CONSOLIDATED HALF-YEAR FINANCIAL REPORT
30 JUNE 2018

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

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Certification on the condensed interim consolidated financial statements as per article 81-ter of CONSOB Regulation No. 11971/99 as amended

Report of the Independent Auditors

Company officers

Board of Directors For the period 2018 – 2020	*Chairman and CEO*	Francesco Caltagirone Jr.
	Deputy Chairman	Carlo Carlevaris[1] *(independent)*
	Directors	Alessandro Caltagirone
		Azzurra Caltagirone
		Edoardo Caltagirone
		Saverio Caltagirone
		Fabio Corsico
		Mario Delfini
		Veronica De Romanis *(independent)*
		Paolo Di Benedetto[2] *(independent)*
		Chiara Mancini *(independent)*
		Roberta Neri *(independent)*
		Adriana Lamberto Floristan *(independent)*
Control and Risks Committee	*Chairman*	Paolo Di Benedetto[2] *(independent)*
	Members	Veronica De Romanis *(independent)*
		Chiara Mancini *(independent)*
		Adriana Lamberto Floristan *(independent)*
		Mario Delfini
Appointment and Remuneration Committee	*Chairman*	Paolo Di Benedetto[2] *(independent)*
	Members	Veronica De Romanis *(independent)*
		Chiara Mancini *(independent)*
		Mario Delfini
Related Parties Committee	*Chairman*	Paolo Di Benedetto[2] *(independent)*
	Members	Veronica De Romanis *(independent)*
		Adriana Lamberto Floristan *(independent)*
		Chiara Mancini *(independent)*
Board of Statutory Auditors For the period 2017 – 2019	*Chairman*	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 2018 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 was 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 on preparing this interim financial report are the same as those adopted in the Consolidated Financial Statements at 31 December 2017, with the exception of new standards applicable commencing as of 1 January 2018, which did not, however, have any material impact on information presented in this half-year financial report.

The scope of consolidation at 30 June 2018 changed compared to the same period in 2017, after the following transactions:

- sale of Cementir Italia SpA and its subsidiaries Cementir Sacci SpA and Betontir SpA (hereinafter “Cementir Italia Group”) finalised on 2 January 2018. The figures for the first half of 2017 have been restated following reclassification of amounts related to Italian operating companies held for sale under "Profit (loss) from discontinued operations” pursuant to accounting standard IFRS 5;
- acquisition of a further 38.75% in Lehigh White Cement Company, finalised on 29 March 2018. As a result of this transaction, the Cementir Group now controls LWCC with a stake of about 63%.

Please note that the Group business is, by its nature, subject to seasonal effects, with performance in the first months of the year 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 2018

The consolidated income statement figures for the first six months of 2018 are reported below, compared with the figures for the same period of 2017, also reclassified.

Earnings

(EUR'000)	1st Half 2018	1st Half 2017 Restated [1]	Change %	1st Half 2017 Published	Change %
REVENUE FROM SALES AND SERVICES	**588,467**	**556,906**	**5.7%**	**631,387**	**-6.8%**
Change in inventories	7,152	(1,942)	468.3%	1,077	564.1%
Other revenue[2]	9,507	13,465	-29.4%	14,758	-35.6%
TOTAL OPERATING REVENUE	**605,126**	**568,429**	**6.5%**	**647,222**	**-6.5%**
Raw materials costs	(244,698)	(219,011)	11.7%	(260,280)	-6.0%
Personnel costs	(90,946)	(90,854)	0.1%	(107,593)	-15.5%
Other operating costs	(173,493)	(170,896)	1.5%	(194,282)	-10.7%
TOTAL OPERATING COSTS	**(509,137)**	**(480,761)**	**5.9%**	**(562,155)**	**-9.4%**
EBITDA	**95,989**	**87,668**	**9.5%**	**85,067**	**12.8%**
EBITDA Margin %	*16.31%*	*15.74%*		*13.47%*	
Amortisation, depreciation, impairment losses and provisions	(37,503)	(36,499)	2.7%	(49,249)	-23.8%
EBIT	**58,486**	**51,169**	**14.3%**	**35,818**	**63.3%**
EBIT Margin %	*9.94%*	*9.19%*		*5.67%*	
Share of net profits of equity-accounted investees	579	2,225	-74.0%	2,225	-74.0%
Net financial income (expense)	34,903	(12,919)	n.m.	(13,432)	n.m.
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY ACCOUNTED INVESTEES	**35,482**	**(10,694)**	n.m.	**(11,207)**	n.m.
PROFIT (LOSS) BEFORE TAXES	**93,968**	**40,475**	**132.2%**	**24,611**	**281.8%**
PROFIT (LOSS) BEFORE TAXES / REVENUE %	*15.97%*	*7.27%*		*3.90%*	
Income taxes	(13,904)	**(12,766)**	8.9%	(5,993)	*132.0%*
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**80,064**	**27,709**	188.9%	**18,618**	330.0%
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	**-**	**(9,091)**		-	
PROFIT (LOSS) FOR THE PERIOD	**80,064**	**18,618**	**330.0%**	**18,618**	**330.0%**
Attributable to:					
NON-CONTROLLING INTERESTS	2,473	3,114	-20.6%	3,114	-20.6%
OWNERS OF THE PARENT	**77,591**	**15,504**	**400.5%**	**15,504**	**400.5%**

[1]The 2017 figures have been restated following reclassification of amounts related to Italian operating companies held for sale under "Profit (loss) from discontinued operations".
[2] "Other revenue" includes the income statement captions "Increase for internal work" and "Other operating revenue".

Sales volumes

(EUR'000)	1st Half 2018	1st Half 2017 Restated [1]	Change %	1st Half 2017 Published	Change %
Grey and white cement (metric tons)	4,921	4,930	-0.2%	6,187	-20.5%
Ready-mixed concrete (m3)	2,539	2,367	7.2%	2,423	4.8%
Aggregates (metric tons)	4,884	4,648	5.1%	4,648	5.1%

Sales **volumes** of cement and clinker in the first half of 2018, equal to 4.9 million tons, were essentially unchanged compared to the first half of 2017, despite the change in the scope of consolidation. On a like-for-like basis, the sales of cement and clinker dropped (-3.8%) due to the worse performance of Egypt and Turkey, which suffered slowdowns in the second quarter because of June elections and Ramadan.

Sales volumes of ready-mixed concrete, 2.5 million cubic metres, grew 7.2% driven by the excellent performance of Turkey and to a lesser extent of Denmark despite the drop in sales in Norway and stability in Belgium and Sweden.

In the aggregates segment, sales volumes amounted to 4.9 million tons, up by 5.1% thanks to the positive trend in Belgium and Denmark.

Group **revenue from sales and services** totalled EUR 588.5 million, up 5.7% compared to EUR 556.9 million in the first half of 2017 due to the change in the scope of consolidation, which resulted in an increase in revenue of about EUR 36.1 million relative to Lehigh White Cement Company ("LWCC"), consolidated line-by-line as of 1 April 2018.

On a like-for-like basis, revenue was essentially stable in the semester despite the negative EUR 36.7 million exchange rate effect. The positive revenue trend in Turkey, Malaysia, Belgium, Denmark and China offset the contraction in sales in Egypt between February and May due to security reasons in the Sinai peninsula, in Norway due to poor weather conditions in the first quarter, and in the United Kingdom to a lesser extent.

Operating costs, amounting to EUR 509.1 million, were up by EUR 28.4 million on the first half of 2017, (EUR 480.8 million) deriving from the change in the scope of consolidation (EUR 36.9 million) and after a positive exchange rate effect EUR 30.9 million.

The **cost of raw materials** was EUR 244.7 million (EUR 219.0 million in the first half of 2017), up due to the change in the scope of consolidation (EUR 25 million). On a like-for- like basis, the cost of raw materials was essentially stable thanks to a positive exchange rate effect of EUR 19.2 million and the reduction in volumes in Egypt and Norway almost completely offset by the general increases in the price of fuel on international markets.

Personnel costs, for EUR 90.9 million, have remained just about unchanged compared to first half of 2017 (90.9 million). On a like-for-like basis there has been a drop in personnel costs of EUR 3.1 million, mainly caused by the positive exchange effect for about EUR 4 million which compensated the workforce changes (mostly concentrated in Turkey and the Asia-Pacific region) and labour-cost inflation.

Other operating costs were EUR 173.5 million, against EUR 170.9 million in the first half of 2017, benefiting from a positive exchange rate effect of EUR 7.7 million. The change in scope had a EUR 8.8 million effect.

EBITDA was EUR 96.0 million, up 9.5% on EUR 87.7 million in the first half of 2017. On the one hand, the result benefited from the contribution of LWCC for EUR 6.4 million and the improvements in Turkey, Belgium and China; on the other, it suffered the worse results in Egypt due to the curfew introduced in February and resulting stop to all transport activities until May, and in Norway, Malaysia and Denmark. Results were also negatively impacted by harsh weather conditions in the first quarter of the year in Scandinavian countries and Belgium and by Ramadan in Turkey and Egypt.

The negative impact on EBITDA of the depreciation of the major foreign currencies compared to the euro was EUR 7.9 million; so at constant exchange rates with the same period of 2017, EBITDA would have been EUR 103.9 million.

The EBITDA margin came to 16.3%, showing an improvement in industrial profitability compared to the same period of 2017 (15.7%);

EBIT, considering amortisation, depreciation and provisions totalling EUR 37.5 million (EUR 36.5 million in the first half of 2017), amounted to EUR 58.5 million compared to EUR 51.2 million in the first half of 2017, benefiting EUR 4.4 million from the contribution of LWCC. At constant exchange rates with the previous year, EBIT would have been EUR 64.3 million, with an unfavourable exchange rate effect for EUR 5.8 million.

The **share of net profits of equity-accounted investees** was EUR 0.6 million (EUR 2.2 million in the same period of 2017), no longer including the contribution of LWCC as of the second quarter of 2018, as LWCC has been consolidated on line-by-line basis.

Net financial income was EUR 34.9 million (negative for EUR 12.9 million in the first half of 2017). That result includes EUR 38.9 million of fair value remeasurement of the 24.5% share already held by the Group in LWCC, as required by the international accounting standards (IFRS 3 Business Combinations), recognised in the second quarter with the line-by-line consolidation of LWCC, following the acquisition of control. It also benefits from the positive valuation of the mark-to-market of the financial instruments implemented as a hedge on commodities, interest rates and currencies, partially compensated by losses from exchange rate differences for EUR 4.5 million.

Profit (loss) before taxes was EUR 94.0 million (EUR 40.5 million in the first half of 2017).

Profit from continuing operations totalled EUR 80.1 million (EUR 27.7 million in the first half of 2017), after taxes amounting to EUR 13.9 million (EUR 12.8 million in the same period of 2017).

Profit from discontinued operations, net of tax is zero as Cementir Italia group was sold on 2 January, whereas in the first half of 2017 it was negative for EUR 9.1 million, due to the Cementir Italia group.

Profit attributable to the owners of the parent, once non-controlling interests were accounted for, amounted to EUR 77.6 million (EUR 15.5 million in the first half of 2017).

Group performance in the first half of 2018

Earnings

(EUR'000)	2nd Quarter 2018	2nd Quarter 2017 Restated	Change %	2nd Quarter 2017 Published	Change %
REVENUE FROM SALES AND SERVICES	**346,136**	**310,576**	**11.4%**	**351,523**	**-1.5%**
Change in inventories	3,084	(5,659)	154.5%	(4,701)	165.6%
Other revenue[3]	3,660	7,704	-52.5%	8,064	-54.6%
TOTAL OPERATING REVENUE	**352,880**	**312,621**	**12.9%**	**354,886**	**-0.6%**
Raw materials costs	(141,775)	(115,572)	22.7%	(136,456)	3.9%
Personnel costs	(47,478)	(47,628)	-0.3%	(55,553)	-14.5%
Other operating costs	(91,757)	(89,298)	2.8%	(100,834)	-9.0%
TOTAL OPERATING COSTS	**(281,010)**	**(252,498)**	**11.3%**	**(292,843)**	**-4.0%**
EBITDA	**71,870**	**60,123**	**19.5%**	**62,043**	**15.8%**
EBITDA Margin %	*20.76%*	*19.36%*		*17.65%*	
Amortisation, depreciation, impairment losses and provisions	(19,693)	(18,741)	5.1%	(25,273)	-22.1%
EBIT	**52,177**	**41,382**	**26.1%**	**36,770**	**41.9%**
EBIT Margin %	*15.07%*	*13.32%*		*10.46%*	
Share of net profits of equity-accounted investees	177	1,555	-88.6%	1,555	-88.6%
Net financial income (expense)	34,411	(7,142)	n.m.	(7,534)	n.m.
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY ACCOUNTED INVESTEES	**34,588**	**(5,587)**	**n.m.**	**(5,979)**	**n.m.**
PROFIT (LOSS) BEFORE TAXES	**86,765**	**35,795**	**142.4%**	**30,791**	**181.8%**
PROFIT (LOSS) BEFORE TAXES / REVENUE %	*25.07%*	*11.53%*		*8.76%*	

Sales volumes

(EUR'000)	2nd Quarter 2018	2nd Quarter 2017	Change %	2nd Quarter 2017 Published	Change %
Grey and white cement (metric tons)	2,842	2,933	-3.1%	3,614	-21.3%
Ready-mixed concrete (m3)	1,399	1,303	7.3%	1,336	4.7%
Aggregates (metric tons)	2,705	2,642	2.4%	2,642	2.4%

In the second quarter of 2018, sales volumes of cement and clinker, equal to 2.8 million tons, dropped 3.1%. On a like-for-like basis, the reduction in volumes suffered from the worse performance in Turkey due to June elections, and to a lesser extent in Denmark and Egypt.

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

Sales volumes of ready-mixed concrete, 1.4 million cubic metres, grew 7.3% driven by the excellent trend in Turkey, Denmark and Sweden despite the drop in volumes in Belgium whereas they were stable in Norway.

In the aggregates segment, sales volumes amounted to 2.7 million tons, up 2.4% thanks to the positive trend in Belgium and Denmark.

Revenue from sales and services was EUR 346.1 million, up 11.4% compared to EUR 310.6 million in 2017 due to the change in the scope of consolidation (EUR 36.1 million). On a like-for-like basis, revenue remained stable compared to the second quarter of 2017, due to the negative impact of exchange rates. The positive revenue trend in Denmark, Malaysia, China, Norway, Sweden and Belgium offset the drop in Euro revenue in Turkey and the drop recorded in Egypt and the United Kingdom, whereas the currency trend impact was negative.

The impact on revenue of the depreciation of the major foreign currencies compared to the Euro was negative at EUR 23.7 million. At constant 2017 exchange rates, revenue would have amounted to EUR 369.9 million, an increase of 19% on the second quarter of the previous year.

Operating costs, amounted to EUR 281.0 million (EUR 252.5 million in the first quarter of 2017), up mainly due to the change in the scope of consolidation (EUR 36.9 million) and benefit from a positive exchange rate effect of EUR 18.7 million.

EBITDA, equal to EUR 71.9 million, increased by 19.5% compared to the second quarter 2017 (EUR 60.1 million); partly due to the changed scope of consolidation (EUR 6.4 million) and partly to the positive performance in Belgium, Turkey, China, Norway and Sweden, whereas there were declines in Egypt, Denmark, Malaysia and the United Kingdom.

The impact of the exchange rate change on EBITDA was negative for EUR 5.9 million. At constant exchange rates, EBITDA would have been EUR 77.7 million.

EBIT was EUR 52.2 million (EUR 41.4 million in the second quarter of 2017).

The share of net profits of equity-accounted investees was EUR 0.2 million (EUR 1.6 million in the same period of 2017).

Net financial income was EUR 34.4 million (negative for EUR 7.1 million in the second quarter of 2017). That result includes EUR 38.9 million of the fair value remeasurement of the 24.5% share already held by the Group in LWCC, as required by the international accounting standards, recognised in the second quarter with the line-by-line consolidation of LWCC. It also benefits from the increase in the mark-to-market value of the financial instruments held to hedge commodities, interest rates and currencies, partially offset by losses from exchange rate differences for EUR 2.6 million.

Profit before taxes came to EUR 86.8 million, up on the second quarter of 2017 (EUR 35.8 million).

