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GRUPPO CALTAGIRONE

PRESS RELEASE

Cementir Holding: Board of Directors approves consolidated results at 30 September 2018

- **Revenue: EUR 893.1 million (EUR 852 million in the first nine months of 2017)**
- **EBITDA: EUR 163 million (EUR 154.9 million in the first nine months of 2017)**
- **Profit (loss) before taxes at EUR 138.8 million (EUR 66.9 million in the first nine months of 2017)**
- **Net financial debt: EUR 339.6 million (EUR 536.6 million at 31 December 2017)**

Rome, 8 November 2018 – The Board of Directors of Cementir Holding Spa, chaired by Francesco Caltagirone Jr., has examined and approved the consolidated results for the first nine months and the third quarter 2018.

Financial highlights

Note that in the first nine months of 2018 the results of industrial operations in Italy are no longer consolidated and that assets recently acquired in the United States are consolidated line-by-line from the second quarter 2018 onwards.

(millions of Euro)	**Jan-Sept 2018**	**Jan-Sept 2017 Restated (1)**	**Change %**	**Jan-Sept 2017 Published**	**Change %**
Revenue from sales and services	893.1	852.0	4.8%	963.8	-7.3%
EBITDA	163.0	154.9	5.2%	152.1	7.2%
EBITDA/Revenue from sales and services %	*18.3%*	*18.2%*		*15.8%*	
EBIT	106.4	100.2	6.2%	78.3	35.8%
Net financial income (expense)	32.4	(10.8)	n.s.	(11.4)	n.s.
Profit (loss) before taxes from continuing operations	138.8	89.3	55.4%	66.9	107.5%
Profit (loss) before taxes of discontinued operations	-	(22.4)		-	
Profit (loss) before taxes for the period	138.8	66.9	107.5%	66.9	107.5%

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

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Administrative and Economic Index 160,498
Share Capital EUR 159,120,000 fully paid in
Tax number 00725950638

Sales volumes

('000)	Jan-Sept 2018	Jan-Sept 2017 Restated (1)	Change %	Jan-Sept 2017 Published	Change %
Grey and white cement (metric tons)	7,520	7,656	-1.8%	9,551	-21.3%
Ready-mixed concrete (m^3)	3,747	3,576	4.8%	3,666	2.2%
Aggregates (metric tons)	7,259	6,899	5.2%	6,899	5.2%

Net financial debt

(millions of Euro)	30-09-2018	30-06-2018	31-12-2017	30-09-2017
Net financial debt	339.6	395.3	536.6	630.3

Group employees

	30-09-2018	30-09-2017 Restated	30-09-2017 Published	31-12-2017 Restated
Number of employees	3,093	3,007	3,614	3,021

"In the first nine months of 2018 the Ebitda benefited on the one hand from the contribution of the United States for EUR 12.3 million and from the improvement in Belgium and China, on the other it suffered the deterioration of earnings in Egypt due to the curfew introduced in February and the resulting stop of all transport activities until May, in Norway due to bad weather in the first quarter, and in Turkey due to the economic and currency crisis getting worse in the month of August" commented Francesco Caltagirone Jr., Chairman and Chief Executive Officer.

In the first nine months of 2018, **sales volumes** of cement and clinker, equal to 7.5 million tons, dropped 1.8% compared to the first nine months of 2017, despite the change in the scope of consolidation. On a like-for-like basis, sales of cement and clinker were down (-6%) for the performance in Turkey and Egypt.

Sales volumes of ready-mixed concrete, 3.7 million cubic metres, were up 4.8% driven by sales in Turkey and to a lesser extent Sweden, despite the drop in sales in Norway and Belgium and stability in Denmark.

In the aggregates segment, sales volumes amounted to 7.3 million tons, up by 5.2% thanks to the positive performance of sales in Belgium.

Revenue from sales and services of the Group amounted to EUR 893.1 million, up 4.8% compared to EUR 852 million in the first nine months of 2017, due to the change in the scope of consolidation which resulted in an increase in revenue of around EUR 70.8 million related to Lehigh White Cement Company ("LWCC"), consolidated line-by-line as of 1 April 2018.

