIT		**35,818**	**31,820**
Share of net profits of equity-accounted investees	5-27	2,225	2,138
Financial income	27	6,593	1,404
Financial expense	27	(17,510)	(16,109)
Foreign exchange rate gains (losses)	27	(2,515)	2,350
Net financial income (expense)		(13,432)	(12,355)
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY-ACCOUNTED INVESTEES		**(11,207)**	**(10,217)**
PROFIT (LOSS) BEFORE TAXES		**24,611**	**21,603**
Income taxes	28	(5,993)	(5,853)
PROFIT FROM CONTINUING OPERATIONS		**18,618**	**15,750**
PROFIT (LOSS) FOR THE PERIOD		**18,618**	**15,750**
Attributable to:			
Non-controlling interests		3,114	4,709
Owners of the parent		**15,504**	**11,041**
(EUR)			
Basic earnings per share	29	**0.097**	**0.069**
Diluted earnings per share	29	**0.097**	**0.069**

* 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.

Statement of comprehensive income

(EUR '000)	Note	1st Half 2017	1st Half 2016
PROFIT (LOSS) FOR THE PERIOD		**18,618**	**15,750**
Other comprehensive income (expense):			
Items that will never be reclassified to profit or loss		**-**	**-**
Items that may be reclassified to profit or loss			
Foreign currency translation differences - foreign operations	30	(44,600)	(22,108)
Financial instruments	30	(776)	-
Taxes related to equity	30	229	-
Total items that may be reclassified to profit or loss		**(45,147)**	**(22,108)**
Total other comprehensive income (expense)		**(45,147)**	**(22,108)**
COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD		**(26,529)**	**(6,358)**
Attributable to:			
Non-controlling interests		(565)	(2,087)
Owners of the parent		**(25,964)**	**(4,271)**

Statement of changes in equity

(EUR '000)	Share capital	Share premium reserve	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**
			Legal reserve	Translation reserve	Other reserves						
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)		(1,387)	(1,387)	(17,299)
Other changes							-		4,869	**4,869**	4,869
Total owner transactions	**-**	**-**	**-**	**-**	**51,565**	**(67,477)**	**(15,912)**	**(7,624)**	**11,106**	**3,482**	**(12,430)**
Change in translation reserve				(108,016)			**(108,016)**		(36,237)	(36,237)	**(144,253)**
Net actuarial gains (losses)					725		**725**		161	161	**886**
Total other comprehensive income (expense)	**-**	**-**	**-**	**(108,016)**	**725**	**-**	**(107,291)**	**-**	**(36,076)**	**(36,076)**	**(143,367)**
Change other reserves					(40)		(40)		(314)	(314)	**(354)**
Total other transactions	**-**	**-**	**-**	**-**	**(40)**	**-**	**(40)**	**-**	**(314)**	**(314)**	**(354)**
Profit (loss) for the year						67,270	**67,270**	18,079		**18,079**	**85,349**
Equity at 31 December 2016	**159,120**	**35,710**	**31,825**	**(406,706)**	**1,105,478**	**67,270**	**992,697**	**18,079**	**49,527**	**67,606**	**1,060,303**

(EUR '000)	Share capital	Share premium reserve	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**
			Legal reserve	Translation reserve	Other reserves						
Equity at 1 January 2017	**159,120**	**35,710**	**31,825**	**(406,706)**	**1,105,478**	**67,270**	**992,697**	**18,079**	**49,527**	**67,606**	**1,060,303**
Allocation of 2016 profit (loss)					67,270	(67,270)	-	(18,079)	18,079	-	-
Distribution of 2016 dividends					(15,912)		(15,912)			-	(15,912)
Other changes							-			-	-
Total owner transactions	**-**	**-**	**-**	**-**	**51,358**	**(67,270)**	**(15,912)**	**(18,079)**	**18,079**	**-**	**(15,912)**
Change in translation reserve				(40,921)			(40,921)		(3,679)	(3,679)	**(44,600)**
Net actuarial gains (losses)							-			-	**-**
Change in fair value of financial instruments					(547)		(547)			-	**(547)**
Total other comprehensive income (expense)	**-**	**-**	**-**	**(40,921)**	**(547)**	**-**	**(41,468)**	**-**	**(3,679)**	**(3,679)**	**(45,147)**
Change in other reserves					(2,026)		(2,026)		(52)	(52)	**(2,078)**
Total other transactions	**-**	**-**	**-**	**-**	**(2,026)**	**-**	**(2,026)**	**-**	**(52)**	**(52)**	**(2,078)**
Profit (loss) for the period						15,504	**15,504**	3,114		**3,114**	**18,618**
Equity at 30 June 2017	**159,120**	**35,710**	**31,825**	**(447,627)**	**1,154,263**	**15,504**	**948,795**	**3,114**	**63,875**	**66,989**	**1,015,784**

Statement of cash flows

(EUR '000)	Note	1st Half 2017	1st Half 2016
Profit (loss) for the period		**18,618**	**15,750**
Amortisation and depreciation	26	48,968	40,058
(Reversals of impairment losses) Impairment losses		83	378
Share of net profits of equity-accounted investees	5-27	(2,225)	(2,138)
Net financial (income) expense	27	13,432	12,355
(Gains) Losses on disposals		(406)	(118)
Income taxes	28	5,993	5,853
Change in employee benefits		(2,457)	(603)
Change in provisions (current and non-current)		(3,187)	(2,515)
Operating cash flows before changes in working capital		**78,819**	**69,020**
(Increase) decrease in inventories		(9,901)	7,667
(Increase) decrease in trade receivables		(42,419)	(29,299)
Increase (decrease) in trade payables		(10,506)	(16,179)
Change in other non-current and current assets and liabilities		24,008	(3,548)
Change in current and deferred taxes		(1,070)	(4,811)
Operating cash flows		**38,931**	**22,850**
Dividends collected		1,123	2,245
Interest collected		1,781	1,032
Interest paid		(10,020)	(4,517)
Other net income (expense) collected (paid)		(8,018)	(6,268)
Income taxes paid		(12,744)	(11,624)
CASH FLOWS FROM OPERATING ACTIVITIES (A)		**11,053**	**3,718**
Investments in intangible assets		(7,044)	(634)
Investments in property, plant and equipment		(31,111)	(21,776)
Investments in equity investments and non-current securities		(1,389)	-
Proceeds from the sale of intangible assets		-	53
Proceeds from the sale of property, plant and equipment		1,292	614
Proceeds from the sale of equity investments and non-current securities		-	-
Change in non-current financial assets		347	329
Change in current financial assets		537	262
Other changes in investing activities		-	-
CASH FLOWS USED IN INVESTING ACTIVITIES (B)		**(37,368)**	**(21,152)**
Change in non-current financial liabilities		(27,549)	(15,952)
Change in current financial liabilities		34,490	28,345
Dividends distributed		(15,912)	(16,662)
Other changes in equity		(4,357)	1,557
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (A)		**(13,328)**	**(2,712)**
NET EXCHANGE RATE GAINS (LOSSES) ON CASH AND CASH EQUIVALENTS (D)		**(8,092)**	**(919)**
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**(47,735)**	**(21,065)**
Opening cash and cash equivalents	12	**244,025**	**136,768**
Closing cash and cash equivalents	12	**196,290**	**115,703**