Financial highlights

(EUR'000)	30-06-2018	31-03-2018	31-12-2017
Net capital employed	1,503,693	1,387,807*	1,552,283
Total Equity	1,108,383	1,000,751*	1,015,658
Net financial debt[4]	395,310	387,056	536,624

* Equity at 31 March 2018 and does not include the calculation of taxes on earnings for the period.

Net financial debt at 30 June 2018 was EUR 395.3 million, down EUR 141.3 million compared to 31 December 2017. That change can mainly be attributed to collection of EUR 315 million for the sale of the Cementir Italia group, partially absorbed by payment of USD 106.6 million (about EUR 87 million) to purchase 38.75% of Lehigh White Cement Company, to movements in net working capital, to annual plant maintenance, usually carried out in the first half of the year, and distribution of dividends for EUR 15.9 million in May.

Total equity at 30 June 2018 amounted to EUR 1,108.4 million (EUR 1,015.7 million at 31 December 2017).

Financial indicators

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

PERFORMANCE INDICATORS	30/06/2018	30/06/2017	COMPOSITION
Return on Equity[5]	12.05%	9.58%	Profit from continuing operations/Equity
Return on Capital Employed[3]	6.96%	7.00%	EBIT/(Equity + Net Financial Position)
FINANCIAL INDICATORS	**30/06/2018**	**30/06/2017**	**COMPOSITION**
Equity Ratio	49.39%	42.49%	Equity/Total Assets
Net Gearing Ratio	35.67%	60.37%	Net Financial Position/Equity

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

[5] Return on Equity and Return on Capital Employed indicators were calculated considering income statement figures for the last 12 months.

Performance by geographical segment

Foreword

Group operations are organised based on the following geographical segments: Nordic & Baltic (Denmark, Norway, Sweden, Iceland, Poland, Russia and white cement operations in Belgium and France), Belgium (operations related to the Compagnie des Ciments Belges S.A. group in Belgium and France), Eastern Mediterranean (Turkey, including waste management, and Egypt), North America (United States), Asia Pacific (Chine, Malaysia and Australia) and Italy.

Nordic & Baltic

(EUR'000)	1st Half 2018	1st Half 2017	Change %
Revenue from sales	270,343	272,674	-0.9%
Denmark	*175,808*	*174,641*	*0.7%*
Norway / Sweden	*94,605*	*102,064*	*-7.3%*
Others (1)	*26,990*	*16,805*	*60.6%*
Eliminations	*(27,060)*	*(20,836)*	
EBITDA	46,185	48,281	-4.3%
Denmark	*38,216*	*39,127*	*-2.3%*
Norway / Sweden	*5,537*	*7,313*	*-24.3%*
Others (1)	*2,432*	*1,841*	*32.1%*
EBITDA Margin %	17.1%	17.7%	
Investments	13,988	23,610	

(1) Iceland, Poland, Russia, the white cement operating activities in Belgium and France

Denmark

The growth of the Danish economy continued in the first half of 2018 and the average expected GDP growth for the year is 1.8%, sustained by domestic private demand. The real estate market is also healthy with price dynamics expected to slow down following the restrictive loan access measures introduced at the start of 2018. The public investments trend is somewhat unpredictable, depending on final approval of some large infrastructural projects.

In the first half of 2018, sales volumes of grey cement on the domestic market dropped moderately due to the freezing weather conditions and completion of the Copenhagen metro, whereas average sales prices have increased slightly. White cement volumes on the domestic market have dropped 11% with prices down slightly.

Export performance was, however, positive for both white cement (+4%) thanks to larger amounts delivered in the United Kingdom, France and Germany, more than offsetting the lower sales in the USA, Finland and Poland, and for grey cement (+18%) especially to Iceland, Greenland, Faroe Islands and Germany,

outweighing the lower sales in Norway. Average export prices have fallen due to the different mix destination countries.

In the ready-mixed concrete sector, volumes sold increased compared to the same period in 2017 (+2.2%), with prices up slightly.

Revenue from sales was EUR 175.8 million, compared to EUR 174.6 million in the first half of 2017.

EBITDA was EUR 38.2 million, slightly down on EUR 39.1 million in the same period of 2017.

The cement sector saw a drop in EBITDA of about one million euros, caused by the higher fuel purchase costs on the international market, only partially offset by savings for the different plant maintenance timetables compared to last year, lower costs to purchase clinker from third parties and lower personnel costs; on the revenue side, the positive higher volumes effect was mostly offset by lower sales prices due to the export mix. The ready-mixed concrete sector recorded an improved EBITDA due to greater sales volumes and prices, as well as savings on general and administrative expenses and for personnel.

Total investments in the half year amounted to about EUR 10.8 million, almost entirely attributable to the cement sector. The main investments include a project to improve the reliability and availability of the water-limestone mix (totalling EUR 2.5 million) and other projects to increase the production capacity of white cement furnaces.

Norway and Sweden

In **Norway** GDP growth is expected to continue above the medium-term trend once again this year, thanks to solid household consumption trends and oil sector investments. Building activity levels are being driven by infrastructure, whereas the contribution of the residential sector is falling, as highlighted by the drop in building permits since the start of the year.

In Norway, the Group's ready-mixed concrete sales volumes dropped by 11% due to the extremely cold winter in the first quarter and a reduction in building in the residential sector. However, in the next few months some important road projects near Trondheim, Møre, Mandal and Kristiansand should be starting and will enable some of those volumes to be recovered in the second half. Please also note that the highly negative ready-mixed concrete sales trend of the first quarter 2018 (-23%) was followed by a marginally positive second quarter compared to the same period of 2017. However, average prices in local currency increased (+4.5%).

In **Sweden**, growth should stay strong in 2018 (+2.6%), powered by exports, private investments and more expansive fiscal policy measures. Rising salaries will also help sustain private consumption. In the building sector, activity levels will suffer from the expected slowdown in real estate investments. On the other hand, the contribution from public works is expected to remain positive thanks to eleven billion euros in investments planned up to 2029.

In Sweden, the Group's ready-mixed concrete sales volumes are consistent with the same half of the previous year: the lower sales recorded in the first quarter due to unfavourable weather conditions at the

start of the year were recovered in the second quarter thanks to a new hospital being built in Malmö and the start of infrastructural projects in the south of the country, as well as growth in the residential sector. Average prices in local currency increased considerably also due to the product mix. Aggregate sales have remained stable compared to the first half of 2017 with average local currency prices increasing moderately.

Total revenue from sales was EUR 94.6 million, down 7.3% compared to the first half of 2017, whereas EBITDA was EUR 5.5 million (EUR 7.3 million in the first half of 2017) down due to the lower Norwegian results through lower sales volumes and higher fixed production costs; linked to extraordinary cleaning expenses due to environmental regulations and plant maintenance and material heating costs because of the cold winter. The unitary contribution margin improved thanks to the positive price effect. In Sweden EBITDA was in line with 2017.

The Norwegian krone and the Swedish krona devalued by respectively 4.5% and 5.8% compared to average exchange rates in the first half of 2017.

Investments made in the first six months of 2018 were EUR 3.2 million and mainly concerned construction of a new ready-mixed concrete plant near Larvik in Norway (EUR 1.1 million); whereas a new explosion pump for ready-mixed concrete was purchased in Sweden together with a drilling system for the aggregates sector, for a total of EUR 1.1 million.

Belgium

(EUR'000)	1st Half 2018	1st Half 2017	Change %
Revenue from sales	126,622	123,568	2.5%
EBITDA	23,358	19,497	19.8%
EBITDA Margin %	18.4%	15.8%	
Investments	4,482	5,801	

In **Belgium**, the first quarter 2018 slowdown seems to be temporary, with the improvement expected in the second half of the year with the upturn in macroeconomic fundamentals. After the 2017 contraction in residential investments, the significant increase in new housing building permits, together with the increase in the buying power of households and favourable mortgage interest rates, will favour recovery of sector activity levels in the following months. Public works will still benefit from the main road network infrastructural projects continuing and from projects at local level.

In the first six months 2018, Compagnie des Ciments Belges group sales volumes of grey cement and clinker dropped slightly compared to the first half of the previous year (-1.7%), due to the negative weather conditions in February and in the first half of March, but from April onwards there was a significant rise in activity to become firmly established in May and June. The trend was affected negatively by renovation of the ready-mixed concrete plant in Brussels (operational again from 18 June) which reduced supplies of cement in Belgium; partly offset by higher sales in France, especially in the north and around Paris, and in

the Netherlands, where the market is developing very positively especially in the ready-mixed concrete and prefab sector. Average prices increased in both Belgium and France, also due to the different product mix.
In the ready-mixed concrete sector, sales volumes contracted slightly with differing trends between Belgium and France. In Belgium the volume contraction was 15% due to bad weather conditions at the start of the year, to the suspension of activities in some plants for a few days to migrate to the SAP system, to one day's national strike in the constructions sector (16 May) and to renovation of the Brussels plant, with average prices increasing. In France the CCB group's sales volumes grew by 125% due to full consolidation of the activities of the five plants acquired in the first half of 2017, against the background of a stable market in the areas where the plants are located. Prices increased slightly.
In the aggregates sector, Group sales volumes grew 7.7%, despite the negative weather conditions at the start of the year. In Belgium, products were mainly directed to the ready-mixed concrete and asphalt market, also sustained by October's local elections which guaranteed government contribution for some road projects. The average price is down slightly due to an unfavourable product mix and higher distribution costs to end customers. In France volumes are linked to a few large road construction projects. However, the average price was disadvantaged by the product and client mix (road construction projects). The market is growing in the Netherlands too; more than expected with difficulties had to satisfy requests.
On the whole, in the first half of 2018 revenue was EUR 126.6 million (EUR 123.6 million in the first half of 2017) and EBITDA was EUR 23.4 million (EUR 19.5 million in the first half of 2017). In 2017, EBITDA included non-recurring income for EUR 1.7 million. The improved EBITDA is attributable to the positive trend in volumes and sales prices, despite higher fuel and electricity costs.
Investments by the Belgian group in the first six months of 2018 were about EUR 4.5 million and mainly concerned the cement plant in Gaurain and the production of aggregates (EUR 2.8 million), the new Brussels ready-mixed concrete plant (EUR 1.2 million), plus actions for the production of aggregates by the 65% owned subsidiary SCT (EUR 0.5 million).

North America

(EUR'000)	1st Half 2018	1st Half 2017	Change %
Revenue from sales	41,976	7,024	497.6%
EBITDA	5,764	559	931.1%
EBITDA Margin %	13.7%	8.0%	
Investments	2,750	94	

In North America (United States), the subsidiary Lehigh White Cement Company, consolidated line-by-line as of the second quarter 2018, contributed considerably to results with white cement sales volumes of about 178 thousand tons, revenue from sales of EUR 36.1 million and EBITDA of EUR 6.4 million.
The other Group subsidiaries produce cement products and manage the Tampa terminal in Florida.
Revenue from sales in the United States totalled EUR 42.0 million (EUR 7.0 million in the first half of 2017) and EBITDA was EUR 5.8 million (EUR 0.6 million in the first half of 2017), including about EUR 1.2 million of costs for legal and consultancy expenses sustained to purchase the investment in Lehigh White Cement Company.
The Group invested about EUR 2.75 million in the first half of 2018, including investing EUR 1.25 million in the newly purchased Lehigh White. The main Waco plant projects include renovating the grinding plant and the installation of power control panels in the mill's electric cabin.

Eastern Mediterranean

(EUR'000)	1st Half 2018	1st Half 2017	Change %
Revenue from sales	112,348	117,847	-4.7%
Turkey	*101,072*	*97,474*	*3.7%*
Egypt	*11,276*	*20,373*	*-44.7%*
Eliminations	-	-	
EBITDA	11,737	13,907	-15.6%
Turkey	*10,221*	*5,465*	*87.0%*
Egypt	*1,516*	*8,442*	*-82.0%*
EBITDA Margin %	10.4%	11.8%	
Investments	5,580	3,894	

Turkey

The Turkish economy recorded better results than expected in the first quarter of 2018. Private consumption increased thanks to higher salaries and lower unemployment; whereas investments benefited from the upturn in construction. For the rest of the year growth is expected to drop slightly because of more rigid financial conditions and an increase in oil costs which will have a negative effect on both terms of trade and domestic demand.

Revenue, equal to EUR 101.1 million (EUR 97.5 million in the first half of 2017), increased despite the depreciation of the Turkish lira against the euro (-26% compared to the average exchange rate in the first half of 2017).

Cement revenue in local currency increased by about 30%. Group sales volumes of cement and clinker dropped during the first half of 2018 (-4%) with a strong slowdown in second quarter activities linked to the June elections and Ramadan after a first quarter that saw growth of 17%. In the first half, domestic market sales volumes increased by 8% whereas cement and clinker exports dropped 75%. Internal market growth, especially close to the Izmir plant, benefited from the good weather and the growth of GDP and the construction sector by around 7% in the first few months of 2018; in a highly competitive context and with a production capacity surplus in the country. The drop in exports was caused by the decision to privilege the more profitable domestic market because of production difficulties in the Izmir plant which caused several kiln stoppages and therefore lower production.

Average domestic cement prices in local currency were up considerably in the first half with differing trends in the various plants; sustained by inflation (about 15% in the last 12 months), and by the start of infrastructural projects in the regions of Eastern Anatolia, Marmara (motorway bridges, canals and bridges) and the Aegean (residential, commercial and infrastructural investments).

In the ready-mixed concrete sector sales volumes grew 30% with local currency prices increasing. Two new ready-mixed concrete plants have begun operating in the Marmara region; one new plant operational from the end of March (Hasanaga) while another (Kirklareli) started operating on 24 April.

In the waste management sector, the subsidiary Sureko, active in industrial waste management, suffered a drop in revenue and profitability compared to the first six months of 2017 due to a reduction in volumes managed, in particular those sent to landfill and volumes received for temporary storage; whereas the supplies of alternative fuel (RDF) to the Group's cement production plants (Edirne and Izmir) remain stable.

The Hereko division, which processes Istanbul's urban waste, underwent reorganisation during the previous year, to improve profitability and product quality. The positive effects are evident in the first half of 2018 with an increase in volumes processed and EBITDA.

The subsidiary Quercia, operating in the United Kingdom, improved revenue by about 5% compared to the same period in 2017 through an increase in waste volumes processed (landfill volumes, revenue from the MRF). At the end of March 2018, the Group sold some plants belonging to the other waste management subsidiary Neales for about GBP 1.5 million. EBITDA in the period improved due to capital gains of about EUR 1 million resulting from the sale of those plants.

EBITDA grew to EUR 10.2 million (EUR 5.5 million in the first half of 2017) despite the heavy Turkish Lira devaluation, thanks to the positive sales prices trend for cement and ready-mixed concrete. This even though there was a considerable increase in fuel purchase prices and, to a lesser extent, electricity and raw materials for cement and ready-mixed concrete, and a significant increase in maintenance costs for problems with furnaces in the Izmir plant, the one with the greatest capacity in Turkey.

Investments made by the group in the first half of 2018 amounted to about EUR 5.5 million and mainly concerned to Edirne plant (EUR 2.7 million); including the main project (EUR 1.7 million) consisting in the conversion of the electrostatic precipitator into bag filter state-of-the-art-technology that will ensure environmental performances within more stable, efficient operating conditions. This action was required by local Authorities and will make the plant fully compliant with the more restrictive emission limits. Investments were also made on the other three cement plants for about EUR 1.4 million and for EUR 0.25 million in ready-mixed concrete.

Egypt

The intense reform program launched last year in Egypt is still having positive effects on the economy. 2018 growth is estimated as around 5%, driven by greater investments in the energy sector and an increase in exports assisted by the continuing weak exchange rate. The Construction sector is benefiting from the government's social building plans, and from the building of a new administrative capital to the east of Cairo.

Starting on 9 February 2018, the country's army started a major security operation in the Sinai area, blocking all transport activities. Exports were halted the same day and domestic sales stopped on 20 February, having exhausted stocks in the Suez warehouse. Production of clinker stopped on 22 February as raw material stocks had finished, before starting up again in full on 16 April. Those restrictions obviously had a negative impact on operations and distribution costs. The situation has normalised since May. The government will probably continue the security operation until the end of the year.