With a constant perimeter, revenue dropped 3.5% due to the contraction in sales in Egypt between February and May for safety reasons in the Sinai peninsula, in Turkey, in Norway and for the unfavourable weather conditions in the first quarter and, to a lesser extent in the United Kingdom. However, the revenue performance in Malaysia, Belgium and China was positive and just about stable in the other countries.

It should be noted that the impact on revenue from the depreciation of the major foreign currencies compared to the euro was negative at EUR 64.8 million. At constant 2017 exchange rates, revenue would have amounted to EUR 957.9 million, 12% higher than the first nine months of the previous year.

Operating costs were EUR 750.8 million, up compared to EUR 713.1 million in the first nine months of 2017 due to the change in the scope of consolidation (EUR 62.8 million), and benefited from the positive exchange rate effect of EUR 55 million.

The **cost of raw materials** was EUR 361.9 million (EUR 335.4 million in the first nine months of 2017), up due to the change in the scope of consolidation (EUR 38.5 million). On a like-for-like basis, the cost of raw materials dropped thanks to a positive exchange rate effect by EUR 35.3 million and the drop in activity volumes in Egypt and Norway, almost completely counterbalanced by the generalised increase in the price of fuel on international markets.

Personnel costs were EUR 133.5 million, up compared to the first nine months of 2017 due to the change in perimeter (EUR 6.6 million). On a like-for-like basis, there has been a drop in personnel costs of around EUR 4 million, thanks to a positive exchange rate effect of around EUR 6.2 million which offset the change in workforce (rising in Turkey and the Asia-Pacific region and down in the United Kingdom and Italy) and the inflation trend on the cost of labour.

Other operating costs were EUR 255.4 million compared to EUR 246.7 million in the same period of 2017 and benefited overall from a positive exchange rate effect of EUR 12.6 million. The change in the scope of consolidation had an effect for EUR 17.7 million.

EBITDA was EUR 163 million, up 5.2% compared to EUR 154.9 million in the same period of 2017. The result benefited on the one hand from the LWCC contribution for EUR 12.3 million and from the improvement in Belgium and China; on the other it suffered the deterioration of results in Egypt due to the curfew introduced in February and the resulting stop of all transport activities until May, and in Turkey and to a lesser extent Norway and Malaysia.

The impact of the depreciation of the major foreign currencies against the Euro on the EBITDA was negative at EUR 12.4 million; at constant 2017 exchange rates, EBITDA would have been EUR 175.4 million.

The EBITDA margin came to 18.3%, showing stability in industrial profitability compared to the same period of 2017 (18.2%).

EBIT, taking into account amortisation, impairment losses and provisions for EUR 56.6 million (EUR 54.7 million for the first nine months of 2017), was EUR 106.4 million compared to EUR 100.2 million in the same period of the previous year, benefiting from the LWCC contribution for EUR 8.2 million.

The **share of net profits of equity-accounted investees** was EUR 0.7 million (EUR 3.4 million in the same period of 2017), no longer including the LWCC contribution as the latter was consolidated on line-by-line basis as of the second quarter 2018.

Net financial income was EUR 31.8 million (expense of EUR 14.3 million in the first nine months of 2017). That result includes, for EUR 39.4 million, the fair value revaluation of the 24.5% already held by the Group in LWCC, as required by international accounting standards (IFRS 3 Business Combination), recognised in the second quarter with the line-by-line consolidation of LWCC, having acquired control. Moreover, it benefited from the positive valuation of mark-to-market of the financial instruments held to hedge commodities, interest rates and currencies, partly offset by losses from exchange differences.

Profit before taxes from continuing operations was EUR 138.8 million compared to EUR 89.3 million of the first nine months of 2017.

Net financial debt as at 30 September 2018 was EUR 339.6 million, down by EUR 197 million compared to 31 December 2017. That change can mainly be attributed to collection of the consideration of EUR 315 million for the sale of the Cementir Italia Group, partly absorbed by payment of USD 106.6 million (about EUR 87 million) on 29 March 2018 to purchase 38.75% of Lehigh White Cement Company, by movements in net working capital, by investments for around EUR 40.2 million and distribution of dividends for EUR 15.9 million in the month of May.