Statement of financial position

pursuant to CONSOB Resolution No. 15519 of 27 July 2006

		30 June 2017		31 December 2016	
(EUR '000)	Note	Total	of which with related parties	Total	of which with related parties
ASSETS					
Intangible assets with a finite useful life	1	73,266	-	70,372	-
Intangible assets with an indefinite useful life	2	365,679	-	375,142	-
Property, plant and equipment	3	1,041,066	-	1,067,126	-
Investment property	4	93,505	-	98,823	-
Equity-accounted investments	5	22,735	-	22,893	-
Available-for-sale equity investments	6	1,956	-	571	-
Non-current financial assets	9	2,623	-	2,970	-
Deferred tax assets	20	81,327	-	73,274	-
Other non-current assets	11	11,242	2,506	11,075	2,713
TOTAL NON-CURRENT ASSETS		**1,693,399**	**-**	**1,722,246**	-
Inventories	7	173,851	-	163,822	-
Trade receivables	8	279,619	7,932	236,498	6,946
Current financial assets	9	3,213	-	3,491	-
Current tax assets	10	9,412	-	8,368	-
Other current assets	11	34,775	3,632	56,994	3,672
Cash and cash equivalents	12	196,290	1,712	244,025	2,251
TOTAL CURRENT ASSETS		**697,160**	**-**	**713,198**	-
TOTAL ASSETS		**2,390,559**	**-**	**2,435,444**	-
EQUITY AND LIABILITIES					
Share capital		159,120	-	159,120	-
Share premium reserve		35,710	-	35,710	-
Other reserves		738,461	-	730,597	-
Profit (loss) attributable to the owners of the parent		15,504	-	67,270	-
Equity attributable to the owners of the parent	13	**948,795**	**-**	**992,697**	-
Profit (loss) attributable to non-controlling interests		3,114	-	18,079	-
Reserves attributable to non-controlling interests		63,875	-	49,527	-
Equity attributable to non-controlling interests	13	**66,989**	**-**	**67,606**	-
TOTAL EQUITY		**1,015,784**	**-**	**1,060,303**	-
Employee benefits	14	39,191	-	41,520	-
Non-current provisions	15	21,915	-	24,617	-
Non-current financial liabilities	17	717,057	-	744,606	-
Deferred tax liabilities	20	143,077	-	146,262	-
Other non-current liabilities	19	9,710	1,714	10,084	1,718
TOTAL NON-CURRENT LIABILITIES		**930,950**	**-**	**967,089**	-
Current provisions	15	3,096	-	3,484	-
Trade payables	16	253,969	323	263,443	270
Current financial liabilities	17	95,687	3,912	65,349	1,462
Current tax liabilities	18	21,443	-	16,769	-
Other current liabilities	19	69,630	-	59,007	-
TOTAL CURRENT LIABILITIES		**443,825**	**-**	**408,052**	-
TOTAL LIABILITIES		**1,374,775**	**-**	**1,375,141**	-
TOTAL EQUITY AND LIABILITIES		**2,390,559**	**-**	**2,435,444**	-

Income statement

pursuant to CONSOB Resolution No. 15519 of 27 July 2006

(EUR '000)	Note	1st Half 2017 Total	1st Half 2017 of which with related parties	1st Half 2016 Total	1st Half 2016 of which with related parties
REVENUE	21	**631,387**	**11,617**	**481,006**	**6,320**
Change in inventories	7	1,077	-	(3,174)	-
Increase for internal work	22	5,422	-	4,557	-
Other operating revenue	22	9,336	19	2,947	21
TOTAL OPERATING REVENUE		**647,222**	**-**	**485,336**	**-**
Raw materials costs	23	(260,280)	-	(206,362)	-
Personnel costs	24	(107,593)	-	(78,387)	-
Other operating costs	25	(194,282)	(1,041)	(128,597)	(1,070)
TOTAL OPERATING COSTS		**(562,155)**	**-**	**(413,346)**	**-**
EBITDA		**85,067**	**-**	**71,990**	**-**
Amortisation and depreciation	26	(48,968)	-	(40,058)	-
Provisions	26	(70)	-	(38)	-
Impairment losses	26	(211)	-	(74)	-
Total amortisation, depreciation, impairment losses and provisions		(49,249)	-	(40,170)	-
EBIT		**35,818**	**-**	**31,820**	**-**
Share of net profits of equity-accounted investees	5-27	2,225	-	2,138	-
Financial income	27	6,593	8	1,404	11
Financial expense	27	(17,510)	(708)	(16,109)	(878)
Foreign exchange rate gains (losses)	27	(2,515)	-	2,350	-
Net financial income (expense)		(13,432)	-	(12,355)	-
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY-ACCOUNTED INVESTEES		**(11,207)**	**-**	**(10,217)**	**-**
PROFIT (LOSS) BEFORE TAXES		**24,611**	**-**	**21,603**	**-**
Income taxes	28	(5,993)	-	(5,853)	-
PROFIT FROM CONTINUING OPERATIONS		**18,618**	**-**	**15,750**	**-**
PROFIT (LOSS) FOR THE PERIOD		**18,618**	**-**	**15,750**	**-**
Attributable to:					
Non-controlling interests		3,114	-	4,709	-
Owners of the parent		**15,504**	**-**	**11,041**	**-**

(EUR)	Note	1st Half 2017	1st Half 2016
Basic earnings per share	29	**0.097**	**0.069**
Diluted earnings per share	29	**0.097**	**0.069**

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 at 30 June 2017, 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:

1) Francesco Gaetano Caltagirone 104,862,941 shares (65.902%). 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%)
     - Caltagirone SpA – 21,602,321 shares (13.576%)
     - FGC Finanziaria Srl – 16,527,303 shares (10.387%)
     - 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%)
     - Capitolium SpA – 2,448,441 shares (1.539%)
     - Vianini Lavori SpA – 2,440,055 shares (1.533%)
2) Francesco Caltagirone – 8,270,299 shares (5.198%). The shareholding is held as follows:
   - Direct ownership of 2,520,299 shares (1.584%)
   - Indirect ownership through the company Chupas 2007 Srl - 5,750,000 shares (3.614%).

This half-year financial report at 30 June 2017 was approved on 27 July 2017 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 2017 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 made over the reporting period to the scope of consolidation.

Statement of compliance with the IFRS

The condensed interim consolidated financial statements at 30 June 2017 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 the "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 2016, filed at the head office of Cementir Holding SpA 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 2016, with the exception of new standards applicable commencing as of 1 January 2017, 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 2017 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 into 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

During the first half of 2017 no new accounting standards compared to those applied at 31 December 2016 have become effective or been introduced.

a) Standards and interpretations of standards applicable for years starting after 2017 and not adopted in advance by the Group:

- 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. This document, endorsed by the European Union with Regulation No. 2067 of 29 November 2016, is applicable starting from years commencing on or after 1 January 2018. Early application is permitted.
- 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 leasing, 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. This document, endorsed by the European Union with Regulation No. 1905 of 29 October 2016, is applicable starting from years commencing on or after 1 January 2018. Early application is permitted.

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 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 for first-time 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 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 standard eliminates *de facto* the difference in accounting for operating and finance leases, while also simplifying application and introducing the concept of control to the definition of leasing. Specifically, to determine whether a contract is a lease or not, IFRS 16 requires verification of whether or not the lessee has the right to control the use of an identified asset for a determined period of time. Early application is permitted for entities that also apply IFRS 15 - Revenue from Contracts with Customers. Endorsement by the EU is expected in the fourth quarter of 2017.
- On 12 April 2016, the IASB published "Clarifications to IFRS 15 - Revenue from Contracts with Customers". The amendment does not change the content of the standard but clarifies how it should be applied. Specifically, it clarifies (i) how to identify a performance obligation in a contract, (ii) how to determine if an entity is a principal or an agent, and (iii) how to determine the moment when the revenue deriving from the granting of licences should be recognised. Entry into force of this amendment, whose endorsement by the EU is expected in the fourth quarter of 2017, is also scheduled for 1 January 2018.
- 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 the Amendment that indefinitely defers the effective date of the amendments to IFRS 10 and IAS 28, ahead of the completion of the IASB project on the equity method.