Revenue from sales amounted to EUR 11.3 million (EUR 20.4 million in the first half of 2017), down due to the above reasons and the devaluation of the Egyptian pound against the euro (-10% compared to the average exchange rate in the first half of 2017).

Quantities of white cement sold on the domestic market dropped by 15% with average prices in local currency increasing 18%. Export volumes to all the main destinations fell 49%, with sales prices in dollars down on all the main markets.

EBITDA was EUR 1.5 million (EUR 8.4 million in the same period of 2017), solely due to the lower sales volumes (estimated effect of EUR 5.5 million), whereas the increase in variable costs and to a lesser extent fixed costs was only partly offset by the increase in sales prices on the domestic market. More specifically, distribution costs were considerable in the first half due to the aforementioned transport restrictions which forced the company to reorganise logistics through a fleet of rented vehicles, replacing the usual suppliers no longer available for security reasons and for time reasons due to the numerous road blocks. Since production activities have stabilised, margins are back in line with the budget and the previous year.

Asia Pacific

(EUR'000)	1st Half 2018	1st Half 2017	Change %
Revenue from sales	41,459	37,772	9.8%
China	*21,163*	*20,660*	*2.4%*
Malaysia	*20,302*	*17,176*	*18.2%*
Eliminations	*(6)*	*(64)*	
EBITDA	8,269	8,324	-0.7%
China	*5,557*	*4,497*	*23.6%*
Malaysia	*2,712*	*3,827*	*-29.1%*
EBITDA Margin %	19.9%	22.0%	
Investments	2,419	684	

China

Growth in China remained solid in the first quarter of 2018, even though recent information indicates a moderate slowdown in the second. The growth in investment of both private and public companies is struggling to gain momentum, while more rigid real estate regulations – especially in first and second tier cities – is helping with ongoing normalisation of the real estate sector. Apart from its well-known financial vulnerabilities, looking ahead the main risk of GDP dropping is from trade tensions with the United States.

Revenue from sales in local currency increased 6.1% compared to the first half of the previous year thanks to favourable prices (+9% on cement in local currency) and an improved product mix; whereas white cement and clinker volumes sold on the domestic market remained stable. 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 north and central China, benefiting the Cementir Group. Exports, not significant in the period and mainly going to South Korea, Hong Kong and Taiwan, dropped 24% following deferral of some deliveries and the strategy that privileged more profitable domestic sales in view of a saturation of production volumes.

EBITDA of EUR 5.6 million (EUR 4.5 million in the first half of 2017) benefited from the positive trend in prices on the domestic market, partially offset by lower exported volumes and the increase in variable costs connected to the higher price of fuel and packaging (in the latter case also due to the different product mix).

About EUR 550 thousand was invested in the first half of 2018, for an excavator for the limestone quarry and update the cement plant's IT infrastructures.

Malaysia

After a strong first quarter, the economy seems to have stabilised at a high cruising speed, as proven by the last consensus forecast which shows GDP growing by an average of over 5% a year.

Forecasts for the constructions sector are more variable. On the one hand, private investments are expected to benefit from the zeroed tax on goods and services introduced by the new government in June this year.

On the other, infrastructural investments will suffer from large infrastructure projects being cancelled, albeit with extremely limited effects on white cement.

In Australia, the pace of GDP growth increased considerably in the first quarter, driven by the bounce in raw material exports and by solid residential building growth. The increase in non-mining fixed investments – against favourable financial and lending conditions – and solid public infrastructure spending should sustain the economic activity in the following months.

Sales volumes of white cement and clinker increased 3% overall compared to the first half of the previous year. Sales volumes of cement on the domestic market fell moderately (-3.5%) however with higher average prices in local currency. Prospects seem positive for the next few months.

Exports of cement and clinker have increased by about 4%, with an increase in cement volumes especially in Australia, Vietnam, South Korea, Philippines and Cambodia and a drop in clinker sales in Australia. However, export prices of cement and clinker are down (about 3%) due to the increase in freight prices, the country mix, and the devaluation of the Australian, American and Singapore dollars.

EBITDA dropped (from EUR 3.8 million to EUR 2.7 million) compared to the first half of last year due to lower prices on foreign markets, higher fuel and raw material costs, higher fixed costs for production personnel and general and administrative costs, only partly compensated by the positive effect of higher export sales volumes and savings on maintenance.

Investments in the first half of 2018 were about EUR 1.9 million of which about EUR 700 thousand for creation of a clinker deposit in the port of Lumut which will provide greater capacity and better export logistics.

Italy

(EUR'000)	1st Half 2018	1st Half 2017	Change %
Revenue from sales	40,065	13,262	202.1%
EBITDA	675	(2,900)	123.3%
EBITDA Margin %	1.7%	-21.9%	
Investments	1,690	1,544	

Following the sale of the Italian industrial activities this area includes the parent company Cementir Holding SpA, the trading company Spartan Hive SpA and other minor companies.

The increased sales revenue is attributable to the trading company Spartan Hive SpA which dealt with Group companies and third-party clients in the first half of 2018.

Investments

Investments totalling about EUR 30.9 million were made in the first half of 2018: EUR 23.8 million was invested in the cement business, EUR 3.7 million in the ready-mixed concrete business, EUR 0.5 million in

the aggregates business, EUR 1.1 million in the waste management business, EUR 1.7 million in the IT systems of the holding company, and EUR 0.1 million in other activities.
The breakdown by asset class shows that EUR 29.2 million was invested in property, plant and equipment, while EUR 1.7 million was invested in intangible assets.

Directors' report

Significant events in the half year

Results in the first half of 2018 are better than those in the first half of 2017 even on a like-for-like basis; without the effect of the acquisition of Lehigh White Cement Company. The improved EBITDA in Turkey, Belgium and China offset the worse results in Egypt due to the curfew introduced in February and resulting stop to all transport activities until May, and in Norway, Malaysia and Denmark. Results were also negatively impacted by harsh weather conditions in the first quarter of the year in Scandinavian countries and Belgium and by Ramadan in Turkey and Egypt.
On 29 March 2018, Cementir Holding finalised its purchase of a further 38.75% share in Lehigh White Cement Company ("LWCC") from Lehigh Cement Company LLC, controlled by HeidelbergCement AG.
The acquisition, announced on 14 February 2018, has an overall counter value of USD 106.6 million on a cash and debt-free basis, paid entirely at closing on 29 March 2018.
As a result of this transaction, the Cementir group now has control of LWCC with a stake of 63.25%, while the remaining 36.75% is held by CEMEX Inc.
The acquisition enables direct management of assets in the United States in the white cement segment, the Group's core business; strengthening its global leadership consistent with its growth strategy.
On 10 May 2018, the Board of Directors' of the Parent Company approved the **2018-2020 Business Plan**. Please refer to the relevant press release for further details.

Business outlook

The Group's results in the first half of 2018 were in line with management expectations. Lower results had in Egypt due to security problems in the Sinai area and a strong increase in fuel prices were offset by a better trend in Belgium, China and the USA. We expect the second half of the year to show continued strong performance of activities in Europe, China and the USA. We are expecting the situation in Egypt to stabilise and improved results in Malaysia. There are still some uncertainties over how the Turkey cement market situation will evolve as it slowed down in the second quarter due to presidential elections held in June.
Tensions on some foreign currencies will continue, especially the Turkish Lira; and a further increase in fuel prices, especially coal and pet-coke, are also expected.
Following acquisition of the majority share in the US Leigh White Cement Company at the end of March 2018, activities to integrate it into the Group have begun and will continue for all of 2018.

Despite some uncertainties, the Group feels it can confirm its economic and financial targets for 2018: to achieve a consolidated revenue level of about EUR 1.25 billion and an EBITDA of about EUR 235 million, including the contribution of Lehigh White Cement Company from the second quarter of 2018, worth about EUR 10 million. Net financial debt at end 2018 is expected to be EUR 260 million, including capital expenditures of about EUR 80 million.

Financial risk management

In the first half of 2018, no new market risks emerged in addition to those reported in the consolidated financial statements at 31 December 2017. Accordingly, no material changes were introduced to the Group's financial risk management strategy.

Key uncertainties and going concern

There are no problems regarding business continuity as the Group has adequate financial resources and is not exposed to uncertainties that cast substantial doubt on its ability to continue as a going concern.

Related-party transactions

On 23 April 2018, the Board of Directors, pursuant to and for the purposes of the Transactions with Related Parties Procedure adopted by the Company on 8 May 2008, as amended, set up the Related-party Transactions Committee (hereinafter the "Committee") to support and assess Board of Directors' and management decisions referred to related-party transactions.

The Committee, with three members - 1) Paolo Di Benedetto (Chairman and independent, non-executive member), 2) Chiara Mancini (independent, non-executive member) and 3) Adriana Lamberto Floristán (independent, non-executive member) - was then integrated through a Board of Directors' resolution of 10 May 2018 by appointment of Veronica De Romanis, independent director with proven experience in accounting and financial matters.

The Committee is therefore constituted as follows:

1) Ms Paolo Di Benedetto (Chairman and independent, non-executive member);
2) Ms Chiara Mancini (independent, non-executive member);
3) Ms Adriana Lamberto Floristán (independent, non-executive member);
4) Ms Veronica De Romanis (independent, non-executive member with accounting and financial experience).

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 2018, the parent and its subsidiaries did not hold, either directly or indirectly, shares or quotas of the ultimate parent. Nor did they purchase or sell any in the period.

Corporate governance

On 19 April 2018, the Shareholders' Meeting elected a new Board of Directors for the years 2018, 2019 and 2020. Elections were based on candidate slates regularly deposited in the registered office: majority slate no.1 presented by the Shareholder Calt 2004 S.r.l. and minority slate no. 2 presented by a group of asset management companies and other institutional investors. The Board of Directors now has the following members: Francesco Caltagirone, Alessandro Caltagirone, Azzurra Caltagirone, Edoardo Caltagirone, Saverio Caltagirone, Carlo Carlevaris, Fabio Corsico, Mario Delfini, Veronica De Romanis (Independent Director), Paolo Di Benedetto (Independent Director), Chiara Mancini, (Independent Director), Roberta Neri (Independent Director), Adriana Lamberto Floristán (Independent Director).
At its meeting on 23 April 2018, after confirming Francesco Caltagirone as Chairman and Chief Executive Officer and Carlo Carlevaris as Deputy-Chairman, it appointed Paolo Zugaro as General Manager; the Board also appointed a Control and Risks Committee (consisting of Paolo Di Benedetto, Mario Delfini, Veronica De Romanis, Adriana Lamberto Floristán and Chiara Mancini) and an Appointment and Remuneration Committee (consisting of Paolo Di Benedetto, Veronica De Romanis, Chiara Mancini and Mario Delfini). It also appointed a Related Party Transactions Committee as indicated in the previous paragraph.
At the same meeting, the Board of Directors checked that the independent directors did in fact meet the requirements to qualify as independent under the Borsa Italiana SpA Corporate Governance Code and other laws in force and confirmed the appointment for 2018 of Massimo Sala, the Chief Financial Officer, as Manager responsible for financial reporting.
In addition, the Board of Directors also renewed the appointment of Mario Venezia (Chairman), Francesco Paolucci and Franco Doria to the Supervisory Body for the years 2018-2020. The Body is tasked with updating and supervising the implementation of and compliance with the Organisational and Control Model adopted by the Parent on 8 May 2009 in accordance with Italian Legislative Decree No. 231/2001.
For more detailed information on the Corporate Governance system and ownership structure of Cementir Holding S.p.A., please 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 2017 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, de-mergers, 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 for 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 these indicators are provided below.

- EBITDA: is an indicator of operating performance calculated by adding together "EBIT" and "Amortisation, depreciation, impairment losses and provisions";
- Net financial debt: is 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 financial liabilities
- Net capital employed: is calculated as the total amount of non-financial assets, net of non-financial liabilities.

Events after the reporting period

There are no significant events to report.

Rome, 26 July 2018

Chairman of the Board of Directors
/s/ Francesco Caltagirone Jr.

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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

Statement of financial position*

(EUR '000)	Note	30 June 2018	31 December 2017
ASSETS			
Intangible assets with a finite useful life	1	219,187	128,462
Intangible assets with an indefinite useful life	2	381,159	346,641
Property, plant and equipment	3	799,742	759,840
Investment property	4	85,306	95,094
Equity-accounted investments	5	4,413	22,470
Available-for-sale equity investments	6	215	221
Non-current financial assets	9	1,833	2,176
Deferred tax assets	20	31,079	33,778
Other non-current assets	11	7,552	8,296
TOTAL NON-CURRENT ASSETS		**1,530,486**	**1,396,978**
Inventories	7	170,533	126,727
Trade receivables	8	252,290	160,629
Current financial assets	9	1,804	1,067
Current tax assets	10	10,737	7,060
Other current assets	11	20,700	18,511
Cash and cash equivalents	12	257,425	214,528
TOTAL CURRENT ASSETS		**713,489**	**528,522**
ASSETS HELD FOR SALE		**-**	**431,829**
TOTAL ASSETS		**2,243,975**	**2,357,329**
EQUITY AND LIABILITIES			
Share capital		159,120	159,120
Share premium reserve		35,710	35,710
Other reserves		704,717	689,887
Profit (loss) attributable to the owners of the parent		77,591	71,471
Equity attributable to the owners of the parent	13	**977,138**	**956,188**
Profit (loss) attributable to non-controlling interests		128,772	53,775
Reserves attributable to non-controlling interests		2,473	5,695
Equity attributable to non-controlling interests	13	**131,245**	**59,470**
TOTAL EQUITY		**1,108,383**	**1,015,658**
Employee benefits	14	32,664	34,598
Non-current provisions	15	29,842	29,426
Non-current financial liabilities	17	510,300	696,090
Deferred tax liabilities	20	144,137	127,544
Other non-current liabilities	19	5,257	5,020
TOTAL NON-CURRENT LIABILITIES		**722,200**	**892,678**
Current provisions	15	2,589	2,869
Trade payables	16	191,323	204,204
Current financial liabilities	17	144,239	62,776
Current tax liabilities	18	19,827	16,420
Other current liabilities	19	55,414	44,850
TOTAL CURRENT LIABILITIES		**413,392**	**331,119**
LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE		**-**	**117,874**
TOTAL LIABILITIES		**1,133,575**	**1,341,671**
TOTAL EQUITY AND LIABILITIES		**2,243,975**	**2,357,329**

* Pursuant to Consob resolution No. 15519 of 27 July 2006, information about related party transactions can be found in the notes to the consolidated financial statements and the following tables.

Income statement*

(EUR '000)	Note	1st Half 2018	1st Half 2017[1]
REVENUE	21	**588,467**	**556,906**
Change in inventories	7	7,151	(1,942)
Increase for internal work	22	5,263	5,226
Other operating revenue	22	4,244	8,239
TOTAL OPERATING REVENUE		**605,125**	**568,429**
Raw materials costs	23	(244,698)	(219,011)
Personnel costs	24	(90,946)	(90,854)
Other operating costs	25	(173,493)	(170,896)
TOTAL OPERATING COSTS		**(509,137)**	**(480,761)**
EBITDA		**95,988**	**87,668**
Amortisation and depreciation	26	(37,089)	(36,388)
Provisions	26	(390)	(70)
Impairment losses	26	(24)	(41)
Total amortisation, depreciation, impairment losses and provisions		(37,503)	(36,499)
EBIT		**58,485**	**51,169**
Share of net profits of equity-accounted investees	5-27	579	2,225
Financial income	27	54,807	6,275
Financial expense	27	(15,399)	(16,851)
Foreign exchange rate gains (losses)	27	(4,505)	(2,343)
Net financial income (expense)		34,903	(12,919)
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY-ACCOUNTED INVESTEES		**35,482**	**(10,694)**
PROFIT (LOSS) BEFORE TAXES		**93,967**	**40,475**
Income taxes	28	(13,903)	(12,766)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		**80,064**	**27,709**
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS		**-**	**(9,091)**
PROFIT (LOSS) FOR THE PERIOD		**80,064**	**18,618**
Attributable to:			
Non-controlling interests		2,473	3,114
Owners of the parent		**77,591**	**15,504**
(EUR)			
Basic earnings per share	29	**0.488**	**0.097**
Diluted earnings per share	29	**0.488**	**0.097**

* Pursuant to CONSOB Resolution No. 15519 of 27 July 2006, information about related-party transactions is disclosed in the notes to the condensed consolidated half-year financial statements and the following tables.
[1]The first half 2017 figures have been restated following reclassification of amounts related to Italian operating companies held for sale under "Profit (loss) from discontinued operations".