In the third quarter 2018 net financial debt fell by EUR 55.7 mainly following the positive working capital trend.

Total equity at 30 September 2018 amounted to EUR 1,104.1 million (EUR 1,015.7 million at 31 December 2017), not including taxes on earnings for the period.

Performance in the third quarter of 2018

In the third quarter of 2018 sales **volumes** of cement and clinker fell by 4.6%; on a like-for -like basis, the reduction in volumes was affected by the negative performance of Turkey and, to a lesser extent, Egypt.

Sales volumes of ready-mixed concrete, for 1.2 million cubic metres, remained stable overall with growth in Turkey and a drop in Belgium and Norway.

In the aggregates segment, sales volumes amounted to 2.4 million tons, up by 5.6% thanks to the positive performance in Belgium.

Group **revenue from sales and services** was EUR 304.6 million, up 3.2% compared to EUR 295,1 million in the third quarter 2017 due to the change in the scope of consolidation (EUR 34.7 million). On a like-for-like basis, revenue fell 8.5% compared to the third quarter 2017, mainly due to the negative impact of exchange rates. The positive revenue performance in Malaysia and China did not offset the reduction in revenue expressed in Euro in Turkey and the drop mainly recorded in Egypt, United Kingdom and Norway.

The impact on revenue of the depreciation of the major foreign currencies compared to the euro was negative at EUR 28.2 million. At constant 2017 exchange rates, revenue would have amounted to EUR 332.8 million, an increase of 12.8% on the third quarter of the previous year.

Operating costs were EUR 241.7 million (EUR 232.3 million in the third quarter 2017), up due to the change in the scope of consolidation (EUR 25.9 million), and benefit from a positive exchange rate effect of EUR 23.7 million.

EBITDA, equal to EUR 67.0 million, remained unchanged compared to the third quarter 2017 (EUR 67.2 million), despite the change to the scope of consolidation (EUR 5.9 million) due to the drop recorded in Turkey and Egypt, while the other geographical areas had a positive trend.

The impact of the change in exchange rates on EBITDA was negative for EUR 4.5 million, so at constant exchange rates EBITDA would have been EUR 71.5 million.

EBIT amounted to EUR 47.9 million (EUR 49.0 million in the third quarter of 2017).

The **share of net profits of equity-accounted investees** was EUR 0.1 million (EUR 1.2 million in the same period of 2017).

Net financial expense was EUR 3.1 million (expense of EUR 1.3 million in the third quarter of 2017). That result included net losses from exchange rate differences for EUR 9.3 million and the positive mark-to-market value of the financial instruments held to hedge commodities, interest rates and currencies for about EUR 9.8 million.

Profit before taxes came to EUR 44.8 million, down on the third quarter of 2017 (EUR 48.9 million).

Performance by geographical segment[1]

Nordic & Baltic

(EUR'000)	Jan-Sept 2018	Jan-Sept 2017	Change %
Revenue from sales	409,646	417,060	-1.8%
Denmark	*264,135*	*264,202*	*0.0%*
Norway / Sweden	*145,235*	*155,088*	*-6.4%*
Other (1)	*42,380*	*30,174*	*40.5%*
Eliminations	*(42,104)*	*(32,404)*	
EBITDA	83,709	84,036	-0.4%
Denmark	*68,266*	*68,003*	*0.4%*
Norway / Sweden	*11,478*	*12,322*	*-6.8%*
Other (1)	*3,965*	*3,711*	*6.8%*
EBITDA Margin %	20.4%	20.1%	
Investments	17,241	37,208	

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

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

Denmark

In the first nine months of 2018, grey cement sales volumes on the domestic market dropped slightly compared to the previous year due to rigid weather conditions and completion of the Copenaghen Metro project, while average sales prices increased slightly. Sales volumes on the domestic market also dropped 9% with prices down slightly.

Export performance was positive for both white cement (+3.5%) thanks to more deliveries in United Kingdom, France, Germany, Poland and USA, and for grey cement (+15%) especially to Norway, Iceland, the Faroe Islands and Germany. The average prices of white cement exports dropped due to the different mix of destination countries while those for grey cement were in line with the previous year. In the ready-mixed concrete sector, sales volumes remained stable compared to the same period in 2017, with sale prices rising slightly.