- 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 tax 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 the fourth quarter of 2017.
- 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, which will become effective as of 1 January 2017, introduce new disclosure obligations on changes in liabilities and assets deriving from financing activities. Endorsement by the EU is expected in the second quarter of 2017.
- 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 relating to the accounting of share-based payments. Specifically, the amendment makes significant improvements to (i) accounting for cash-settled share-based payments, (ii) their classification, and (iii) how to account for the modification of share-based payments from cash-settled to equity-settled. The amendments will become effective as of 1 January 2018. Endorsement by the EU is expected in the fourth quarter of 2017.
- On 12 September 2016, the IASB published a number of amendments to IFRS 4 - Insurance Contracts. The document "*Amendments* to IFRS 4: *Applying* IFRS 9 - *Financial Instruments with* IFRS 4 - *Insurance Contracts*" aims to address the temporary accounting consequences of the different effective dates of IFRS 9 Financial Instruments and the forthcoming insurance contracts Standard. The amendments will become effective as of 1 January 2018. Endorsement by the EU is expected in the fourth quarter of 2017.
- On 8 December 2016, the IASB published a number of amendments to IAS 40 - *Investment Property*. The document "*Amendments* to IAS 40: *Transfers of Investment Property*" aims to clarify aspects relating to the treatment of transfers to, or from, investment properties. Specifically, the amendment clarifies that a transfer should be made only when there has been a change in use of the property. A change in management's intentions for the use of a property by itself is not sufficient for a transfer. The amendments are applicable starting from annual reporting periods commencing on or after 1 January 2018; early application is permitted. Endorsement by the EU is expected in the fourth quarter of 2017.
- On 8 December 2016, the IASB published "*Annual Improvements to IFRS Cycle 2014-2016*". The amendments adopted, which form an ordinary part of the rationalisation and clarification of the IFRS, relate to the following standards: IFRS 1 - *First-time adoption of IFRS*, IFRS 12 - *Disclosure of*

interests in other entities and IAS 28 - *Investments in associates and joint ventures*. Endorsement by the EU is expected in the second half of 2017. The amendments to IFRS 1 and IAS 28 are applicable starting from annual reporting periods commencing on or after 1 January 2018; early application is permitted only as regards IAS 28. The amendments to IFRS 12 are applicable starting from annual reporting periods commencing on or after 1 January 2017.

- On 8 December 2016 the IASB published the interpretation IFRIC 22 – *Foreign Currency Transactions and Advance Consideration*, to provide clarification on the correct accounting of foreign-currency transactions when payment is made or received in advance. The interpretation clarifies that the transaction date to be used for the translation is the date on which the entity made or received the advance payment. IFRIC 22 is effective for annual reporting periods beginning on or after 1 January 2018; early application is permitted. Endorsement by the EU is expected in the fourth quarter of 2017.
- On 18 May 2017, the IASB published the new standard IFRS 17 – Insurance Contracts, which replaces IAS 4. The new standard on insurance contracts aims to increase transparency on the sources and quality of profit and to ensure greater comparability of results, introducing a single standard for revenue recognition that reflects the services provided. IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2021. The endorsement process by EFRAG is currently underway.
- On 7 June 2017, the IASB published the interpretation IFRIC 23 – Uncertainty over Income Tax Treatments, which provides guidance on how to reflect uncertainties over income tax treatments when accounting for income tax. IFRIC 23 is effective for annual reporting periods beginning on or after 1 January 2019. EFRAG is expected to conclude the Endorsement Process in the fourth quarter of 2017, while endorsement by the EU is forecast in 2018.

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. With particular reference to IFRS 15, the analysis carried out up to the date of these condensed interim consolidated financial statements does not show significant impacts on the application of this standard.

Basis of consolidation

Consolidation scope

The scope of consolidation 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 scope of consolidation at 30 June 2017 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, statement of comprehensive income 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 period. When the review affects current and future periods (such as with the useful life of non-current assets), the change is recognised in the period in which it is made and in the related future periods.

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, restricting the sale of products and/or services to customers without suitable credit ratings 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 is the risk that the Group does not have financial resources available or access to the credit market and financial instruments.

Specifically, the Group monitors and manages its cash flows, financing 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 repayment of its payables using the cash flows generated constantly by its operating activities and credit facilities.

The Group aims to maintain its ability to generate cash flows through operating activities, given the current market conditions. 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 have differing levels of exposure 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 Euros using the average period rate 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 segments 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 2017		31 December 2016	1st Half 2016
	Final	**Average**	**Final**	**Average**
Turkish lira – TRY	4.01	3.94	3.71	3.26
US dollar – USD	1.14	1.08	1.05	1.12
British pound – GBP	0.88	0.86	0.86	0.78
Egyptian pound – EGP	20.58	19.45	19.10	9.35
Danish krone – DKK	7.44	7.44	7.43	7.45
Icelandic krona – ISK	116.38	117.05	119.15	140.52
Norwegian krone – NOK	9.57	9.18	9.09	9.42
Swedish krona – SEK	9.64	9.60	9.55	9.30
Malaysian ringgit – MYR	4.90	4.75	4.73	4.57
Chinese renminbi-yuan – CNY	7.74	7.44	7.32	7.30

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.

Starting 1 January 2016, the Group's operations are organised on a regional basis, divided into four Regions that represent the following geographical segments: Nordic & Baltic and USA, Eastern Mediterranean, Asia Pacific, and Central Mediterranean.

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

The Group's geographical segments consist of the non-current assets of each company based and operating in the above segments.

The following table shows the performance of each operating segment for the first half of 2017:

(EUR '000)	**Nordic & Baltic and USA**			**Eastern Mediterranean**		**Asia Pacific**	**Central Mediterranean**	Unallocated items and adjustments	**CEMENTIR HOLDING GROUP**
	Denmark	**Belgium / France**	**Other** *	**Turkey**	**Egypt**				
Operating revenue	**183,918**	**121,638**	**137,869**	**90,529**	**22,857**	**39,836**	**96,951**	**(46,376)**	**647,222**
Intra-segment operating revenue	(25,658)	(724)	(2,645)	-	(81)	-	(17,268)	46,376	-
Contributed operating revenue	158,260	120,914	135,224	90,529	22,776	39,836	79,683	-	647,222
Segment result (EBITDA)	**39,127**	**19,497**	**9,704**	**5,473**	**8,442**	**8,324**	**(5,500)**	**-**	**85,067**
Amortisation, depreciation, impairment losses and provisions	(10,635)	(9,384)	(4,211)	(7,472)	(1,144)	(3,064)	(13,339)	-	(49,249)
EBIT	**28,492**	**10,113**	**5,493**	**1,999**	**7,298**	**5,260**	**(18,839)**	-	**35,818**
Net profit (loss) of equity-accounted investees	(665)	-	2,890	-	-	-	-	-	2,225
Net financial (income) expense	-	-	-	-	-	-	-	(13,432)	(13,342)
Profit (loss) before taxes	-	-	-	-	-	-	-	-	**24,611**
Income taxes	-	-	-	-	-	-	-	-	(5,993)
Profit (loss) for the period	-	-	-	-	-	-	-	-	**18,618**

* "Other" includes the operations in Norway, Sweden, Iceland, United Kingdom, Poland, Russia and United States.

The following table shows the performance of each operating segment for the first half of 2016:

(EUR '000)	Nordic & Baltic and USA			Eastern Mediterranean		Asia Pacific	Central Mediterranean	Unallocated items and adjustments	CEMENTIR HOLDING GROUP
	Denmark	Belgium / France	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**

The following table shows other data for each geographical segment at 30 June 2017:

(EUR '000)	Segment assets	Segment liabilities	Equity-accounted investments	[1]Investments in property, plant and equipment and intangible assets
Nordic & Baltic and USA:				
Denmark	514,344	237,118	2,275	22,183
Belgium / France	504,000	271,858	75	5,801
Other *	189,343	87,581	20,385	1,729
Eastern Mediterranean:				
Turkey	427,717	63,043	-	2,886
Egypt	92,852	16,724	-	800
Asia Pacific	128,440	11,731	-	684
Central Mediterranean	533,863	686,720	-	4,252
Total	**2,390,559**	**1,374,775**	**22,735**	**38,335**

* "Other" includes the operations in Norway, Sweden, Iceland, United Kingdom, Poland, Russia and United States.
[1] Investments made in the period.