Statement of comprehensive income

(EUR '000)	Note	1st Half 2018	1st Half 2017
PROFIT (LOSS) FOR THE PERIOD		**80,064**	**18,618**
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	(32,923)	(44,600)
Financial instruments	30	(4,602)	(776)
Taxes related to equity	30	1,120	229
Total items that may be reclassified to profit or loss		**(36,405)**	**(45,147)**
Total other comprehensive income (expense)		**(36,405)**	**(45,147)**
COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD		**43,659**	**(26,529)**
Attributable to:			
Non-controlling interests		4,350	3,114
Owners of the parent		**39,309**	**(29,643)**

Statement of changes in equity

(EUR '000)	Share capital	Share premium reserve	Other reserves: Legal reserve	Other reserves: Translation reserve	Other reserves: Other reserves	Profit (loss) attributable to the owners of the parent	**Equity attributable to the owners of the parent**	Profit (loss) attributable to non-controlling	Reserves attributable to non-controlling interests	**Equity attributable to non-controlling interests**	**Total Equity**
Equity at 01 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)		(1,236)	(1,236)	**(17,148)**
Other changes					7,194		7,194		(14,737)	**(14,737)**	**(7,543)**
Total owner transactions	**-**	**-**	**-**	**-**	**58,552**	**(67,270)**	**(8,718)**	**(18,079)**	**2,106**	**(15,973)**	**(24,691)**
Change in translation reserve				(93,763)			**(93,763)**		2,354	2,354	**(91,409)**
Net actuarial gains (losses)					(3,054)		**(3,054)**		(187)	(187)	**(3,241)**
Change in fair value of financial instruments					(1,126)		**(1,126)**				**(1,126)**
Total other comprehensive income (expense)	**-**	**-**	**-**	**(93,763)**	**(4,180)**	**-**	**(97,943)**	**-**	**2,167**	**2,167**	**(95,776)**
Change other reserves					(1,319)		(1,319)		(25)	(25)	**(1,344)**
Total other transactions	**-**	**-**	**-**	**-**	**(1,319)**	**-**	**(1,319)**	**-**	**(25)**	**(25)**	**(1,344)**
Profit (loss) for the year						71,471	**71,471**	5,695		**5,695**	**77,166**
Equity at 31 December 2017	**159,120**	**35,710**	**31,825**	**(500,469)**	**1,158,531**	**71,471**	**956,188**	**5,695**	**53,775**	**59,470**	**1,015,658**

(EUR '000)	Share capital	Share premium reserve	Other reserves: Legal reserve	Other reserves: Translation reserve	Other reserves: Other reserves	Profit (loss) attributable to the owners of the parent	**Equity attributable to the owners of the parent**	Profit (loss) attributable to non-controlling	Reserves attributable to non-controlling interests	**Equity attributable to non-controlling interests**	**Total Equity**
Equity at 01 January 2018	**159,120**	**35,710**	**31,825**	**(500,469)**	**1,158,531**	**71,471**	**956,188**	**5,695**	**53,775**	**59,470**	**1,015,658**
Effects arising from application of IFRS 9					4,804		4,804				**4,804**
Equity at 1 January 2018 with introduction of the new standard IFRS 9	**159,120**	**35,710**	**31,825**	**(500,469)**	**1,163,335**	**71,471**	**960,992**	**5,695**	**53,775**	**59,470**	**1,020,462**
Allocation of 2017 profit (loss)					71,471	(71,471)	-	(5,695)	5,695	-	**-**
Distribution of 2017 dividends					(15,912)		(15,912)		(742)	(742)	**(16,654)**
Other changes							-		68,190	**68,190**	**68,190**
Total owner transactions	**-**	**-**	**-**	**-**	**55,559**	**(71,471)**	**(15,912)**	**(5,695)**	**73,143**	**67,448**	**51,536**
Change in translation reserve				(34,800)			**(34,800)**		1,877	1,877	**(32,923)**
Net actuarial gains (losses)							**-**			-	**-**
Change in fair value of financial instruments					(3,482)		**(3,482)**			-	**(3,482)**
Total other comprehensive income (expense)	**-**	**-**	**-**	**(34,800)**	**(3,482)**	**-**	**(38,282)**	**-**	**1,877**	**1,877**	**(36,405)**
Change other reserves					(7,251)		(7,251)		(23)	(23)	**(7,274)**
Total other transactions	**-**	**-**	**-**	**-**	**(7,251)**	**-**	**(7,251)**	**-**	**(23)**	**(23)**	**(7,274)**
Profit (loss) for the year						77,591	**77,591**	2,473		**2,473**	**80,064**
Equity at 30 June 2018	**159,120**	**35,710**	**31,825**	**(535,269)**	**1,208,161**	**77,591**	**977,138**	**2,473**	**128,772**	**131,245**	**1,108,383**

Statement of cash flows

(EUR '000)	Note	1st Half 2018	1st Half 2017
Profit (loss) for the year		**80,064**	**18,618**
Amortisation and depreciation	26	37,089	48,968
(Reversals of impairment losses) Impairment losses		(38,831)	83
Share of net profits of equity-accounted investees	5-27	(579)	(2,225)
Net financial expense	27	3,952	13,432
(Gains) Losses on disposals		(494)	(406)
Income taxes	28	13,903	5,993
Change in employee benefits		(2,035)	(2,457)
Change in provisions (current and non-current)		(618)	(3,187)
Operating cash flows before changes in working capital		**92,451**	**78,819**
(Increase) decrease in inventories		(12,813)	(9,901)
(Increase) decrease in trade receivables		(75,484)	(42,419)
Increase (decrease) in trade payables		(24,853)	(10,506)
Change in other non-current and current assets and liabilities		8,196	24,008
Change in current and deferred taxes		7,857	(1,070)
Operating cash flows		**(4,646)**	**38,931**
Dividends collected		1,093	1,123
Interest collected		1,668	1,781
Interest paid		(7,934)	(10,020)
Other net income (expense) collected (paid)		4,629	(8,018)
Income taxes paid		(18,245)	(12,744)
CASH FLOWS FROM OPERATING ACTIVITIES (A)		**(23,435)**	**11,053**
Investments in intangible assets		(477)	(7,044)
Investments in property, plant and equipment		(29,253)	(31,111)
Investments in equity investments and non-current securities		(86,096)	(1,389)
Proceeds from the sale of intangible assets		26	-
Proceeds from the sale of property, plant and equipment		1,894	1,292
Proceeds from operating activities		289,057	-
Change in non-current financial assets		343	347
Change in current financial assets		(663)	537
Other changes in investing activities		-	-
CASH FLOWS FROM INVESTING ACTIVITIES (B)		**174,831**	**(37,368)**
Change in non-current financial liabilities		(193,989)	(27,549)
Change in current financial liabilities		79,100	34,490
Dividends distributed		(16,685)	(15,912)
Other changes in equity		(4,092)	(4,357)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)		**(135,666)**	**(13,328)**
NET EXCHANGE RATE GAINS (LOSSES) ON CASH AND CASH EQUIVALENTS (D)		**1,224**	**(8,092)**
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**16,954**	**(47,735)**
Opening cash and cash equivalents	12	**240,471**	**244,025**
Closing cash and cash equivalents	12	**257,425**	**196,290**

Statement of financial position

pursuant to CONSOB Resolution No. 15519 of 27 July 2006

		30 June 2018		31 December 2017	
(EUR '000)	Note	Total	of which with related parties	Total	of which with related parties
ASSETS					
Intangible assets with a finite useful life	1	219,187	-	128,462	-
Intangible assets with an indefinite useful life	2	381,159	-	346,641	-
Property, plant and equipment	3	799,742	-	759,840	-
Investment property	4	85,306	-	95,094	-
Equity-accounted investments	5	4,413	-	22,470	-
Available-for-sale equity investments	6	215	-	221	-
Non-current financial assets	9	1,833	-	2,176	-
Deferred tax assets	20	31,079	-	33,778	-
Other non-current assets	11	7,552	-	8,296	-
TOTAL NON-CURRENT ASSETS		**1,530,486**	-	**1,396,978**	-
Inventories	7	170,533	-	126,727	-
Trade receivables	8	252,290	2,270	160,629	5,983
Current financial assets	9	1,804	-	1,067	-
Current tax assets	10	10,737	-	7,060	-
Other current assets	11	20,700	-	18,511	-
Cash and cash equivalents	12	257,425		214,528	
TOTAL CURRENT ASSETS		**713,489**	-	**528,522**	-
ASSETS HELD FOR SALE		**-**	-	**431,829**	-
TOTAL ASSETS		**2,243,975**	-	**2,357,329**	-
EQUITY AND LIABILITIES			-		-
Share capital		159,120	-	159,120	-
Share premium reserve		35,710	-	35,710	-
Other reserves		704,717	-	689,887	-
Profit (loss) attributable to the owners of the parent		77,591	-	71,471	-
Equity attributable to the owners of the parent	13	**977,138**	-	**956,188**	-
Profit (loss) attributable to non-controlling interests		128,772	-	53,775	-
Reserves attributable to non-controlling interests		2,473	-	5,695	-
Equity attributable to non-controlling interests	13	**131,245**	-	**59,470**	-
TOTAL EQUITY		**1,108,383**	-	**1,015,658**	-
Employee benefits	14	32,664	-	34,598	-
Non-current provisions	15	29,842	-	29,426	-
Non-current financial liabilities	17	510,300	-	696,090	-
Deferred tax liabilities	20	144,137	-	127,544	-
Other non-current liabilities	19	5,257	-	5,020	-
TOTAL NON-CURRENT LIABILITIES		**722,200**	-	**892,678**	-
Current provisions	15	2,589	-	2,869	-
Trade payables	16	191,323	274	204,204	58
Current financial liabilities	17	144,239		62,776	
Current tax liabilities	18	19,827	-	16,420	-
Other current liabilities	19	55,414	73	44,850	58
TOTAL CURRENT LIABILITIES		**413,392**	-	**331,119**	-
LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE		**-**	-	**117,874**	-
TOTAL LIABILITIES		**1,133,575**	-	**1,341,671**	-
TOTAL EQUITY AND LIABILITIES		**2,243,975**	-	**2,357,329**	-

Consolidated income statement
pursuant to CONSOB Resolution No. 15519 of 27 July 2006

(EUR '000)	Notes	1H 2018 Total	1H 2018 of which with related parties	1H 2017 Total	1H 2017 of which with related parties
REVENUE	21	**588,467**	**524**	**556,906**	**11,044**
Change in inventories	7	7,151	-	(1,942)	-
Increase for internal work	22	5,263	-	5,226	-
Other operating revenue	22	4,244	18	8,239	19
TOTAL OPERATING REVENUE		**605,125**	**-**	**568,429**	**-**
Raw materials costs	23	(244,698)	-	(219,011)	-
Personnel costs	24	(90,946)	-	(90,854)	-
Other operating costs	25	(173,493)	(1,049)	(170,896)	(300)
TOTAL OPERATING COSTS		**(509,137)**	**-**	**(480,761)**	**-**
EBITDA		**95,988**	**-**	**87,668**	**-**
Amortisation and depreciation	26	(37,089)	-	(36,388)	-
Provisions	26	(390)	-	(70)	-
Impairment losses	26	(24)	-	(41)	-
Total amortisation, depreciation, impairment losses and provisions		(37,503)	-	(36,499)	-
EBIT		**58,485**	**-**	**51,169**	**-**
Share of net profits of equity-accounted investees	5-27	579	-	2,225	-
Financial income	27	54,807	-	6,275	8
Financial expense	27	(15,399)	-	(16,851)	-
Foreign exchange rate gains (losses)	27	(4,505)	-	(2,343)	-
Net financial income (expense)		34,903	-	(12,919)	-
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY-ACCOUNTED		**35,482**	**-**	**(10,694)**	**-**
PROFIT (LOSS) BEFORE TAXES		**93,967**	**-**	**40,475**	**-**
Income taxes	28	(13,903)	-	(12,766)	-
PROFIT (LOSS) FROM CONTINUING OPERATIONS		**80,064**	**-**	**27,709**	**-**
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS		**-**	**-**	**(9,091)**	**-**
PROFIT (LOSS) FOR THE PERIOD		**80,064**	**-**	**18,618**	**-**
Attributable to:					
Non-controlling interests		2,473	-	3,114	-
Owners of the parent		**77,591**	**-**	**15,504**	**-**
(EUR)					
Basic earnings per share	29	**0.488**		**0.097**	
Diluted earnings per share	29	**0.488**		**0.097**	

[1] The figures for the first half of 2017 have been restated following reclassification of amounts related to Italian operating companies held for sale under "Profit (loss) from discontinued operations".

NOTES

General information

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

Based on the shareholder register, the communications received pursuant to article 120 of Legislative Decree No. 58 of 24 February 1998 and other available information, the following are the shareholders with an investment of more than 2% in the parent's share capital at 30 June 2018:

1) Francesco Gaetano Caltagirone 104,862,053 shares (65.901%). 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 22,820,015 shares (14.341%)
     - FGC Finanziaria Srl – 17,585,562 shares (11.052%)
     - 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 – 2,604,794 shares (1.637%)
     - Vianini Lavori SpA – 6,861 shares (0.004%)
2) Francesco Caltagirone 8,350,299 shares (5.248%). The shareholding is held as follows:
   - Direct ownership of 2,520,299 shares (1.584%)
   - Indirect ownership through the company Chupas 2007 Srl – 5,830,000 shares (3.664%).

This half-year financial report at 30 June 2018 was approved on 26 July 2018 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 2018 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.

Statement of compliance with the IFRS

The condensed interim consolidated financial statements at 30 June 2018 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 the sake of simplicity, all these standards and interpretations are referred to herein as "IFRS".

Specifically, the condensed interim consolidated financial statements have been prepared in accordance with IAS 34 and as such do not disclose all the information required of annual financial statements. Accordingly, the condensed interim consolidated financial statements should be read together with the consolidated financial statements as at and for the year ended 31 December 2017, filed at the head office of Cementir Holding S.p.A. in Corso di Francia 200, Rome, and available on the corporate website www.cementirholding.it.

The condensed interim consolidated financial statements are consistent with the annual financial statements, in accordance with the revised version of IAS 1. The accounting policies adopted in preparing these condensed interim consolidated financial statements are the same as those applied in the preparation of the Group's annual consolidated financial statements as at and for the year ended 31 December 2017, with the exception of new standards applicable commencing as of 1 January 2018, which did not, however, have any material impact on information presented in the interim financial report.

Basis of presentation

The condensed interim consolidated financial statements at 30 June 2018 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 year;
- 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 Group was not required to make any departures as per IAS 1.19.

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

Assets and liabilities are presented separately and are not netted.

Assets and liabilities held for sale

On 2 January 2018, Cementir Holding S.p.A. finalised the sale of 100% of the share capital of Cementir Italia S.p.A., including its wholly-owned subsidiaries Cementir Sacci S.p.A. and Betontir S.p.A. (Cementir Italia group) to Italcementi S.p.A., a wholly-owned subsidiary of HeidelbergCement AG.

The enterprise value of the transaction was EUR 315 million on a cash and debt-free basis and the amount was received in full on that date. The price shall be adjusted in line with the terms of the transfer agreement.

In compliance with IFRS 5, in order to make the income statement figures comparable, the comparative figures for 2017 have been reclassified to the item "Loss from discontinued operations".