Sales revenues were EUR 264.1 million, in line with the same period in 2017.

EBITDA was EUR 68.3 million, up slightly compared to the same period in 2017. The cement sector EBITDA was essentially stable due to higher fuel and energy purchase costs and, to a lesser extent, inflation trends on distribution costs, personnel and other production costs, offset by savings on plant maintenance compared to last year, lower costs for purchasing clinker from third parties and production efficiencies.

The ready-mixed concrete sector recorded a slight contraction in EBITDA for higher variable costs partly offset by the increase in selling price and the reduction in general and administrative expenses.

Norway and Sweden

In **Norway** the Group’s ready-mixed concrete sales volumes dropped by 11% due to the exceptionally harsh winter in the first months of the year and a reduction in building activities in the residential sector. However, in coming months some important road projects should be starting which will enable us to recover part of the volumes in the last quarter. Please also note that the negative performance of ready-mixed concrete volumes in the first quarter 2018 (-23%) was followed by six months that were less negative overall compared to the same period in 2017. However, average prices in local currency increased.

In **Sweden** the Group's ready-mixed concrete volumes sold increased 4% compared to the same period in the previous year: lower sales recorded in the first quarter due to unfavourable weather conditions at the start of the year were recovered during the year thanks to the construction of a new hospital in Malmö, of a motorway project in Lund (ESS), to the start of other infrastructural projects in the south of the country and the growth of the residential sector. Average prices in local currency increased significantly, also due to the product mix. Aggregate sales remained stable compared to the first nine months of 2017 with average prices in local currency increasing slightly.

On the whole, sales revenue was EUR 145.2 million, down by 6.4% compared to the first nine months of 2017, whereas EBITDA was EUR 11.5 million (EUR 12.3 million in the same period of 2017), down in Norway and up in Sweden. Specifically, in Norway the positive effective of higher sales prices only partly offset lower sales volumes and the increase in the purchase cost of raw materials.

Note that the Norwegian Krone and the Swedish Krona devalued respectively by 3.8% and 6.8% compared to the average exchange rates of the first nine months of 2017.

Belgium

(EUR'000)	Jan-Sept 2018	Jan-Sept 2017	Change %
Revenue from sales	185,093	183,301	1.0%
EBITDA	38,483	33,156	16.1%
EBITDA Margin %	20.8%	18.1%	
Investments	7,166	12,663	

In the first nine months of 2018, the grey cement and clinker sales volumes of the Compagnie des Ciments Belges Group recorded a performance in line with the first nine months of the previous year; the lower volumes at the start of the year for unfavourable weather conditions in February and the first half of March were recovered in the following months. Performance was affected negatively by restructuring of the ready-mixed concrete plant in Brussels (newly operational from 18 June) which reduced the supply of cement in Belgium; and a contraction of volumes resulting from an increase in prices while higher sales volumes were achieved in France, above all in the north, in the area of Ile de France and Paris, and in the Netherlands, where the market is growing positively especially in the ready-mixed concrete and prefab sector. Average prices increased in both Belgium and France compared to the previous year.

In the ready-mixed concrete sector volumes sold contracted 5% with differing trends between Belgium and France. In Belgium the contraction in volumes was 17% specifically due to the bad weather conditions at the start of the year, some plants suspending activities for a few days to migrate to the SAP system, one day's national strike in the constructions sector (16 May) and restructuring of the Brussels plant. In France CCB Group sales volumes grew significantly due to full consolidation of the activities of five plants purchased in the first half of 2017 plus a favourable market performance in the areas where the plants are operational. Average prices increased in both Belgium and France.

In the aggregates sector, Group sales volumes recorded a growth of over 9%, despite unfavourable weather conditions at the start of the year and the drop in the ready-mixed concrete distribution line, thanks to the positive performance of the market in Belgium, France and the Netherlands and the efforts to improve the efficiency of logistics and plant production. In Belgium products were mainly for the asphalt market; the average price was slightly down due to a different customer mix and higher distribution costs to some end clients. In France volumes are linked to a few large road construction and residential building projects with an average price down, disadvantaged by the product and customer mix (road construction projects). The market is growing beyond expectations in the Netherlands too.