The following table shows other data for each segment at 31 December 2016 and at 30 June 2016:

(EUR '000)	Segment liabilities	Segment assets	Equity-accounted investments	Investments in property, plant and equipment and intangible assets[2]
	31.12.2016			30.06.2016
Nordic & Baltic and USA:				
Denmark	509,636	247,461	2,940	10,853
Belgium / France	525,032	160,195	75	-
Other *	188.461	80.080	19.878	1.478
Eastern Mediterranean:				
Turkey	453,220	68,430	-	4,948
Egypt	97,911	20,797	-	500
Asia Pacific	133,424	15,013	-	1,001
Central Mediterranean	527,760	783,165	-	2,181
Total	**2,435,444**	**1,375,141**	**22,893**	**20,961**

[2] Investments made in first half of 2016.

1) Intangible assets with a finite useful life

At 30 June 2017, intangible assets with a finite useful life amounted to EUR 73,266 thousand (31 December 2016: EUR 70,372 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 2017	**2,006**	**27,477**	**90,397**	**722**	**120,602**
Increase	-	-	2,550	4,866	7,416
Decrease	-	-	-	-	-
Impairment losses	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-
Translation differences	(11)	(690)	(524)	(3)	(1,228)
Reclassifications	-	83	6	(81)	8
Gross amount at 30 June 2017	**1,995**	**26,870**	**92,429**	**5,504**	**126,798**
Amortisation at 1 January 2017	**1,766**	**13,854**	**34,610**	**-**	**50,230**
Amortisation	81	653	2,839	-	3,573
Decrease	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-
Translation differences	(11)	(158)	(402)	-	(571)
Reclassifications	-	2	298	-	300
Amortisation at 30 June 2017	**1,836**	**14,351**	**37,345**	**-**	**53,532**
Net amount at 30 June 2017	**159**	**12,519**	**55,084**	**5,504**	**73,266**

(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	2	126	3,363	1,728	5,219
Decrease	-	(91)	-	-	(91)
Impairment losses	-	-	-	-	-
Change in consolidation scope	-	-	51,653	-	51,653
Translation differences	12	(2,356)	(1,324)	1	(3,667)
Reclassifications	-	47	2,240	(2,177)	110
Gross amount at 31 December 2016	**2,006**	**27,477**	**90,397**	**722**	**120,602**
Amortisation at 1 January 2016	**1,577**	**13,329**	**19,463**	**-**	**34,369**
Amortisation	181	1,327	3,707	-	5,215
Decrease	-	(38)	-	-	(38)
Change in consolidation scope	-	-	12,506	-	12,506
Translation differences	8	(742)	(1,088)	-	(1,822)
Reclassifications	-	(22)	22	-	-
Amortisation at 31 December 2016	**1,766**	**13,854**	**34,610**	**-**	**50,230**
Net amount at 31 December 2016	**240**	**13,623**	**55,787**	**722**	**70,372**

2) Intangible assets with an indefinite useful life

Intangible assets with an indefinite useful life comprise the goodwill allocated to the CGUs. At 30 June 2017 the item amounted to EUR 365,679 thousand (31 December 2016: EUR 375,142 thousand). The following table shows CGUs by macro geographical segment.

							30.06.2017
	Nordic & Baltic and USA		**Eastern Mediterranean**		**Asia Pacific**	**Central Mediterranean**	**Total**
	Denmark	**Other**	**Turkey**	**Egypt**			
Opening balance	**230,111**	**31,794**	**101,095**	**1,993**	**3,214**	**6,935**	**375,142**
Increase	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-	-	-
Translation differences	193	(1,647)	(7,749)	(144)	(116)	-	(9,463)
Reclassifications	-	-	-	-	-	-	-
Closing balance	**230,304**	**30,147**	**93,346**	**1,849**	**3,098**	**6,935**	**365,679**

							31.12.2016
	Nordic & Baltic and USA		Eastern Mediterranean		Asia Pacific	Central Mediterranean	Total
	Denmark	Other	Turkey	Egypt			
Opening balance	**229,877**	**30,777**	**118,064**	**4,520**	**3,244**	**5,178**	**391,660**
Increase	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-	1,757	1,757
Translation differences	234	1,017	(16,969)	(2,527)	(30)	-	(18,275)
Reclassifications	-	-	-	-	-	-	-
Closing balance	**230,111**	**31,794**	**101,095**	**1,993**	**3,214**	**6,935**	**375,142**

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 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 2017, property, plant and equipment amounted to EUR 1,041,066 thousand (31 December 2016: EUR 1,067,126 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 2017	**565,899**	**295,306**	**1,807,831**	**90,412**	**63,500**	**2,822,948**
Increase	607	1,544	3,349	664	24,756	30,920
Decrease	-	(107)	(4,744)	(2,605)	(457)	(7,913)
Change in consolidation scope	-	-	-	-	-	-
Translation differences	(11,635)	(650)	(32,868)	(2,175)	(205)	(47,533)
Reclassifications	2,919	20,964	11,660	(628)	(14,169)	20,746
Gross amount at 30 June 2017	**557,790**	**317,057**	**1,785,228**	**85,668**	**73,425**	**2,819,168**
Depreciation at 1 January 2017	**319,430**	**62,801**	**1,306,766**	**66,825**	**-**	**1,755,822**
Depreciation	6,926	2,288	34,085	2,096	-	45,395
Decrease	-	(3)	(3,919)	(2,430)	-	(6,352)
Change in consolidation scope	-	-	-	-	-	-
Translation differences	(4,845)	(291)	(21,794)	(1,365)	-	(28,295)
Reclassifications	(38)	11,532	706	(668)	-	11,532
Depreciation at 30 June 2017	**321,473**	**76,327**	**1,315,844**	**64,458**	**-**	**1,778,102**
Net amount at 30 June 2017	**236,317**	**240,730**	**469,384**	**21,210**	**73,425**	**1,041,066**

(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	2,761	1,978	17,177	2,359	42,334	66,609
Decrease	(33)	(4)	(3,063)	(4,156)	(346)	(7,602)
Impairment losses	-	-	(7,422)	-	-	(7,422)
Change in consolidation scope	181,715	237,314	533,488	9,990	15,504	978,011
Translation differences	(33,667)	(2,384)	(90,786)	(4,272)	(3,259)	(134,368)
Reclassifications	(7,819)	13,780	21,250	2,404	(29,733)	(118)
Gross amount at 31 December 2016	**565,899**	**295,306**	**1,807,831**	**90,412**	**63,500**	**2,822,948**
Depreciation at 1 January 2016	**226,893**	**17,168**	**899,699**	**58,742**	**-**	**1,202,502**
Depreciation	11,295	1,206	60,958	5,490	-	78,949
Decrease	(32)	-	(2,892)	(4,012)	-	(6,936)
Change in consolidation scope	100,081	38,901	395,583	9,517	-	544,082
Translation differences	(11,530)	(1,261)	(46,657)	(2,545)	-	(61,993)
Reclassifications	(7,277)	6,787	75	(367)	-	(782)
Depreciation at 31 December 2016	**319,430**	**62,801**	**1,306,766**	**66,825**	**-**	**1,755,822**
Net amount at 31 December 2016	**246,469**	**232,505**	**501,065**	**23,587**	**63,500**	**1,067,126**

4) Investment property

Investment property, totalling EUR 93,505 thousand (31 December 2016: EUR 98,823 thousand), is recognised at fair value, as determined on an annual basis using appraisals prepared by independent property assessors.