The following tables show the contribution of the Cementir Italia group held for sale:

Income Statement

(EUR '000)	**1st Half 2017**
TOTAL OPERATING REVENUE	78,793
TOTAL OPERATING COSTS	(81,394)
EBITDA	**(2,601)**
Total amortisation, depreciation, impairment losses and provisions	(12,750)
EBIT	**(15,351)**
NET FINANCIAL INCOME (EXPENSE) **SHARE OF NET PROFITS OF EQUITY-ACCOUNTED**	(513)
LOSS BEFORE TAXES	**(15,864)**
Income taxes	6,773
LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX	**(9,091)**

Standards and amendments to standards adopted by the Group

a) As of 1 January 2018, the Group has adopted the following new accounting standards:

- "IFRS 15 - "*Revenue from Contracts with Customers*", endorsed by the EU on 29 October 2016 through Regulation 1905, and *"Clarifications to IFRS 15 Revenue from Contracts with Customers",* with EU endorsement taking place on 9 November 2017 through Regulation 291. IFRS 15 establishes the criteria for recording and valuing revenue from contracts with customers. In brief, the standard requires analysis of the following 5 steps to record revenue: (i) identification of the contract; (ii) identification of the performance obligations contained in the contract; (iii) calculation of the transaction price; (iv) allocation of the contract price to the performance obligations; (v) recognition of revenue. The Cementir Group has conducted a detailed analysis to check whether introducing that new standard caused changes to how revenue is recorded. No specific effects emerged in all IFRS 15 application areas from that analysis, even for presenting balance sheet layouts.

- IFRS 9 - *“Financial Instruments”,* endorsed by the EU on 29 September 2016 through Regulation 2067. IFRS 9 “Financial Instruments” replaced the accounting standard IAS 39 “Financial Instruments: Recording and Valuation” as of 1 January 2018; providing a new set of accounting rules applicable to classifying and measuring Financial Instruments, to impairment of receivables and hedge accounting.

  Amongst other things, IFRS 9 establishes that if a financial liability is changed or exchanged without being eliminated from accounts, any effects from recalculating the value of the new liability using the modified financial flows and original effective interest rate must be recorded in year profit/loss immediately. This is the opposite to what is established by IAS 39 where accounting of the new financial liability was applied prospectively. Change costs and fees sustained are still recorded rectifying the book value of the modified liability directly and depreciated using the effective interest rate during the instrument’s useful life span. Introduction of IFRS 9 did not have any classification and measurement accounting effects. For hedge accounting, IFRS 9 requirements in order to apply the new hedge accounting rules were checked. Based on those controls, we feel that all existing hedging relations satisfy criteria needed to carry on applying hedge accounting. For the impairment model, adopting IFRS 9 changed the way impairment losses are calculated and accounted for radically; replacing the incurred loss approach of IAS 39 with a criteria based on the forward-looking expected credit loss model (ECL).

  Based on the new standard, regardless of a specific trigger event, losses expected calculated applying the ECL model must be recorded for all financial assets (except those valued at FVTPL). For trade receivables, an impairment model considering the so-called simplified approach foreseen by the standard for those credit types was used. Receivables were divided into uniform clusters; the reference parameters (PD, LGD, and EAD) used to calculate the lifetime expected credit losses were then calculated for each cluster using the information available. Analyses showed that introducing IFRS 9 did not have any significant effects compared to what the group used to do. Lastly, for the change to financial liabilities, the Group recalculated financing values when contractual conditions had changed over time compared to the original contract.

  This showed a EUR 4,804 thousand increase in equity backdated to 1 January 2018, according the the IFRS 9 transition rules and a EUR 1,143 thousand negative effect on the income statement of the first half of 2018.

  As foreseen by the above provisions, the economic and equity balances for comparative prior years were not recalculated. The Group applied the new hedge accounting provisions perspectively as of 1 January 2018.

- IFRS 2 – *Share-based Payment*, endorsed by the EU on 26 February 2018 through Regulation 289. 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.
- IFRS 4 *Insurance Contracts*, endorsed by the EU on 3 November 2017 through Regulation 1988. 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.
- IFRIC 22 – "Foreign Currency Transaction and Advance Consideration", endorsed by the EU on 28 March 2018 through Regulation No. 519. The document intends to provide clarification on the correct accounting of foreign-currency transactions when payment is made or received in advance of the purpose of the transactions the payments refer to. The interpretation clarifies that the transaction date to be used for the conversion is the date on which the entity made or received the advance payment.
- IFRS 40 *Investment Property*, endorsed by the EU on 14 March 2018. 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.
- *"Annual Improvements to IFRS Standards 2014-2016 Cycle"* endorsed by the EU on 7 February 2018. The amendments adopted fit the ordinary part of the rationalisation and clarification of the international accounting standards.

Except for anything said above about IRFS 9 and IRFS 15, adopting the new standards applicable as of 1 January 2018 did not have significant effects.

b) Standards and interpretations of standards applicable for annual reporting periods starting after 2018 and not early adopted by the Group:

- On 12 October 2017, the IASB published a number of amendments to IFRS 9 – Financial Instruments. The document "Prepayment features with Negative Compensation (Amendments to IFRS 9)" aims to amend the requirements of IFRS 9 with reference to the following two situations: (i) financial assets that contain prepayable options with negative compensation can now be managed at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other significant requirements of IFRS 9; (ii) new rules are introduced for accounting for a non-substantial modification or exchange of a financial liability measured at amortised cost that does not result in the derecognition of fixed-rate financial liabilities. The amendments are applicable starting from annual

reporting periods commencing on or after 1 January 2019; they can be applied early. Endorsed by the EU on 22 March 2018.

- On 13 January 2016, the IASB published the new standard IFRS 16 – Leases, which replaces IAS 17. IFRS 16 has to applied 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 took place on 31 October 2017 through Regulation No. 1986.

At the approval data of these condensed interim consolidated financial statements, the Group is analysing to check whether there are any effects resulting from applying the new accounting standards and interpretations.

c) Standards and interpretations to be applied shortly:

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

- 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 for a certain fact when accounting for income tax. IFRIC 23 is effective for annual reporting periods beginning on or after 1 January 2019. The *Endorsement Process* took place on 6 November 2017, whereas EU endorsement is expected in the third quarter of 2018.
- On 12 October 2017, the IASB published a number of amendments to IAS 28 – *Investments in associates and joint ventures*. The document "Long-term interests in Associates and Joint Ventures (Amendments to IAS 28)" aims to clarify a number of aspects in cases where companies finance associates and joint ventures with preference shares or with loans for which repayment is not expected in the foreseeable future ("Long-Term Interests" or "LTI"). The amendments are applicable starting from annual reporting periods commencing on or after 1 January 2019; they can be applied early. The *Endorsement Process* took place on 24 April 2018, whereas EU endorsement is expected for the end of 2018.

- On 12 December 2017, the IAS published "*Annual Improvements to IFRS Standards Cycle 2015-2017".* The amendments adopted, which form an ordinary part of the rationalisation and clarification of the IFRS, relate to the following standards: (i) IFRS 3 - Business Combinations and IFRS 11 - Joint Arrangements: ISAB has clarified how to account for the increase of interest in a joint operation that meets the definition of business; (ii) IAS 12 - Income Taxes: the IASB has clarified that the income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the underlying transactions or events that generated the distributable profits (i.e. in profit or loss, OCI or equity); (iii) IAS 23 - Borrowing Costs: the IASB clarified that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings for qualifying assets that are now ready for their intended use are included in that general pool for the purposes of IAS 23. The amendments are applicable starting from annual reporting periods commencing on or after 1 January 2019; they can be applied early. The *Endorsement Process* took place on 21 March 2018, whereas EU endorsement is expected for the end of 2018.
- On 7 February 2018, the IASB published a number of amendments to IAS 19 -Employee Benefits. *The document "Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)" clarifies a number of accounting aspects relating to* amendment, curtailment or settlement of a defined benefit plan. The amendments are to be applied to amendments to plans, curtailments or transactions as of 1 January 2019, i.e. the date on which they are first applied (early application is permitted). EFRAG concluded the Endorsement Process on 28 May 2018, while endorsement by the EU is forecast in 2018.
- On 29 March 2018, the IASB published the reviewed version of the *Conceptual Framework for Financial Reporting.* The main amendments compared to 2010 concern a new valuation chapter, better definitions and guidance, especially referred to establishing liabilities, and clarifications of important concepts, like stewardship, prudence and uncertainties in valuations. *The endorsement process by EFRAG is currently underway.*

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

Basis of consolidation

Consolidation scope

The 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 2018 is provided in annex 1. In the first half of 2018, the scope of consolidation changed following the acquisition of a further 38.75% of Lehigh White Cement Company, whose effects are reported in note 31 and the sale of Cementir Italia S.p.A., Cementir Sacci S.p.A. and Betontir S.p.A.

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 year. When the review affects current and future years (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 years.

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

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

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

Financial risk management

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

Credit risk

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

Receivables are recognised net of the allowance for impairment, calculated considering the risk of the counterpart'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 counterparts, thus limiting its credit risk in this sense.

Liquidity risk

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

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

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

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 are exposed differently to changes in exchange rates: in particular, the cement sector is exposed to exchange risk on both revenues, for exports, and costs to purchase solid fuels in USD; whereas the ready-mixed concrete sector is less exposed as both 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 those companies are translated into Euros using the average annual 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 2018		31 December 2017	1st Half 2017
	Final	**Average**	**Final**	**Average**
Turkish lira – TRY	5.34	4.96	4.55	3.94
US dollar – USD	1.17	1.21	1.20	1.08
British pound – GBP	0.89	0.88	0.89	0.86
Egyptian pound – EGP	20.72	21.46	21.34	19.45
Danish krone – DKK	7.45	7.45	7.45	7.44
Icelandic krona – ISK	123.40	123.81	124.30	117.05
Norwegian krone – NOK	9.51	9.59	9.84	9.18
Swedish krona – SEK	10.45	10.15	9.84	9.60
Malaysian ringgit – MYR	4.71	4.77	4.85	4.75
Chinese renminbi-yuan – CNY	7.72	7.71	7.80	7.44

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.

The Group's operations are organised on a regional basis, divided into six Regions that represent the following geographical segments: Nordic & Baltic, Belgium, North America, Eastern Mediterranean, Asia Pacific and Italy.

The Nordic & Baltic includes Denmark, Norway, Sweden, Iceland, Poland, Russia and the white cement operations in Belgium and France. Belgium, previously included in the Nordic & Baltic and US region, includes the activities of the Compagnie des Ciments Belges S.A. group in Belgium and France. North America includes the United States, previously included in the item "Other" of the Nordic & Baltic and US region. Turkey and Egypt have been grouped into the Eastern Mediterranean segment, while the Asia Pacific segment includes China, Malaysia and Australia.

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

The following table shows the performance of each operating segment for the first half of 2018:

(EUR '000)	Nordic & Baltic		Belgium	North America	Eastern Mediterranean		Asia Pacific	Italy	Unallocated items and adjustments	CEMENTIR HOLDING GROUP
	Denmark	Other *		USA	Turkey	Egypt				
Operating revenue	**183,801**	**121,811**	**123,060**	**50,046**	**105,220**	**12,402**	**45,301**	**45,703**	**(82,219)**	**605,125**
Intra-segment operating revenue	(39,550)	(1,610)	-	(424)	(1,651)	(637)	(25)	(38,322)	82,219	-
Contributed operating revenue	144,251	120,201	123,060	49,622	103,569	11,765	45,276	7,381	-	605,125
Segment result (EBITDA)	**38,216**	**7,969**	**23,358**	**5,764**	**10,221**	**1,516**	**8,269**	**675**	**-**	**95,988**
Amortisation, depreciation, impairment losses and provisions	(11,577)	(2,528)	(9,103)	(2,734)	(6,164)	(1,124)	(3,178)	(1,095)	-	(37,503)
EBIT	**26,639**	**5,441**	**14,255**	**3,030**	**4,057**	**392**	**5,091**	**(420)**	-	**58,485**
Net profit (loss) of equity-accounted investees	(302)	162	-	719	-	-	-	-	-	579
Net financial expense	-	-	-	-	-	-	-	-	34,903	34,903
Profit (loss) before taxes	-	-	-	-	-	-	-	-	-	**93,967**
Income taxes	-	-	-	-	-	-	-	-	(13,903)	(13,903)
Profit (loss) for the year	-	-	-	-	-	-	-	-	-	**80,064**

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

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

(EUR '000)	Nordic & Baltic		Belgium	North America	Eastern Mediterranean		Asia Pacific	Italy	Unallocated items and adjustments	CEMENTIR HOLDING GROUP
	Denmark	Other *		USA	Turkey	Egypt				
Operating revenue	**183,918**	**118,729**	**121,638**	**10,566**	**99,103**	**22,857**	**39,836**	**18,119**	**(46,338)**	**568,428**
Intra-segment operating revenue	(25,658)	(2,168)	(724)	(477)	-	(81)	-	(17,230)	46,338	-
Contributed operating revenue	158,260	116,561	120,914	10,089	99,103	22,776	39,836	889	-	568,428
Segment result (EBITDA)	**39,127**	**9,154**	**19,497**	**559**	**5,465**	**8,442**	**8,324**	**(2,900)**	**-**	**87,668**
Amortisation, depreciation, impairment losses and provisions	(10,635)	(2,689)	(9,384)	(774)	(8,220)	(1,144)	(3,064)	(589)	-	(36,499)
EBIT	**28,492**	**6,465**	**10,113**	**(215)**	**(2,755)**	**7,298**	**5,260**	**(3,489)**	-	**51,169**
Net profit (loss) of equity-accounted investees	(665)	2,890	-	-	-	-	-	-	-	2,225
Net financial expense	-	-	-	-	-	-	-	-	(12,919)	(12,919)
Profit (loss) before taxes	-	-	-	-	-	-	-	-	-	**40,475**
Income taxes	-	-	-	-	-	-	-	-	(12,766)	(12,766)
Profit (loss) for the year	-	-	-	-	-	-	-	-	-	**27,709**

The following table shows other data for each geographical segment at 30 June 2018:

(EUR '000)	Segment assets	Segment liabilities	Equity-accounted investments	[2]Investments in property, plant and equipment and intangible assets
Nordic & Baltic:				
Denmark	513,524	283,610	2,458	10,786
Others*	135,517	72,854	1,896	3,201
Belgium	508,485	247,443	59	4,482
North America	303,515	41,082	-	2,750
Eastern Mediterranean:				
Turkey	377,130	79,584	-	5,462
Egypt	94,169	16,315	-	119
Asia Pacific	140,147	14,938	-	2,419
Italy	171,488	379,766	-	1,690
Total	**2,243,975**	**1,135,592**	**4,413**	**30,909**

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

The following table shows other data for each segment at 31 December 2017 and at 30 June 2017:

(EUR '000)	31.12.2017			30.06.2017
	Segment assets	**Segment liabilities**	**Equity-accounted investments**	**[3]Investments in property, plant and equipment and intangible assets**
Nordic & Baltic:				
Denmark	537,303	228,095	2,762	22,183
Others*	128,250	60,961	1,735	1,427
Belgium	510,774	259,821	59	5,801
North America	46,163	4,436	17,914	94
Eastern Mediterranean:				
Turkey	405,538	77,155	-	3,094
Egypt	92,562	17,653	-	800
Asia Pacific	137,637	15,661	-	684
Italy	499,102	677,888	-	4,252
of which held for sale	*431,829*	*117,873*	-	*2,733*
Total	**2,357,329**	**1,341,670**	**22,470**	**38,335**

[3] Investments made in the first half of 2017.

Notes to the condensed interim consolidated financial statements

1) Intangible assets with a finite useful life

At 30 June 2018, intangible assets with a finite useful life amounted to EUR 219,187 thousand (31 December 2017: EUR 128,462 thousand). Concession rights and licences mainly consisted of concessions to use quarries and software licences for the IT system (SAP R/3). The increase for the period is mainly attributable to the recognition of a customer list for approx. EUR 93 million deriving from the provisional allocation of the amount paid to acquire control of LWCC, as described in Note 31.

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 2018	**1,988**	**31,629**	**141,232**	**1,363**	**176,212**
Increase	-	3	1,539	120	1,662
Decrease	(207)	-	(68)	-	(275)
Impairment losses	-	-	-	-	-
Change in consolidation scope	-	-	92,968	-	92,968
Translation differences	5	(2)	3,055	-	3,058
Reclassifications	-	54	923	(973)	4
Gross amount at 30 June 2018	**1,786**	**31,684**	**239,649**	**510**	**273,629**
Amortisation at 1 January 2018	**1,906**	**14,940**	**30,904**	**-**	**47,750**
Amortisation and depreciation	41	693	6,341	-	7,075
Decrease	(207)	-	(42)	-	(249)
Change in consolidation scope	-	-	322	-	322
Translation differences	5	40	(501)	-	(456)
Reclassifications	-	-	-	-	-
Amortisation at 30 June 2018	**1,745**	**15,673**	**37,024**	**-**	**54,442**
Net amount at 30 June 2018	**41**	**16,011**	**202,625**	**510**	**219,187**

(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**	**132,940**	**722**	**163,145**
Increase	-	4,300	14,768	1,285	20,353
Decrease	-	-	-	-	-
Impairment losses	-	-	-	-	-
Reclassifications to assets held for sale	(2)	-	(5,490)	-	(5,492)
Translation differences	(16)	(948)	(1,055)	(3)	(2,022)
Reclassifications		800	69	(641)	228
Gross amount at 31 December 2017	**1,988**	**31,629**	**141,232**	**1,363**	**176,212**
Amortisation at 1 January 2017	**1,766**	**13,854**	**22,884**	**-**	**38,504**
Amortisation and depreciation	156	1,289	10,890	-	12,335
Decrease	-	-	-	-	-
Reclassifications to assets held for sale	-	-	(2,182)	-	(2,182)
Translation differences	(16)	(205)	(911)	-	(1,132)
Reclassifications	-	2	223	-	225
Amortisation at 31 December 2017	**1,906**	**14,940**	**30,904**	**-**	**47,750**
Net amount at 31 December 2017	**82**	**16,689**	**110,328**	**1,363**	**128,462**

2) Intangible assets with an indefinite useful life

Intangible assets with an indefinite useful life are formed by goodwill allocated to the CGUs, at 30 June 2018 the item amounted to EUR 381,159 thousand (EUR 346,641 thousand at 31 December 2017). The increase for the period is attributable to the recognition of a provisional goodwill deriving from the acquisition of control of LWCC, as described in Note 31. The following table shows CGUs by macro geographical segment.

								30.06.2018
	Nordic & Baltic		**North America**	**Eastern Mediterranean**		**Asia-Pacific**	**Italy**	**Total**
	Denmark	**Other**	**USA**	**Turkey**	**Egypt**			
Opening balance	**230,679**	**25,564**	**-**	**85,546**	**1,784**	**3,068**	**-**	**346,641**
Increase	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-
Change in consolidation scope	-	-	43,830	-	-	-	-	43,830
Translation differences	(13)	1,120	1,677	(12,240)	53	91	-	(9,312)
Reclassifications	-	-	-	-	-	-	-	-
Closing balance	**230,666**	**26,684**	**45,507**	**73,306**	**1,837**	**3,159**	**-**	**381,159**

	Nordic & Baltic		North America	Eastern Mediterranean		Asia-Pacific	Italy	Total
								31.12.2017
	Denmark	Other	USA	Turkey	Egypt			
Opening balance	**230,111**	**31,794**	**-**	**101,095**	**1,993**	**3,214**	**6,935**	**375,142**
Increase	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-	-	(6,935)	(6,935)
Translation differences	568	(3,196)	-	(18,583)	(209)	(146)	-	(21,566)
Reclassifications	-	-	-	-	-	-	-	-
Closing balance	**230,679**	**28,598**	**-**	**82,512**	**1,784**	**3,068**	**-**	**346,641**

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

3) Property, plant and equipment

At 30 June 2018, property, plant and equipment amounted to EUR 799,742 thousand (31 December 2017: EUR 759,840 thousand). Additional disclosures for each category of property, plant and equipment are set out below:

(EUR '000)	Land and buildings	Quarries	Plant and equipment	Other	Assets under development and	Total
Gross amount at 1 January 2018	**472,658**	**187,229**	**1,412,230**	**75,609**	**47,412**	**2,195,138**
Increase	424	968	5,598	1,064	21,193	29,247
Decrease	(39)	(142)	(5,519)	(2,925)	(610)	(9,235)
Change in consolidation scope	17,568	850	80,009	2,994	3,719	105,140
Translation differences	(8,681)	(621)	(27,148)	(2,982)	(52)	(39,484)
Reclassifications	177	-	16,322	98	(16,601)	(4)
Gross amount at 30 June 2018	**482,107**	**188,284**	**1,481,492**	**73,858**	**55,061**	**2,280,802**
Amortisation at 1 January 2018	**284,169**	**20,368**	**1,076,112**	**54,649**	**-**	**1,435,298**
Amortisation and depreciation	4,791	512	22,996	1,715	-	30,014
Decrease	(36)	-	(4,998)	(2,801)	-	(7,835)
Change in consolidation scope	12,951	124	35,779	2,626	-	51,480
Translation differences	(3,533)	(388)	(22,192)	(1,784)	-	(27,897)
Reclassifications	(34)	-	34	-	-	-
Amortisation at 30 June 2018	**298,308**	**20,616**	**1,107,731**	**54,405**	**-**	**1,481,060**
Net amount at 30 June 2018	**183,799**	**167,668**	**373,761**	**19,453**	**55,061**	**799,742**

(EUR '000)	Land and buildings	Quarries	Plant and equipment	Other	Assets under development and	Total
Gross amount at 1 January 2017	**590,591**	**215,794**	**1,806,635**	**91,340**	**53,375**	**2,757,735**
Increase	1,238	892	13,853	2,356	47,159	65,498
Decrease	(12)	(36)	(7,314)	(8,342)	-	(15,704)
Impairment losses	-	-	(3,468)	-	-	(3,468)
Reclassifications to assets held for sale	(97,265)	(28,700)	(359,126)	(5,482)	(20,500)	(511,073)
Translation differences	(23,621)	(1,288)	(67,668)	(4,930)	(679)	(98,186)
Reclassifications	1,727	567	29,318	667	(31,943)	336
Gross amount at 31 December 2017	**472,658**	**187,229**	**1,412,230**	**75,609**	**47,412**	**2,195,138**
Amortisation at 1 January 2017	**319,430**	**24,044**	**1,307,908**	**66,884**	**-**	**1,718,266**
Amortisation and depreciation	11,291	1,396	43,599	3,970	-	60,256
Decrease	-	-	(6,350)	(7,860)	-	(14,210)
Reclassifications to assets held for sale	(36,253)	(4,834)	(222,723)	(4,643)	-	(268,453)
Translation differences	(10,041)	(605)	(47,235)	(3,048)	-	(60,929)
Reclassifications	(258)	367	913	(654)	-	368
Amortisation at 31 December 2017	**284,169**	**20,368**	**1,076,112**	**54,649**	**-**	**1,435,298**
Net amount at 31 December 2017	**188,489**	**166,861**	**336,118**	**20,960**	**47,412**	**759,840**

4) Investment property

Investment property, totalling EUR 85,306 thousand (EUR 95,094 thousand at 31 December 2017), is recognised at fair value, as determined on an annual basis using appraisals prepared by independent property assessors.

(EUR '000)	30.06.2018			31.12.2017		
	Land	**Buildings**	**Total**	**Land**	**Buildings**	**Total**
Opening balance	**65,776**	**29,318**	**95,094**	**69,312**	**29,511**	**98,823**
Increase	-	-	**-**	-	-	**-**
Decrease	-	-	**-**	-	-	**-**
Fair value gains (losses)	-	-	**-**	9,495	586	**10,081**
Translation differences	(9,235)	(553)	**(9,788)**	(13,031)	(779)	**(13,810)**
Reclassifications	-	-	**-**	-	-	**-**
Closing balance	**56,541**	**28,765**	**85,306**	**65,776**	**29,318**	**95,094**

At 30 June 2018, approximately EUR 18.3 million of investment property was pledged as collateral on bank loans totalling a residual, non-discounted amount of approximately EUR 6.6 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:

Companies	Business	Registered office	Investment %	**Carrying amount 30.06.2018**	**Share of profit or loss 30.06.2018**
Lehigh White Cement Company *Joint Venture*	Cement	Allentown (USA)	* 24.5%	-	* 719
Sola Betong AS	Ready-mixed concrete	Tananger (Norway)	33.3%	1,107	93
ECOL Unicon Spzoo	Ready-mixed concrete	Gdansk (Poland)	49%	2,458	(302)
ÅGAB Syd Aktiebolag	Aggregates	Svedala (Sweden)	40%	789	69
EPI UK R&D	Research & development	Morden (United Kingdom)	50%	-	-
Recybel	Other	Liegi-Flemalle (Belgium)	25.5%	59	-
Total				**4,413**	**579**

Companies	Business	Registered office	Investment %	**Carrying amount 31.12.2017**	**Share of profit or loss 30.06.2017**
Lehigh White Cement Company *Joint Venture*	Cement	Allentown (USA)	24.5%	17,914	3,015
Sola Betong AS	Ready-mixed concrete	Tananger (Norway)	33.3%	969	25
ECOL Unicon Spzoo	Ready-mixed concrete	Gdansk (Poland)	49%	2,762	(665)
ÅGAB Syd Aktiebolag	Aggregates	Svedala (Sweden)	40%	766	(108)
EPI UK R&D	Research & development	Morden (United Kingdom)	50%	-	(42)
Recybel	Other	Liegi-Flemalle (Belgium)	25.5%	59	-
Total				**22,470**	**2,225**

* The share of profit or loss, and relative investment percentage, of Lehigh White Cement Company refers to the first quarter 2018, before the acquisition of control on 29 March 2018.

No indicators of impairment were identified for these investments.

6) Available-for-sale equity investments

(EUR '000)	**30.06.2018**	**31.12.2017**
Available-for-sale equity investments *opening balance*	**221**	**571**
Increase (decrease)	-	-
Fair value gains (losses)	-	-
Change in consolidation scope	-	-
Reclassifications to assets held for sale	-	(340)
Translation differences	(6)	(10)
Available-for-sale equity investments *closing balance*	**215**	**221**

No indicators of impairment were identified for these investments.

7) Inventories

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

(EUR '000)	30.06.2018	31.12.2017
Raw materials, consumables and supplies	94,244	78,167
Work in progress	37,676	22,570
Finished goods	37,690	25,344
Advances	923	646
Inventories	**170,533**	**126,727**

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.

In particular, the change to raw materials, consumables and supplies is negative for EUR 11,575 thousand (negative for EUR13,502 thousand at 30 June 2017) and is recorded in the income statement under "Costs for raw materials" (note 23), whereas the change to products in progress and finished goods recorded in the income statement is positive for EUR 7,151 thousand (positive for EUR 1,077 thousand at 30 June 2017).

8) Trade receivables

Trade receivables totalled EUR 252,290 thousand (31 December 2017: EUR 160,629 thousand) and break down as follows:

(EUR '000)		30.06.2018	31.12.2017
Trade receivables		251,360	159,623
Allowances for impairment		(6,080)	(5,952)
Net trade receivables		**245,280**	**153,671**
Advances to suppliers		4,740	1,065
Trade receivables - related parties	(note 33)	2,270	5,893
Trade receivables		**252,290**	**160,629**

The carrying amount of trade receivables equals their fair value. They arise on commercial transactions for the sale of goods and services and do not present significant credit risks.

The breakdown by due date is shown below:

(EUR '000)	30.06.2018	31.12.2017
Not yet due	206,644	113,322
Overdue:	44,716	46,301
0-30 days	*26,098*	*21,263*
30-60 days	*9,048*	*8,864*
60-90 days	*3,789*	*5,778*
More than 90 days	*5,781*	*10,396*
Total trade receivables	251,360	159,623
Allowances for impairment	(6,080)	(5,952)
Net trade receivables	**245,280**	**153,671**

9) Current and non-current financial assets

Non-current financial assets of EUR 1,833 thousand (EUR 2,176 thousand at 31 December 2017) mainly refer to financial items which will be expensed upon termination of the financing contract signed by Cementir Holding SpA.

Current assets totalled EUR 1,804 thousand (EUR 1,067 thousand at 31 December 2017) mainly consist in loan assets. Breakdown is as follows:

(EUR '000)		30.06.2018	31.12.2017
Fair value of derivatives		801	335
Accrued income/ Prepayments		704	730
Loan assets - related parties	(note 33)	-	-
Other loan assets		299	2
Current financial assets		**1,804**	**1,067**

10) Current tax assets

Current tax assets, totalling EUR 10,737 thousand (EUR 7,060 thousand at 31 December 2017), 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 7,552 thousand (31 December 2017: EUR 8,296 thousand) and mainly consisted of VAT assets and deposits.

Other current assets totalled EUR 20,700 thousand (31 December 2017: EUR 18,511 thousand) and consisted of non-commercial items.

The caption breaks down as follows:

(EUR '000)		30.06.2018	31.12.2017
VAT assets		4,573	4,040
Personnel		265	261
Accrued income		622	276
Prepayments		6,949	3,986
Other receivables		8,291	9,948
Other receivables with related parties	(note 33)	-	-
Other current assets		**20,700**	**18,511**

12) Cash and cash equivalents

Totalling EUR 257,425 thousand (31 December 2017: EUR 214,528 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)		30.06.2018	31.12.2017
Bank and postal deposits		257,005	214,129
Bank deposits – related parties	(note 33)	-	-
Cash-in-hand and cash equivalents		420	399
Cash and cash equivalents		**257,425**	**214,528**

13) Equity

Equity attributable to the owners of the parent

Equity attributable to the owners of the parent amounted to EUR 977,138 thousand at 30 June 2018 (31 December 2017: EUR 956,188 thousand). Profit for the first half attributable to the owners of the parent totalled EUR 77,591 thousand (2017: EUR 15,504 thousand).

Share capital

The Company'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 end. There are no pledges or restrictions on the shares.

Translation reserve

At 30 June 2018, the translation reserve had a negative balance of EUR 535,269 thousand (31 December 2017: negative EUR 500,469 thousand), broken down as follows:

(EUR '000)	30.06.2018	31.12.2017	Change
Turkey (Turkish lira – TRY)	(480,547)	(436,117)	(44,430)
USA (US dollar – USD)	3,319	(811)	4,130
Egypt (Egyptian pound – EGP)	(61,694)	(63,261)	1,567
Iceland (Icelandic krona – ISK)	(2,282)	(2,337)	55
China (Chinese renminbi – CNY)	8,373	7,543	830
Norway (Norwegian krone – NOK)	(4,348)	(5,542)	1,194
Sweden (Swedish krona – SEK)	(1,320)	(766)	(554)
Other countries	3,230	822	2,408
Total translation reserve	**(535,269)**	**(500,469)**	**(34,800)**

Other reserves

At 30 June 2018, other reserves amounted to EUR 1,208,161 thousand (31 December 2017: EUR 1,158,531 thousand) and consisted primarily of retained earnings, totalling EUR 977,631 thousand (31 December 2017: EUR 903,698 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 (EUR 55,705 at 31 December 2017).

Equity attributable to non-controlling interests

Equity attributable to non-controlling interests amounted to EUR 131,245 thousand at 30 June 2018 (31 December 2017: EUR 59,470 thousand). Profit for the first half attributable to non-controlling interests totalled EUR 2,473 thousand (first half of 2017: EUR 3,114 thousand).

The increase for the period is attributable to the full consolidation of the company LWCC as from 29 March 2018.

14) Employee benefits

Provisions for employee benefits at 30 June 2018 totalled EUR 32,664 thousand (31 December 2017: EUR 34,598 thousand) and did not change significantly over the year. The caption includes provisions for employee benefits and post-employment (severance indemnity) benefits.

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 (LTI) plan envisages the payment of a variable monetary bonus, calculated as a percentage on the basis of the gross annual salary of the beneficiary, which is tied to the achievement of the business and financial objectives set forth in the business plan.

Liabilities for employee benefits, mainly in Turkey, Belgium and Norway, are included in the defined benefit plans and are partly funded by insurance plans. In particular, plan assets refer to the pension plans in Belgium and Norway.

Post-employment benefits are an unfunded and fully provisioned liability recognised for benefits attributable to employees upon or after termination of employment. As they are defined benefit plans, actuarial assumptions are used for their measurement:

15) Provisions

Non-current and current provisions amounted to EUR 29,842 thousand (31 December 2017: EUR 29,426 thousand) and EUR 2,589 thousand (31 December 2017: EUR 2,869 thousand) respectively.