(EUR '000)	30.06.2017			31.12.2016		
	Land	**Buildings**	**Total**	**Land**	**Buildings**	**Total**
Opening balance	**69,312**	**29,511**	**98,823**	**85,971**	**30,174**	**116,145**
Increase	-	-	**-**	-	-	**-**
Decrease	-	-	**-**	(5,387)	(7)	**(5,394)**
Fair value gains (losses)	-	-	**-**	-	-	**-**
Translation differences	(5,018)	(300)	**(5,318)**	(11,272)	(656)	**(11,928)**
Reclassifications	-	-	**-**	-	-	**-**
Closing balance	**64,294**	**29,211**	**93,505**	**69,312**	**29,511**	**98,823**

At 30 June 2017, approximately EUR 18.3 million of investment property was pledged as collateral for bank loans totalling a residual, undiscounted amount of approximately EUR 7.5 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 investees' profit or loss are shown below:

Company	Business	Registered office	Investment %	**Carrying amount**	**Share of profit or loss**
				30.06.2017	**30.06.2017**
Lehigh White Cement Company Joint Venture	Cement	Allentown (USA)	24.5%	18,346	3,015
Sola Betong AS	Ready-mixed concrete	Risvika (Norway)	33.3%	1,126	25
ECOL Unicon Spzoo	Ready-mixed concrete	Gdansk (Poland)	49%	2,275	(665)
ÅGAB Syd Aktiebolag	Aggregates	Malmö (Sweden)	40%	913	(108)
EPI UK R&D	Research & development	Trowbridge (UK)	50%	-	(42)
Recybel	Other	Liegi-Flemalle (Belgium)	25.5%	75	-
Total				**22,735**	**2,225**

Company	Business	Registered office	Investment %	**Carrying amount**	**Share of profit or loss**
				31.12.2016	**30.06.2016**
Lehigh White Cement Company Joint Venture	Cement	Allentown (USA)	24.5%	17,671	2,743
Sola Betong AS	Ready-mixed concrete	Risvika (Norway)	33.3%	1,177	71
ECOL Unicon Spzoo	Ready-mixed concrete	Gdansk (Poland)	49%	2,940	(664)
ÅGAB Syd Aktiebolag	Aggregates	Malmö (Sweden)	40%	1,030	40
EPI UK R&D	Research & development	Trowbridge (UK)	50%	-	(52)
Recybel	Other	Liegi-Flemalle (Belgium)	25.5%	75	-
Total				**22,893**	**2,138**

No indicators of impairment were identified for these investments.

6) Available-for-sale equity investments

(EUR '000)	**30.06.2017**	**31.12.2016**
Available-for-sale equity investments *opening balance*	**571**	**207**
Increase	1,389	-
Decrease	-	-
Fair value gains (losses)	-	-
Change in consolidation scope	-	374
Translation differences	(4)	(10)
Available-for-sale equity investments *closing balance*	**1,956**	**571**

In June the subsidiaries Cementir Italia SpA and Cementir Sacci SpA made advance payments for the future share capital increase of Energy for Growth S.c.a.r.l., aimed at financing the company Interconnector Italia S.c.p.a. for the construction, management and maintenance of an electricity interconnection structure with France.

7) Inventories

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

(EUR '000)	30.06.2017	31.12.2016
Raw materials, consumables and supplies	105,573	95,063
Work in progress	38,337	33,131
Finished goods	28,786	34,547
Advances	1,155	1,081
Inventories	**173,851**	**163,822**

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 negative change in raw materials, consumables and supplies, totalling EUR 13,502 thousand (30 June 2016: positive EUR 1,833 thousand) was expensed in the income statement as "Raw materials costs" (Note 23). The positive change in work in progress and finished goods was recorded in the income statement for a total of EUR 1,077 thousand (30 June 2016: negative EUR 3,174 thousand).

8) Trade receivables

Trade receivables totalled EUR 279,619 thousand (31 December 2016: EUR 236,498 thousand) and break down as follows:

(EUR '000)		30.06.2017	31.12.2016
Trade receivables		303,315	260,518
Allowances for impairment		(32,521)	(32,737)
Net trade receivables		**270,794**	**227,781**
Advances to suppliers		893	1,771
Trade receivables - related parties	(note 33)	7,932	6,946
Trade receivables		**279,619**	**236,498**

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)	30.06.2017	31.12.2016
Not yet due	230,458	182,107
Overdue:	72,857	78,411
0-30 days	*18,882*	*19,314*
30-60 days	*5,593*	*4,454*
60-90 days	*1,196*	*5,185*
More than 90 days	*47,186*	*49,458*
Total trade receivables	303,315	260,518
Allowances for impairment	(32,521)	(32,737)
Net trade receivables	**270,794**	**227,781**

9) Non-current and current financial assets

Non-current financial assets totalled EUR 2,623 thousand (31 December 2016: EUR 2,970 thousand) and consist mainly of financial items that will appear on the income statement at the expiry of the financing contract signed by Cementir Holding SpA.

Current financial assets of EUR 3,213 thousand (31 December 2016: EUR 3,491 thousand) are primarily made up of financial receivables. The caption breaks down as follows:

(EUR '000)		30.06.2017	31.12.2016
Fair value of derivatives		564	205
Accrued income/ Prepayments		691	855
Loan assets - related parties	(note 33)	-	-
Other loan assets		1,958	2,431
Current financial assets		**3,213**	**3,491**

10) Current tax assets

Current tax assets, totalling EUR 9,412 thousand (31 December 2016: EUR 8,368 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 11,242 thousand (31 December 2016: EUR 11,075 thousand) and mainly consisted of VAT assets and deposits.

Other current assets totalled EUR 34,775 thousand (31 December 2016: EUR 56,994 thousand) and consisted of non-commercial items.

The caption breaks down as follows:

(EUR '000)		30.06.2017	31.12.2016
VAT assets		4,337	5,040
Personnel		621	9,649
Accrued income		580	381
Prepayments		9,504	8,119
Other receivables		16,101	30,133
Other receivables - related parties	(note 33)	3,632	3,672
Other current assets		**34,775**	**56,994**

12) Cash and cash equivalents

Totalling EUR 196,290 thousand (31 December 2016: EUR 244,025 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)		30.06.2017	31.12.2016
Bank and postal deposits		194,118	241,067
Bank deposits – related parties	(note 33)	1,712	2,251
Cash-in-hand and cash equivalents		460	707
Cash and cash equivalents		**196,290**	**244,025**

13) Equity

Equity attributable to the owners of the parent

Equity attributable to the owners of the parent amounted to EUR 948,795 thousand at 30 June 2017 (31 December 2016: 992,697 thousand). Profit for the first half of 2017 attributable to the owners of the parent totalled EUR 15,504 thousand (first half of 2016: EUR 11,041 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. There are no pledges or other charges on the shares.

Translation reserve

At 30 June 2017, the translation reserve had a negative balance of EUR 447,627 thousand (31 December 2016: negative EUR 406,706 thousand), broken down as follows:

(EUR '000)	30.06.2017	31.12.2016	Change
Turkey (Turkish lira – TRY)	(395,393)	(367,126)	(28,267)
USA (US dollar – USD)	1,247	4,585	(3,338)
Egypt (Egyptian pound – EGP)	(53,422)	(49,980)	(3,442)
Iceland (Icelandic krona – ISK)	(2,103)	(1,910)	(193)
China (Chinese renminbi – CNY)	8,141	12,008	(3,867)
Norway (Norwegian krone – NOK)	(4,119)	(3,166)	(953)
Sweden (Swedish krona – SEK)	(538)	(452)	(86)
Other countries	(1,440)	(665)	(775)
Total translation reserve	**(447,627)**	**(406,706)**	**(40,921)**

Other reserves

At 30 June 2017, other reserves amounted to EUR 1,154,263 thousand (31 December 2016: EUR 1,105,478 thousand) and consisted primarily of retained earnings, totalling EUR 893,027 thousand (31 December 2016: EUR 840,844 thousand) and the fair value reserve connected to changes in the designation of use of certain items of property, plant and equipment, totalling EUR 55,705 thousand (31 December 2016: EUR 55,705 thousand).