(EUR '000)	Quarry restructuring provision	Litigation provision	Other provisions	Total provisions
Balance at 1 January 2018	**25,226**	**2,051**	**5,018**	**32,295**
Provisions	19	42	329	390
Utilisations	(77)	(96)	(52)	(225)
Decrease	-	-	(43)	(43)
Change in consolidation scope	-	-	669	669
Translation differences	(572)	(154)	39	(687)
Reclassifications	-	-	-	-
Other changes	27	(4)	9	32
Balance at 30 June 2018	**24,623**	**1,839**	**5,969**	**32,431**
Including:				
Non-current provisions	24,305	802	4,735	**29,842**
Current provisions	318	1,037	1,234	**2,589**

(EUR '000)	Quarry restructuring provision	Litigation provision	Other provisions	Total provisions
Balance at 1 January 2017	**25,965**	**5,661**	**7,125**	**38,751**
Provisions	686	116	3,473	**4,275**
Utilisations	(18)	(1,747)	(185)	**(1,950)**
Decrease	(172)	(1,230)	(18)	**(1,420)**
Reclassifications to liabilities associated with	(385)	(589)	(4,963)	**(5,937)**
Translation differences	(1,061)	(369)	(74)	**(1,504)**
Reclassifications	211	209	(340)	**80**
Other changes	-	-	-	**-**
Balance at 31 December 2017	**25,226**	**2,051**	**5,018**	**32,295**
Including:				
Non-current provisions	24,925	802	3,699	**29,426**
Current provisions	301	1,249	1,319	**2,869**

16) Trade payables

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

(EUR '000)		30.06.2018	31.12.2017
Suppliers		186,521	201,133
Related parties	(note 33)	274	58
Advances		4,528	3,013
Trade payables		**191,323**	**204,204**

17) Financial liabilities

Non-current and current financial liabilities are shown below:

(EUR '000)		30.06.2018	31.12.2017
Bank loans and borrowings		510,300	696,090
Non-current loan liabilities - related parties	(note 33)	-	-
Non-current financial liabilities		**510,300**	**696,090**
Bank loans and borrowings		98,724	11,023
Current portion of non-current financial liabilities		35,116	41,994
Current loan liabilities - related parties	(note 33)	-	-
Other loan liabilities		1,081	1,076
Fair value of derivatives		9,318	8,683
Current financial liabilities		**144,239**	**62,776**
Total financial liabilities		**654,539**	**758,866**

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

Non-current financial liabilities dropped compared to 31 December 2017 due to the extinction of the term loan credit line for EUR 195 million in February. The increase in current financial liabilities can be attributed to payment of USD 107.6 million (about EUR 89 million) to purchase 38.75% of Lehigh White Cement Company, as described in Note 32, from net working capital dynamics and annual maintenance of plants, usually performed in the first half of the year.

Approximately 93% of financial liabilities are subject to financial covenants, which the Group complied with at 30 June 2018.

As required by CONSOB Communication 6064293 of 28 July 2006, the Group's net financial debt is shown in the next table:

(EUR '000)	30.06.2018	31.12.2017*
A. Cash	420	399
B. Other cash equivalents	257,005	214,129
C. Securities held for trading	-	-
D. Cash and cash equivalents	**257,425**	**214,528**
E. Current loan assets	**1,804**	**1,067**
F. Current bank loans and borrowings	(22,680)	(11,023)
G. Current portion of non-current debt	(101,584)	(32,439)
H. Other current loan liabilities	(19,975)	(19,314)
I. Current financial debt (F+G+H)	**(144,239)**	**(62,776)**
J. Net current financial position (debt) (I-E-D)	**114,990**	**152,819**
K. Non-current bank loans and borrowings	(510,300)	(696,090)
L. Bonds issued	-	-
M. Other non-current liabilities	-	-
N. Non-current financial debt (K+L+M)	**(510,300)**	**(696,090)**
O. Net financial debt (J+N)	**(395,310)**	**(543,271)**

*Net financial debts at 31 December 2017 exclude the financial assets and liabilities of the Italian companies held for sale.

18) Current tax liabilities

Current tax liabilities amounted to EUR 19,827 thousand (31 December 2017: EUR 16,420 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 5,257 thousand (31 December 2017: EUR 5,020 thousand) included approximately EUR 4.5 million of deferred income (31 December 2017: EUR 4.9 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 3.3 million (31 December 2017: EUR 1.6 million) are expected after five years.

Other current liabilities totalled EUR 55,414 thousand (31 December 2017: EUR 44,850 thousand) and break down as follows:

(EUR '000)		30.06.2018	31.12.2017
Personnel		28,370	24,857
Social security institutions		5,008	3,658
Trade payables - related parties	(note 33)	73	58
Deferred income		1,073	1,271
Accrued expenses		1,464	1,361
Other sundry liabilities		19,426	13,645
Other current liabilities		**55,414**	**44,850**

Deferred income refers to the future benefits of the above-mentioned business agreement (approximately EUR 1 million; EUR 1.3 million at 31 December 2017).

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 144,137 thousand (31 December 2017: EUR 127,544 thousand) and deferred tax assets totalling EUR 31,079 thousand (31 December 2017: EUR 33,778 thousand) break down as follows:

(EUR '000)	Deferred tax liabilities	Deferred tax assets
Balance at 1 January 2018	**127,544**	**33,778**
Accrual, net of utilisation in profit or loss	208	206
Increase, net of decreases in equity	739	1,120
Change in consolidation scope	15,646	-
Translation differences	-	(1,093)
Other changes	-	(2,932)
Balance at 30 June 2018	**144,137**	**31,079**

21) Revenue

(EUR '000)		1st Half 2018	1st Half 2017
Product sales		543,003	504,186
Product sales to related parties	(note 33)	524	11,044
Services		44,940	41,676
Revenue		**588,467**	**556,906**

In the first half revenue from sales and services totalled EUR 588.5 million, up 5.7% compared to EUR 556.9 million in the first half of 2017 due to the change in the scope of consolidation, which resulted in an increase in revenue of about EUR 36.1 million related to Lehigh White Cement Company, consolidated line-by-line as of 1 April 2018.

Revenue by business are shown below:

(EUR '000)	1st Half 2018	1st Half 2017
Cement	339,358	310,462
Ready-mixed concrete	216,058	213,403
Aggregates	42,636	41,716
Waste	9,201	11,789
Other activities and intrasegment eliminations	(18,786)	(20,464)
Revenue	**588,467**	**556,906**

22) Increase for internal work and other operating revenue

Increase for internal work of EUR 5,263 thousand (EUR 5,226 thousand at 30 June 2017) refers to the capitalisation of material and personnel costs used in the realisation of property, plant and equipment and intangible fixed assets. Other operating revenue of EUR 4,244 thousand (EUR 8,239 thousand at 30 June 2017) breaks down as follows:

(EUR '000)		1st Half 2018	1st Half 2017
Rent, lease and hires		606	650
Rent, lease and hires - related parties	(note 33)	16	16
Gains		502	285
Release of provision for risks		43	1,892
Insurance refunds		11	3,571
Other revenue and income		3,064	1,822
Other revenue and income - related parties	(note 33)	2	3
Other operating revenue		**4,244**	**8,239**

23) Raw materials costs

(EUR '000)	1st Half 2018	1st Half 2017
Raw materials and semi-finished products	134,322	110,650
Fuel	61,155	58,772
Electrical energy	37,346	36,817
Other materials	23,450	25,446
Change in raw materials, consumables and goods	(11,575)	(12,674)
Raw materials costs	**244,698**	**219,011**

24) Personnel costs

(EUR '000)	1st Half 2018	1st Half 2017
Wages and salaries	73,648	73,557
Social security charges	13,229	13,458
Other costs	4,069	3,839
Personnel costs	**90,946**	**90,854**

Personnel costs on the first half of 2018 included EUR 0.3 million of extraordinary reorganisation costs (EUR 2.1 Million in the first half of 2017).

The Group's workforce breaks down as follows:

	30.06.2018	31.12.2017	30.06.2017	Average 30.06.2018	Average 30.06.2017
Executives	73	68	71	68	86
Middle management, white collars and intermediates	1,330	1,293	1,290	1,297	1,549
Blue collars	1,696	1,660	1,642	1,648	1,905
Total	**3,099**	**3,021**	**3,003**	**3,013**	**3,540**

More specifically, at 30 June 2018, employees in service at the parent and the other direct subsidiaries numbered 76 (82 at 31 December 2017); those at the Cimentas Group numbered 842 (31 December 2017: 885), those at the Aalborg Portland Group numbered 1,056 (31 December 2017: 913), those at the Unicon Group numbered 670 (31 December 2017: 670), and those at the CCB Group numbered 455 (31 December 2017: 471).

.25) Other operating costs

(EUR '000)		1st Half 2018	1st Half 2017
Transport		73,355	69,188
Services and maintenance		51,624	50,207
Consultancy		5,867	5,020
Insurance		2,210	2,621
Other miscellaneous services – related parties	(note 33)	266	260
Rent, lease and hires		12,224	10,171
Rent, lease and hires - related parties	(note 33)	783	40
Other operating costs		27,164	33,389
Other operating costs		**173,493**	**170,896**

26) Amortisation, depreciation, impairment losses and provisions

(EUR '000)	1st Half 2018	1st Half 2017
Amortisation	7,075	3,517
Depreciation	30,014	32,871
Provisions	390	70
Impairment losses	24	41
Amortisation, depreciation, impairment losses and provisions	**37,503**	**36,499**

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

The net income for the first half of 2018 of EUR 35,482 thousand (first half of 2017: EUR - 10,694 thousand) relates to the share of net profits of equity-accounted investees and net financial expense, broken down as follows:

(EUR '000)		1st Half 2018	1st Half 2017
Share of profits of equity-accounted investees		881	3,040
Share of losses of equity-accounted investees		(302)	(815)
Share of net profits of equity-accounted investees		**579**	**2,225**
Interest and financial income		1,732	1,803
Interest and financial income - related parties	(note 33)	-	8
Grants related to interest		-	-
Financial income on derivatives		14,220	4,464
Revaluation of equity investments		38,855	-
Total financial income		*54,807*	*6,275*
Interest expense		(8,105)	(9,391)
Other financial expense		(6,305)	(4,107)
Interest and financial expense - related parties	(note 33)	-	(708)
Losses on derivatives		(989)	(2,645)
Write-downs of equity investments		-	-
Total financial expense		*(15,399)*	*(16,851)*
Exchange rate gains		2,496	5,205
Exchange rate losses		(7,001)	(7,548)
Foreign exchange rate gains (losses)		*(4,505)*	*(2,343)*
Net financial income (expense)		**34,903**	**(12,919)**
Net financial income (expense) and share of net profits of equity-accounted investees		**35,482**	**(10,694)**

Net financial income was EUR 34.9 million (negative for EUR 12.9 million in the first half of 2017). That result includes EUR 38.9 million of fair value of the 24.5% share already held by the Group in LWCC, as required by the international accounting standards (IFRS 3 Business Combinations), recognised in the second quarter with the line-by-line consolidation of LWCC. It also benefits from the increase in the mark-to-market value of the financial instruments held to hedge commodities, interest rates and currencies, partially offset by losses from exchange rate differences for EUR 4.5 million.

In light of the aforementioned measurements, around EUR 1.7 million (first half of 2017: EUR 4.4 million) are unrealised gains and around EUR 0.5 million are unrealised losses (zero in the first half of 2017).

28) Income taxes

(EUR '000)	1st Half 2018	1st Half 2017
Current taxes	13,901	20,070
Deferred taxes	2	(7,304)
Income taxes	**13,903**	**12,766**

29) Earnings per share

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

	1st Half 2018	1st Half 2017
Profit attributable to the owners of the parent (EUR '000)	77,591	15,504
Weighted average number of outstanding ordinary shares ('000)	159,120	159,120
Earnings per share (EUR)	**0.488**	**0.097**

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 2018			1st Half 2017		
	Gross amount	Tax effect	Net amount	Gross amount	Tax effect	Net amount
Net actuarial gains (losses) on post-employment benefits	-	-	**-**	-	-	**-**
Foreign currency translation differences - foreign operations	(32,923)	-	**(32,923)**	(44,600)	-	**(44,600)**
Financial instruments	(4,602)	1,120	**(3,482)**	(776)	229	**(547)**
Total other comprehensive income (expense)	**(37,525)**	**1,120**	**(36,405)**	**(45,376)**	**229**	**(45,147)**

31) Company acquisitions and sales

ACQUISITION OF LEHIGH WHITE CEMENT COMPANY

On 29 March 2018, Cementir Holding finalised its purchase of a further 38.75% share in Lehigh White Cement Company ("LWCC") from Lehigh Cement Company LLC, controlled by HeidelbergCement AG.

As a result of this transaction, the Cementir group has control of LWCC with a stake of 63.25%, while the remaining 36.75% is held by CEMEX Inc.

The acquisition enables direct management of assets in the United States in the white cement segment, the Group's core business; strengthening its global leadership consistent with its growth strategy.

The initial acquisition amount established was USD 107.6 million (EUR 88.9 million), paid in full at closing, financed by cash and available credit lines.

The consideration will be subject to adjustments in line with the terms of the acquisition agreement. The transaction is classified as a business combination achieved in stages and has been treated in accordance with IFRS 3. At the date of this condensed interim consolidated financial statements, the calculation of the fair value of the assets acquired and the liabilities assumed had not yet been completed. The current value of net assets acquired was calculated provisionally and it will be completed when all information on facts and circumstances that existed at the date of acquisition will be obtained, and in any event not later than twelve months from the operation date.

The following table shows the provisional fair values of the net assets acquired at the acquisition date:

(EUR '000)	Provisional amounts at 29.03.2018	Provision rectifications	Provisional fair value at 29.03.2018
Intangible assets with a finite useful life	1	92,645	92,646
Property, plant and equipment	28,507	25,151	53,657
Equity investments	-	-	-
Non-current financial assets	-	-	-
Deferred tax assets	-	-	-
Inventories	30,992	-	30,992
Trade receivables	16,404	-	16,404
Current tax assets	-	-	-
Other current assets	706	-	706
Employee benefits	-	-	-
Other non-current provisions	(669)		(669)
Deferred tax liabilities	-	(16,460)	(16,460)
Trade payables	(10,977)	-	(10,977)
Current tax liabilities	(42)	-	(42)
Other current liabilities	(607)	-	(607)
The Group's share of net assets acquired	**64,317**	**101,333**	**165,649**
Consideration paid to acquire control			**88,934**
Restatement at fair value of the share previously held			**56,229**
Goodwill attributed to the Group			**43,830**

On the basis of the above, the provisional fair value recognition of the assets acquired and liabilities assumed in the acquisition entailed the following accounting effects:

- **Intangible assets with a finite useful life**: include the recognition of the fair value of American customer list for approx. EUR 93 million, and based on the customer turnover rate, a remaining useful life has been considered at 20 years;
- **Property, plant and equipment**: the caption includes a fair value adjustment of a total EUR 25.2 million mainly attributable to the greatest value recognised to the two plants owned by the company and to surrounding lands.

The relevant deferred fiscal effects were recognised on the above adjustments,

Provisional allocation of the amount paid to acquire control involved recording goodwill for EUR 43,830 thousand (note 2).

As pointed before, activities relative to the determination of the fair value are underway and, on the basis of information currently available, it is noted that the amounts above-indicated may be subject to change. If, in the measurement period, the new information obtained should lead to rectification of values attributed provisionally to net assets acquired, acquisition accounting will be reviewed.

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As it is a business combination achieved in stages, previously held equity interest of 24.5% is re-measured at its acquisition-date fair value and a gain of EUR 38.9 million has been recognised in the income statement (note 27).

From the acquisition date, the company LWCC generated revenue of approx. EUR 36 million and a profit of approx. EUR 4 million. Directors believe that, had the acquisition taken place on 1 January 2018, consolidated revenue and profit would have been higher by around EUR 30 million and EUR 3 million, respectively.

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 2018 (EUR '000)	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment property	4	-	56,181	29,125	**85,306**
Current financial assets (derivative instruments)	9	-	801	-	**801**
Total assets		**-**	**56,982**	**29,125**	**86,107**
Current financial liabilities (derivative instruments)	17	-	(9,318)	-	**(9,318)**
Total liabilities		**-**	**(9,318)**	**-**	**(9,318)**

31 December 2017 (EUR '000)	Note	Level 1	Level 2	Level 3	Total
Investment property	4	-	65,969	29,125	**95,094**
Current financial assets (derivative instruments)	9	-	335	-	**335**
Total assets		**-**	**66,304**	**29,125**	**95,429**
Current financial liabilities (derivative instruments)	17	-	(8,683)		**(8,683)**
Total liabilities		**-**	**(8,683)**		**(8,683)**

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, as last amended by the Board of Directors of 3 March 2017. The procedure is published on the corporate 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 2018 (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	-	-	-	-	**-**	-	-
Other non-current assets	-	-	-	-	**-**	-	-
Trade receivables	33	-	2,237	-	**2,270**	**252,290**	0.9%
Cash and cash equivalents	-	-	-	-	**-**	-	-
Trade payables	225	-	49	-	**274**	**191,323**	0.1%
Other non-current liabilities	-	-	73	-	**73**	**57,415**	0.1%
Other current liabilities	-	-	-	-	**-**	-	-
Non-current financial liabilities	-	-	-	-	**-**	-	-
Current financial liabilities	-	-	-	-	**-**	-	-
Income statement							
Revenue	-	-	524	-	**524**	**588,467**	0.1%
Other operating revenue	-	-	18	-	**18**	**4,244**	0.4%
Other operating costs	225	-	824	-	**1,049**	**173,493**	0.6%
Financial income	-	-	-	-	**-**	-	-
Financial expense	-	-	-	-	**-**	-	-

31 December 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	-	-	-	-	**-**	**-**	-
Other non-current assets	-	-	-	-	**-**	**-**	-
Trade receivables	25	3,063	2,805	-	**5,893**	**160,629**	3.7%
Cash and cash equivalents	-	-	-	-	**-**	**-**	-
Trade payables	-	4	54	-	**58**	**204,204**	0.03%
Other non-current liabilities	-	-	-	-	**-**	**-**	-
Other current liabilities	-	-	58	-	**58**	**44,850**	0.1%
Non-current financial liabilities	-	-	-	-	**-**	**-**	-
Current financial liabilities	-	-	-	-	**-**	**-**	-
30 June 2017							
Income statement							
Revenue	-	10,796	248	-	**11,044**	**556,906**	2.0%
Other operating revenue	-	-	19	-	**19**	**8,239**	0.2%
Other operating costs	225	-	75	-	**300**	**170,896**	0.2%
Financial income	-	8	-	-	**8**	**6,275**	0.1%
Financial expense	-	-	-	-	**-**	**-**	-

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. Revenue and costs connected with business transactions with the ultimate parent and companies under common control include various services, such as leases.

For relations of a financial nature, there are no non-current financial liabilities with related parties (consistent with 31 December 20179.

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 2018.

34) Legal disputes and potential liabilities

Referred to a dispute between the Turkish stock exchange's regulatory and supervisory body Capital Market Board - CMB) and the Turkish company Cimentas AS, indirect subsidiary of Cementir Holding SpA, over the intragroup sale price of an equity investment in 2009, in which the CMB obliged 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 19 million). A decision on the action for dismissal brought by Cimentas AS is still pending on the merits. On 29 January 2018, CMB served a summons to Cementir Holding to appear before the Court of Izmir, requesting that the company be ordered to pay to Cimentas AS an amount provisionally set at approximately 1 million Turkish Lira. Cementir Holding SpA duly filed an appearance, arguing the total baselessness of the plaintiff's argument, both procedurally and on merit, and in

any case requesting suspension of the civil case until the administrative action is settled. In the unlikely event that this administrative action is rejected, the issue being solely relevant between companies of the Cementir group, would not have effects on the consolidated financial statements.

35) Other information

There are three distinct proceedings where Cementir Holding S.p.A., though not the party in question, is responsible for managing defence and could abstractly have to pay indemnity obligations, in agreements with Italcementi S.p.A. for the sale of all shares of Cementir Italia S.p.A., Cementir Sacci S.p.A. and Betontir S.p.A., which became effective on 2 January 2018.

Antitrust proceedings

On 7 August 2017, upon completion of an investigation, the Italian Antitrust Authority ("Authority") served the subsidiary Cementir Italia its final decision, imposing an administrative fine of EUR 5,090,000. The Authority found that the parties involved in the proceedings had a single, complex and ongoing arrangement to coordinate cement sales prices across Italy, also supported by a survey of the trend in their respective market shares that was carried out through an exchange of sensitive information facilitated by the industry association AITEC.

Cementir Italia submitted an appeal on 6 October 2017 to the Regional Administrative Court (TAR) of Lazio for the suspension and subsequent cancellation of the final decision of the Authority, claiming it to be without foundation and illogical, in particular because it attributes a series of alleged unlawful actions to the Company without adequate supporting evidence or in some cases total absence of evidence, and because the Authority has not justified its rejection of the detailed explanations given by the Company. On 11 November 2017, the Regional Administrative Court of Lazio did not grant a suspension of the decision. The hearing set for the appeal was held in June 2018. The decision has not yet been issued.

Tax proceedings against Cementir Italia ("Eco-tax")

In 2015, the Italian Finance Police (Guardia di Finanza) in Taranto and the Taranto Provincial Police Unit began a tax audit of the company Cementir Italia SpA. (Taranto plant) to check on payment of the special tax for the disposal in landfill of solid waste ("Eco-tax"), relating to the slag stored and used in the Taranto plant. On 19 October 2016, despite the defence submitted by the Company, Puglia Region Local Tax Service issued a notice to pay a total of EUR 1.3 million, confirmed by the definitive tax assessment dated 12 January 2017.

The Company has appealed to the Provincial Tax Commission of Bari against this decision, requesting its suspension and subsequent cancellation. The company retains that its slag is not waste but rather a by-product and in any case is not waste to be sent to landfill and hence is not subject to tax, as the material can be perfectly well recovered and used in the cement production cycle. In addition, disposal of slag is not an instance of illegal waste disposal.

On 28 June 2017, the Provincial Tax Commission of Bari accepted the request to suspend the disputed decision and set the hearing to discuss the matter for 13 December 2017.
With the decision of 14 December 2017, the Provincial Tax Commission of Bari rejected the appeal of the company. Cementir Italia considers the decision to be both factually and legally incorrect. As proof of this, the offending "waste" has in the meantime been fully removed from the area of the Taranto plant and entirely recovered.
For that reason, Cementir Italia S.p.A. presented an appeal in July 2018.

Preventive seizure of specific areas and facilities in the Italian plant at Taranto

On 28 September 2017, a preventive seizure order was served on Cementir Italia SpA, Ilva SpA (in extraordinary administration) and Enel Produzione SpA, as well as some employees of the three companies, issued by the Preliminary Investigating Judge of Lecce (Case no. 3135/17 R.Gip), which also appointed the guardians and legal administrators.
As concerns Cementir Italia, the seizure order related to:

1) seizure of the Cementir Italia SpA plant in Taranto, with provisional usage rights, subject to the order to immediately cease procuring ash from the Enel Produzione plant and Brindisi and the use in Cementir Italia’s production cycle of fly ash compliant with application legislation;
2) seizure of the remaining inventories stored in warehouses and/or other organisational units within Italy pertaining to “Cementir Italia SpA” of Portland cement (CEM V-B) produced using fly ash from the Enel Produzione plant in Brindisi.
3) seizure of the assets owned by Cementir Italia in Taranto used to process Ilva slag with provisional usage rights, for a period of 60 days, subject to the order for Cementir Italia to manage the slag as waste and to characterise and possibly restore the areas used to store the slag.

Cementir Italia’s involvement concerns the administrative offences set out in articles 5, 6 and 25-undecies, paragraph 2 letter F) Legislative Decree 231/2001 referred to article 260 of Legislative Decree 152/2006, as the actions described above are alleged to have been committed by persons responsible for the direction and management of the Cementir Italia plant in Taranto.
According to the investigators’ allegations (i) the fly ash that Cementir Italia bought from Enel Produzione, originating from the Federico II thermoelectric power plant in Brindisi, did not comply with applicable legislation, as traces of substances not derived solely from burning coal were found. Cementir Italia’s involvement in the issue, as mere purchaser of the product, is due to allegations that it knew about this situation; (ii) the blast-furnace slag supplied by Ilva to Cementir Italia should be treated as waste, due to its alleged “mechanical” impurities (presence of ferrous metals, crushed stone, debris, etc). According to the investigators, this is also proved by the treatments to which the slag in question needs to be subjected in order to be used in the cement production cycle, namely screening and deferrization, both of which are outside “normal industrial practice” for “pozzolana cement”.
Both allegations appear to be completely without foundation.

The supply of fly ash ceased in early 2016 and there are therefore no remaining quantities of cement produced using fly ash from Enel Produzione.
Regarding the slag supplied by Ilva, “the normal industrial practice” for the use of slag (which is different to pozzolana) in the production of cement includes both screening and deferrization, both expressly authorised in the Integrated Environmental Authorisation (AIA) of Cementir Italia’s Taranto plant.
With a series of subsequent measures, the judge - on request of the prosecutor - launched a special enquiry into the above events.
At the same time, the judge "unblocked" a series of rights of Cementir Italia that were originally prevented by the seizure, including the right to sell the slag cement stored at the site on the date of seizure; the right to use the slag stored at its premises; the right to procure slag from third parties; the right to use the areas for storing slag, the iron remover and the internal conveyor belts.
With the report deposited on 16 July 2018 experts appoint by the Court found (i) that the blast-furnace slag supplied by Ilva to Cementir Italia qualifies, for all purposes, as a by-product; (ii) that the fly ash that Cementir Italia bought from Enel Produzione, originating from the Federico II thermoelectric plant in Brindisi, is compliant with regulations applicable.
On 23 July 2018, Cementir Italia presented a formal appeal to release the Taranto production plant, motivating it with the accusations being manifestly unfounded, proven by the expert’s report.

36) Significant events after the close of the half year

There are no significant events to report.

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ANNEX

Annex 1

List of equity investments at 30 June 2018

Company name	Registered office	Share capital/ quotas	Currency	Type of holding % Direct	Type of holding % Indirect	Investment held by Group companies	Method
Cementir Holding SpA	Rome (I)	159,120,000	EUR			Capogruppo	Line-by-line
Aalborg Cement Company Inc.	Somerville N.J. (USA)	1,000	USD		100	Aalborg Portland US Inc,	Line-by-line
Aalborg Portland Holding A/S	Aalborg (DK)	300,000,000	DKK		75 25	Cementir Espana SL Globocem SL	Line-by-line
Aalborg Portland A/S	Aalborg (DK)	100,000,000	DKK		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland Belgium SA	Berchem-Sainte-Agathe (B)	500,000	EUR		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland España SL	Madrid (E)	3,004	EUR		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland France SAS	Paris (FR)	10,010	EUR		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland Islandì EHF	Kopavogur (IS)	303,000,000	ISK		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland Malaysia Sdn Bhd	Perak (MAL)	95,400,000	MYR		70	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland Polska Spzoo	Warszawa (PL)	100,000	PLN		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland US Inc	Somerville N.J. (USA)	1,000	USD		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland (Anqing) Co Ltd	Anqing (CN)	265,200,000	CNY		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland (Australia) Pty Ltd	Brisbane (AUS)	1,000	AUD		100	Aalborg Portland Malaysia Sdn Bhd	Line-by-line
Aalborg Portland OOO	Kingisepp (RUS)	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 (MAL)	2,543,972	MYR		100	Aalborg Portland Malaysia Sdn Bhd	Line-by-line
AB Sydsten	Malmö (S)	15,000,000	SEK		50	Unicon A/S	Line-by-line
AGAB Syd Aktiebolag	Svedala (S)	500,000	SEK		40	AB Sydsten	Equity
Alfacem Srl	Rome (I)	1,010,000	EUR	99.99		Cementir Holding SpA	Line-by-line
Basi 15 Srl	Rome (I)	400,000	EUR	100		Cementir Holding SpA	Line-by-line
Cementir Espana SL	Madrid (E)	3,007	EUR	100		Cementir Holding SpA	Line-by-line
Cimbeton AS	Izmir (TR)	1,770,000	TRY		50.28 0.06	Cimentas AS Kars Cimento AS	Line-by-line
Cimentas AS	Izmir (TR)	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 (B)	179,344,485	EUR		100	Aalborg Portland Holding A/S	Line-by-line
Compagnie des Ciments Belges France SAS (CCBF)	Villenueve d'Ascq (FR)	34,363,400	EUR		100	Compagnie des Ciments Belges SA	Line-by-line
Destek AS	Izmir (TR)	50,000	TRY		99.99 0.01	Cimentas AS Cimentas Foundation	Line-by-line
De Paepe Beton NV	Gent (B)	500,000	EUR		100	Compagnie des Ciments Belges SA	Line-by-line

Annex 1 *(cont'd)*

Company name	Registered office	Share capital/ quotas	Currency	Type of holding % Direct	% Indirect	Investment held by Group companies	Method
ECOL Unicon Spzoo	Gdansk (PL)	1,000,000	PLN		49	Unicon A/S	Equity
Environmental Power International (UK R&D) Limited	Morden (GB)	100	GBP		50	Recydia AS	Equity
Everts Betongpump & Entreprenad AB	Halmstad (S)	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 (E)	3,007	EUR		100	Alfacem Srl	Line-by-line
Ilion Cimento Ltd	Izmir (TR)	300,000	TRY		100	Cimbeton AS	Line-by-line
Kars Cimento AS	Izmir (TR)	3,000,000	TRY		58.38 41.62	Cimentas AS Alfacem Srl	Line-by-line
Kudsk & Dahl A/S	Vojens (DK)	10,000,000	DKK		100	Unicon A/S	Line-by-line
Lehigh White Cement Company LLC	Allentown (USA)	-	USD		24.50 38.75	Aalborg Cement Company Inc White Cement Company LLC	Line-by-line
Neales Waste Management Ltd	Blackburn (GB)	100,000	GBP		100	NWM Holdings Ltd	Line-by-line
NWM Holdings Ltd	Blackburn (GB)	5,000,001	GBP		100	Recydia AS	Line-by-line
Quercia Ltd	Blackburn (GB)	5,000,100	GBP		100	NWM Holdings Ltd	Line-by-line
Recybel SA	Liegi-Flemalle (B)	99,200	EUR		25.5	Compagnie des Ciments Belges SA	Equity
Recydia AS	Izmir (TR)	551,544,061	TRY		64.69 25.68 9.62	Kars Cimento AS Cimentas AS Aalborg Portland Holding AS	Line-by-line
Sinai White Portland Cement Co, SAE	Cairo (ET)	350,000,000	EGP		66.42	Aalborg Portland Holding A/S	Line-by-line
Skane Grus AB	Ljungbyhed (S)	1,000,000	SEK		60	AB Sydsten	Line-by-line
Société des Carrières du Tournaisis SA	Gaurain (B)	12,297,053	EUR		65	Compagnie des Ciments Belges SA	Proportionate
Sola Betong AS	Tananger (N)	9,000,000	NOK		33.33	Unicon AS	Equity
Spartan Hive SpA	Rome (I)	300,000	EUR	100		Cementir Holding SpA	Line-by-line
Sureko AS	Izmir (TR)	43,443,679	TRY		100	Recydia AS	Line-by-line
Svim 15 Srl	Rome (I)	400,000	EUR	100		Cementir Holding SpA	Line-by-line
Trabel Affretement SA	Gaurain (B)	61,500	EUR		100	Compagnie des Ciments Belges SA	Line-by-line
Trabel Transports SA	Gaurain (B)	750,000	EUR		100	Compagnie des Ciments Belges SA	Line-by-line
Unicon A/S	Copenaghen (DK)	150,000,00 0	DKK		100	Aalborg Portland Holding A/S	Line-by-line
Unicon AS	Oslo (N)	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
White Cement Company LLC	Somerville N.J. (USA)	-	USD		100	Aalborg Cement Company Inc,	Line-by-line

Rome, 26 July 2018

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 2018.

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, 26 July 2018

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

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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 (the "Group"), comprising the statement of financial position as at 30 June 2018, the income statement and the statements of comprehensive income, changes in equity and cash flows for the six months then ended and notes thereto. The 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 2018 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.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Cooperative ("KPMG International"), entità di diritto svizzero.

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Emphasis of matter – Comparative figures

We draw attention to the "Basis of presentation" section of the notes to the condensed interim consolidated financial statements about the restatement of certain prior period corresponding figures in accordance with IFRS 5 - "Non-current assets held for sale and discontinued operations". Our conclusion is not qualified in relation to this matter.

Rome, 30 July 2018

KPMG S.p.A.

(signed on the original)

Marcella Balistreri
Director of Audit