Equity attributable to non-controlling interests

Equity attributable to non-controlling interests amounted to EUR 66,989 thousand at 30 June 2017 (31 December 2016: EUR 67,606 thousand). Profit for the first half of 2017 attributable to non-controlling interests totalled EUR 3,114 thousand (first half of 2016: EUR 4,709 thousand).

14) Employee benefits

Provisions for employee benefits at 30 June 2017 totalled EUR 39,191 thousand (31 December 2016: EUR 41,520 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 predetermined business and financial objectives linked to the 2017-2019 business plan.

15) Provisions

Non-current and current provisions amounted to EUR 21,915 thousand (31 December 2016: EUR 24,617 thousand) and EUR 3,096 thousand (31 December 2016: EUR 3,484 thousand) respectively.

(EUR '000)	**Quarry restructuring provision**	**Litigation provision**	**Other provisions**	**Total provisions**
Balance at 1 January 2017	**15,315**	**5,661**	**7,125**	**28,101**
Provisions	151	1	92	244
Utilisations	(100)	(142)	(420)	(662)
Decrease	-	(1,892)	-	(1,892)
Change in consolidation scope	-	-	-	-
Translation differences	(451)	(197)	(132)	(780)
Reclassifications	-	-	-	-
Other changes	-	-	-	-
Balance at 30 June 2017	**14,915**	**3,431**	**6,665**	**25,011**
Including:				
Non-current provisions	14,915	1,143	5,857	**21,915**
Current provisions	-	2,288	808	**3,096**

(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	639	4,604	5,101	**10,344**
Utilisations	(242)	(115)	(431)	**(788)**
Decrease	(61)	(1,922)	(44)	**(2,027)**
Change in consolidation scope	1,056	675	-	**1,731**
Translation differences	(773)	(388)	(501)	**(1,662)**
Reclassifications	141	(225)	279	**195**
Other changes	-	-	-	**-**
Balance at 31 December 2016	**15,315**	**5,661**	**7,125**	**28,101**
Including:				
Non-current provisions	15,315	3,022	6,280	**24,617**
Current provisions	-	2,639	845	**3,484**

16) Trade payables

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

(EUR '000)		30.06.2017	31.12.2016
Suppliers		249,282	260,275
Related parties	(note 33)	323	270
Payments on account		4,364	2,898
Trade payables		**253,969**	**263,443**

17) Financial liabilities

Non-current and current financial liabilities are shown below:

(EUR '000)		30.06.2017	31.12.2016
Bank loans and borrowings		717,057	744,606
Non-current loan liabilities - related parties	(note 33)	-	-
Non-current financial liabilities		**717,057**	**744,606**
Bank loans and borrowings		31,848	22,732
Current portion of non-current financial liabilities		49,494	26,507
Current loan liabilities - related parties	(note 33)	3,912	1,462
Other loan liabilities		1,144	2,114
Fair value of derivatives		9,289	12,534
Current financial liabilities		**95,687**	**65,349**
Total financial liabilities		**812,744**	**809,955**

The carrying amount of non-current and current financial liabilities approximates their fair value.

In April 2017, the refinancing was completed of a bridge loan worth a total of EUR 330 million, as part of the loan agreement signed in October 2016 with a pool of banks, made available to finance the acquisitions of CCB and the Sacci business division, to refinance existing credit lines, and to service working capital requirements.
The term of the bridge loan, initially set for April 2018, has been extended with the same pool of banks to October 2021, with bullet repayment. The conditions of the loan have been aligned with those of the term loan under the same agreement.
Approximately 91% of financial liabilities are subject to financial covenants, which the Group fulfilled at 30 June 2017.

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)	**30.06.2017**	**31.12.2016**
A. Cash	460	707
B. Other cash equivalents	195,830	243,318
C. Securities held for trading	-	-
D. Cash and cash equivalents	**196,290**	**244,025**
E. Current loan assets	**3,213**	**3,491**
F. Current bank loans and borrowings	(35,759)	(24,194)
G. Current portion of non-current debt	(38,692)	(15,328)
H. Other current loan liabilities	(21,236)	(25,826)
I. Current financial debt (F+G+H)	**(95,687)**	**(65,348)**
J. Net current financial position (debt) (I-E-D)	**103,816**	**182,168**
K. Non-current bank loans and borrowings	(717,057)	(744,606)
L. Bonds issued	-	-
M. Other non-current liabilities	-	-
N. Non-current financial debt (K+L+M)	**(717,057)**	**(744,606)**
O. Net financial debt (J+N)	**(613,241)**	**(562,438)**

The financial position with related parties includes credit positions of EUR 1.7 million (31 December 2016: EUR 2.3 million) and debit positions of EUR 3.9 million (31 December 2016: EUR 1.5 million).

18) Current tax liabilities

Current tax liabilities amounted to EUR 21,443 thousand (31 December 2016: EUR 16,769 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 9,710 thousand (31 December 2016: EUR 10,084 thousand) included approximately EUR 5.3 million of deferred income (31 December 2016: EUR 5.8 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 million (31 December 2016: EUR 2.5 million) are expected after five years, plus EUR 2.5 million for the deferred component of the price for the acquisition of the business division of Sacci (in liquidation), which must be paid at the end of July 2018.

Other current liabilities totalled EUR 69,630 thousand (31 December 2016: EUR 59,007 thousand) and break down as follows:

(EUR '000)	30.06.2017	31.12.2016
Personnel	27,970	28,167
Social security institutions	4,973	5,251
Deferred income	965	977
Accrued expenses	1,781	1,675
Other sundry liabilities	33,941	22,937
Other current liabilities	**69,630**	**59,007**

Deferred income refers mainly to the future benefits of the above-mentioned business agreement (approximately EUR 1 million; EUR 0.9 million at 31 December 2016).

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 143,077 thousand (31 December 2016: EUR 146,262 thousand) and deferred tax assets totalling EUR 81,327 thousand (31 December 2016: EUR 73,274 thousand) break down as follows:

(EUR '000)	Deferred tax liabilities	Deferred tax assets
Balance at 1 January 2017	**146,262**	**73,274**
Accrual, net of utilisation in profit or loss	(447)	8,775
Increase, net of decreases in equity	-	230
Change in consolidation scope	-	-
Translation differences	(2,534)	(728)
Other changes	(204)	(224)
Balance at 30 June 2017	**143,077**	**81,327**

21) Revenue

(EUR '000)		1st Half 2017	1st Half 2016
Product sales		574,182	440,712
Product sales - related parties	(note 33)	11,618	6,320
Services		45,587	33,974
Revenue		**631,387**	**481,006**

In the first half of the year, revenue totalled EUR 631.4 million, up 31.3% compared to EUR 481.0 million in the first half of 2016 due to the change in the scope of consolidation, which resulted in an increase in revenue of about EUR 157.5 million, of which EUR 33.9 million related to Cementir Sacci and EUR 123.6 million related to the Compagnie des Ciments Belges group. A more detailed analysis of the individual geographical segments is available in segment reporting and in the directors' report.

22) Increase for internal work and other operating revenue

Increase for internal work of EUR 5,422 thousand (EUR 4,557 thousand for the first half of 2016) refers to the capitalisation of raw materials and personnel costs used in the realisation of property, plant and equipment and intangible assets. Other operating revenue of EUR 9,336 thousand (EUR 2,947 thousand for the first half of 2016) breaks down as follows:

(EUR '000)		1st Half 2017	1st Half 2016
Rent, lease and hires		727	699
Rent, lease and hires - related parties	(note 33)	16	16
Gains		411	119
Release of provision for risks		1,892	44
Insurance refunds		3,571	380
Other revenue and income		2,716	1,684
Other revenue and income - related parties	(note 33)	3	5
Other operating revenue		**9,336**	**2,947**

23) Raw materials costs

(EUR '000)	1st Half 2017	1st Half 2016
Raw materials and semi-finished products	126,681	105,335
Fuel	68,333	34,067
Electrical energy	48,178	41,650
Other materials	30,590	23,477
Change in raw materials, consumables and goods	(13,502)	1,833
Raw materials costs	**260,280**	**206,362**

24) Personnel costs

(EUR '000)	1st Half 2017	1st Half 2016
Wages and salaries	85,463	63,628
Social security charges	17,868	10,987
Other costs	4,262	3,772
Personnel costs	**107,593**	**78,387**

The Group's workforce breaks down as follows:

	30.06.2017	31.12.2016	30.06.2016	Average 1st Half 2017	Average 1st Half 2016
Executives	91	87	58	91	60
Middle management, white collars and intermediates	1,576	1,609	1,406	1,592	1,409
Blue collars	1,946	1,971	1,545	1,933	1,537
Total	**3,613**	**3,667**	**3,009**	**3,616**	**3,006**

At 30 June 2017, employees in service at the parent and the Italian subsidiaries numbered 699 (31 December 2016: 749); those at the Cimentas Group numbered 885 (31 December 2016: 919), those at the Aalborg Portland Group numbered 894 (31 December 2016: 879), those at the Unicon Group numbered 679 (31 December 2016: 663), and those at the CCB Group numbered 456 (31 December 2016: 457).

25) Other operating costs

(EUR '000)		1st Half 2017	1st Half 2016
Transport		79,649	47,010
Services and maintenance		56,730	38,871
Consultancy		5,624	4,329
Insurance		2,927	2,005
Other miscellaneous services – related parties	(note 33)	260	261
Rent, lease and hires		10,668	9,112
Rent, lease and hires - related parties	(note 33)	781	809
Other operating costs		37,643	26,200
Other operating costs		**194,282**	**128,597**

26) Amortisation, depreciation, impairment losses and provisions

(EUR '000)	1st Half 2017	1st Half 2016
Amortisation	3,573	2,429
Depreciation	45,395	37,629
Provisions	70	38
Impairment losses	211	74
Amortisation, depreciation, impairment losses and provisions	**49,249**	**40,170**

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

The net expense for the first half of 2017 of EUR 11,207 thousand (first half of 2016: EUR 10,217 thousand) relates to the share of net profits of equity-accounted investees and net financial expense, broken down as follows:

(EUR '000)		1st Half 2017	1st Half 2016
Share of profits of equity-accounted investees		3,040	2,854
Share of losses of equity-accounted investees		(815)	(716)
Share of net profits of equity-accounted investees		**2,225**	**2,138**
Interest and financial income		2,122	1,104
Interest and financial income - related parties	(note 33)	7	11
Grants related to interest		-	-
Financial income on derivatives		4,464	289
Revaluation of equity investments		-	-
Total financial income		*6,593*	*1,404*
Interest expense		(9,471)	(3,843)
Other financial expense		(4,686)	(799)
Interest and financial expense - related parties	(note 33)	(708)	(878)
Losses on derivatives		(2,645)	(10,589)
Write-downs of equity investments		-	-
Total financial expense		*(17,510)*	*(16,109)*
Exchange rate gains		5,391	8,112
Exchange rate losses		(7,906)	(5,762)
Net exchange rate gains (losses)		*(2,515)*	*2,350*
Net financial (income) expense		**(13,432)**	**(12,355)**
Net financial (income) expense and share of net profits of equity-accounted investees		**(11,207)**	**(10,217)**

Net financial expense of EUR 13.4 million was influenced by higher borrowing costs incurred as a result of the increased level of debt to finance the acquisitions in the second half of 2016 and the unfavourable foreign currency trend. These negative effects were partly offset by the increased mark-to-market value of financial instruments held to hedge interest rate and commodity risk, and the returns on the cash held by the Group. In light of the aforementioned measurements, around EUR 4.4 million (first half of 2016: EUR 0.3 million) are unrealised gains and there are no unrealised losses (first half of 2016: EUR 5.9 million).

28) Income taxes

(EUR '000)	1st Half 2017	1st Half 2016
Current taxes	15,215	13,668
Deferred taxes	(9,222)	(7,815)
Income taxes	**5,993**	**5,853**

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.

	1st Half 2017	1st Half 2016
Profit attributable to the owners of the parent (EUR '000)	15,504	11,041
Weighted average number of outstanding ordinary shares ('000)	159,120	159,120
Basic earnings per share (EUR)	**0.097**	**0.069**

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

30) Other comprehensive income (expense)

The following table gives a breakdown of other comprehensive income (expense), including and excluding the related tax effect:

(EUR '000)	1st Half 2017			1st Half 2016		
	Pre-tax amount	Tax effect	Post-tax amount	Pre-tax amount	Tax effect	Post-tax amount
Actuarial gains (losses) on post-employment benefits	-	-	**-**	-	-	**-**
Foreign currency translation differences - foreign operations	(44,600)	-	**(44,600)**	(22,108)	-	**(22,108)**
Financial instruments	(776)	229	**(547)**	-	-	
Total other comprehensive income (expense)	**(45,376)**	**229**	**(45,147)**	**(22,108)**	**-**	**(22,108)**

31) Company acquisitions and sales

The Group did not acquire or sell companies during the first half of 2017. On 25 October 2016, the Group finalised the acquisition of 100% of the share capital of Compagnie des Ciments Belges S.A. (CCB). At the date of these condensed interim consolidated financial statements, the purchase price allocation process at the fair value of the assets acquired and the liabilities and contingent liabilities assumed has not yet been finished. It will be completed by the end of the measurement period in accordance with relevant standards.

32) 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: measurement of fair value using quoted prices on active markets for identical assets or liabilities.
- Level 2: measurement 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: measurement 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 2017 (EUR '000)	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment property	4	-	64,380	29,125	**93,505**
Current financial assets (derivative instruments)	9	-	564	-	**564**
Total assets		**-**	**64,944**	**29,125**	**94,069**
Current financial liabilities (derivative instruments)	17	-	(9,289)	-	**(9,289)**
Total liabilities		**-**	**(9,289)**	**-**	**(9,289)**

31 December 2016 (EUR '000)	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment property	4	-	69,698	29,125	**98,823**
Current financial assets (derivative instruments)	9	-	205	-	**205**
Total assets		**-**	**69,903**	**29,125**	**99,028**
Current financial liabilities (derivative instruments)	17	-	(12,534)	-	**(12,534)**
Total liabilities		**-**	**(12,534)**	**-**	**(12,534)**

33) Related party transactions

On 5 November 2010, the Board of Directors of Cementir Holding SpA approved and subsequently updated 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 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 arm's-length conditions. No atypical or unusual transactions took place. The following tables show the value of related party transactions:

30 June 2017 (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	-	-	-	-	**-**	**-**	-
Other current assets	-	3,632	-	-	**3,632**	**34,775**	10.4%
Other non-current assets	-	-	2,506	-	**2,506**	**11,242**	22.3%
Trade receivables	13	4,026	3,893	-	**7,932**	**279,619**	2.8%
Cash and cash equivalents	-	-	-	1,712	**1,712**	**196,290**	0.9%
Trade payables	225	-	98	-	**323**	**253,969**	0.1%
Other non-current liabilities	-	1,714	-	-	**1,714**	**9,710**	17.7%
Non-current financial liabilities	-	-	-	-	**-**	**-**	-
Current financial liabilities	-	-	1	3,911	**3,912**	**95,687**	4.1%
1st Half 2017							
Income statement							
Revenue	-	10,796	821	-	**11,617**	**631,387**	1.8%
Other operating revenue	-	-	19	-	**19**	**9,336**	0.2%
Other operating costs	225	-	816	-	**1,041**	**194,282**	0.5%
Financial income	-	8	-	-	**8**	**6,593**	0.1%
Financial expense	-	-	-	708	**708**	**17,510**	4.0%

31 December 2016 (EUR '000)	Ultimate parent	Associates	Company under common control	Other related parties	Total related parties	Total financial statements	% of caption
Statement of financial position							
Current financial assets	-	-	-	-	**-**	**-**	-
Other current assets	-	3,672	-	-	**3,672**	**56,994**	6.4%
Other non-current assets	-	-	2,713	-	**2,713**	**11,075**	24.5%
Trade receivables	50	3,471	3,425	-	**6,946**	**236,498**	2.9%
Cash and cash equivalents	-	-	-	2,251	**2,251**	**244,025**	0.9%
Trade payables	-	145	125	-	**270**	**263,443**	0.1%
Other non-current liabilities	-	1,718	-	-	**1,718**	**10,084**	17.0%
Non-current financial liabilities	-	-	-	-	**-**	**-**	-
Current financial liabilities	-	-	-	1,462	**1,462**	**65,349**	2.2%
1st Half 2016							
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%

The main related party transactions are summarised below.
Business transactions with associates concern the sale of goods and semi-finished products (cement and clinkers) at arm's-length conditions. As concerns companies under common control, Cementir Group has long sold cement to Caltagirone group companies. Specifically in the first half of 2017, the Group sold 6,415 metric tons of cement at arm's-length conditions to Vianini Industria (first half of 2016: 7,986 tons). Revenue and costs connected with business transactions with the ultimate parent and companies under common control include various services, such as leases.
There are no non-current financial liabilities with related parties (in line with 31 December 2016).
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 2017.

34) Disputes and contingent liabilities

On 18 November 2015, the Italian Antitrust Authority (AGCM, the "Authority") began an investigation into Cementir Italia SpA and three other operators in the industry to ascertain whether the alleged similarity in the actions taken in terms of raising prices to customers might derive from the existence of an anti-competitive agreement in violation of article 101 of the Treaty on the Functioning of the European Union. The investigation was subsequently extended by the Authority to other operators in the industry and to information exchanges under the auspices of AITEC (Italian Technical Economic Association for Cement).
On 11 April 2017, the Authority sent the company its Report on the Preliminary Inquiry ("RPI") , setting out the Authority's allegations against the parties.
The decision was taken not to make any provisions, as there are currently no findings that would constitute a violation of the rules protecting competition and the market. On 30 June 2017, the company submitted a reply to the RPI and on 5 July 2017 the final hearing was held. The proceedings are expected to be closed on 31 July 2017.
With reference to a dispute between the Turkish stock exchange's regulatory and supervisory body (Capital Market Board – CMB) and the Turkish company Cimentas AS, an indirect subsidiary of Cementir Holding SpA, over the intragroup sale price of an equity investment in 2009, in which the CMB called on Cimentas AS to demand Cementir Holding SpA and any other companies involved in the Cementir Group to pay back around EUR 100 million Turkish Lira (now equal to around EUR 27 million), we note that the request for a suspension of the decision challenged by Cimentas, which was accepted by Ankara Administrative Court on 26 May 2015, was subsequently rejected by Ankara Regional Administrative Court on 6 August 2015 for entirely procedural reasons. A decision on the claim for dismissal brought by Cimentas AS is still pending. On 14 January 2016, the Administrative Court of Ankara initially appointed three experts – rotated with others in 2017 – and their final decisions are still pending. In the unlikely event that this claim is rejected, the issue would in any case solely be relevant between companies of the Cementir Group.

35) 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 2017

Company name	Registered office	Share capital / quotas	Currency	Type of holding % Direct	% 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 Belgium SA	Brussels (Belgium)	500,000	EUR		100	Aalborg Portland 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)	10,010	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
Cementir Sacci SpA	Rome (Italy)	40,000,000	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)	80,000,000	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 SL Cimbeton AS Kars Cimento AS	Line-by-line
Compagnie des Ciments Belges SA	Gaurain (Belgium)	179,344,485	EUR		100	Aalborg Portland Holding A/S	Line-by-line

Annex 1 *(cont'd)*

Company name	Registered office	Share capital / quotas	Currency	Type of holding % Direct	Type of holding % Indirect	Investment held by Group companies	Method
Compagnie des Ciments Belges France SAS (CCBF)	Guerville (France)	34,363,400	EUR		100	Compagnie des Ciments Belges SA	Line-by-line
Destek AS	Izmir (Turkey)	50,000	TRY		99.99	Cimentas AS	Line-by-line
					0.01	Cimentas Foundation	
De Paepe Beton NV	Gent (Belgium)	500,000	EUR		100	Compagnie des Ciments Belges SA	Line-by-line
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 AS	Equity
Everts Betongpump & Entreprenad AB	Halmstad (Sweden)	100,000	SEK		100	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	Cimentas AS	Line-by-line
					41.62	Alfacem Srl	
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
Recybel SA	Liegi-Flemalle (Belgium)	99,200	EUR		25.5	Compagnie des Ciments Belges SA	Equity
Recydia AS	Izmir (Turkey)	551,544,061	TRY		62.82	Kars Cimento AS	Line-by-line
					24.94	Cimentas AS	
					12.24	Aalborg Portland Holding AS	
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
Société des Carrières du Tournaisis SA	Gaurain (Belgium)	12,297,053	EUR		65	Compagnie des Ciments Belges SA	Proportionate
Sola Betong AS	Risvika (Norway)	9,000,000	NOK		33.33	Unicon AS	Equity
Spartan Hive SpA	Rome (Italy)	300,000	EUR	100		Cementir Holding SpA	Line-by-line
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
Trabel Affretement SA	Gaurain (Belgium)	61,500	EUR		100	Compagnie des Ciments Belges SA	Line-by-line
Trabel Transports SA	Gaurain (Belgium)	750,000	EUR		100	Compagnie des Ciments Belges SA	Line-by-line
Unicon A/S	Copenhagen (Denmark)	150,000,000	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, 27 July 2017

Chairman of the Board of Directors

/s/ Francesco Caltagirone Jr.

Statement on the condensed interim consolidated financial statements pursuant to article 81-ter of CONSOB Regulation No. 11971 of 14 May 1999 and subsequent amendments and integrations

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 state, 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 Group, and
- the effective implementation of the administrative and accounting procedures for the preparation of the condensed interim consolidated financial statements as at and for the six-month period ended 30 June 2017.

2. In this regard, there are no findings to report.

3. They also state that:

3.1 the condensed interim consolidated financial statements:

a) have been prepared in accordance with the applicable IFRS, as endorsed by the European Union as per Regulation (EC) No. 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 view of the financial position, financial performance and cash flows of the issuer and the companies included in the scope of consolidation.

3.2 The directors' report includes a reliable analysis of the important events that have occurred in the first six months of the year and their impact on the condensed interim consolidated financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The director's report also reliably discloses information on significant transactions with related parties.

Rome, 27 July 2017

Chairman of the Board of Directors

/s/ Francesco Caltagirone Jr.

Manager responsible for financial reporting

/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 2017. 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 2017 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, 31 July 2017

KPMG S.p.A.

(signed on the original)

Marcella Balistreri
Director of Audit