Overall, in the first nine months of 2018 revenues were EUR 185.1 million (EUR 183.3 million in the first nine months of 2017) and the EBITDA was EUR 38.5 million (EUR 33.2 million in the corresponding nine months of 2017). Please note that in 2017 the EBITDA included non recurrent incomes for EUR 1.7 million

Euro. The improved EBITDA can mainly be attributed to the positive performance of sales volumes and prices, despite the higher fuel and electricity costs.

North America

(EUR'000)	Jan-Sept 2018	Jan-Sept 2017	Change %
Revenue from sales	81,032	10,317	685.4%
EBITDA	11,817	694	1,602.7%
EBITDA Margin %	14.6%	6.7%	
Investments	3,470	205	

In North America (United States), the subsidiary Lehigh White Cement Company, consolidated line-by-line as of the second quarter 2018, contributed very positively to earnings with white cement sales volumes for around 345 thousand tons in the six months from April to September, sales revenue of EUR 70.8 million and an EBITDA of EUR 12.3 million. Compared to the previous year (where figures, as we said, were not consolidated) sales volumes increased by over 6% despite the difficult weather conditions (rain, floods) while prices were down slightly.
The Group's other subsidiaries are active in the production of concrete products and in managing the terminal in Tampa, Florida.
Overall, in the United States sales revenues were EUR 81.0 million (10.3 million in the first nine months of 2017) and EBITDA was EUR 11.8 million (0.7 million in the corresponding period of 2017) and include around EUR 1.3 million of extraordinary expenses for legal and consultancy expenses sustained to purchase the investment in Lehigh White Cement Company.

Eastern Mediterranean

(EUR'000)	Jan-Sept 2018	Jan-Sept 2017	Change %
Revenue from sales	160,751	184,048	-12.7%
Turkey	*141,954*	*155,058*	*-8.4%*
Egypt	*18,797*	*28,990*	*-35.2%*
Eliminations	*-*	*-*	
EBITDA	13,679	24,076	-43.2%
Turkey	*11,330*	*13,640*	*-16.9%*
Egypt	*2,349*	*10,436*	*-77.5%*
EBITDA Margin %	8.5%	13.1%	
Investments	7,008	6,430	

Turkey

Revenue, equal to EUR 142.0 million (EUR 155.1 million in the first nine months of 2017), dropped due to the depreciation of the Turkish Lira against the Euro (-38% compared to the average exchange rate of the first nine months of 2017). The third quarter 2018 was characterised by strong depreciation of the Turkish Lira against the Euro and the US Dollar in the first ten-day period of August. Moreover, on 13 September the Central Turkish Bank increased the interest rate by 625 basis points to 24%. On an annual basis, the inflation was over 24% at September 2018.

In local currency, revenue increased overall by around 24%. The Group's cement and clinker sales volumes dropped 11%, after a first quarter rise of 18%, with a reduction in activities in the second and third quarters linked to the June elections, to the drop in demand caused by the recent economic crisis and a rationalisation of sales to reduce credit collection risks. In the nine months, domestic market sales volumes dropped 2.5% whereas cement and clinker exports dropped 63%.

Average domestic prices for cement in local currency rose strongly in the nine months (around 30%) with different performances in the various plants, driven by inflation changes.

In the ready-mixed concrete sector, sales volumes rose 26% compared to the same period in 2017 with prices in local currency recovering. The rise in volumes was also favoured by the start-up of two new ready-mixed concrete plants in the Marmara regions (Hasanaga, operational from the end of March and Kirklareli operational from the end of April) while another four plants were closed temporarily.

In the waste management sector, the subsidiary Sureko, operating in the treatment of industrial waste, had a decrease in revenue and profitability compared to the first nine months of 2017 due to a reduction in volumes treated, specifically volumes sent to landfill, those received for temporary storage, whereas the supplies of alternative fuel (RDF) to the Group's cement production plants (Edirne and Izmir) remained stable.

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

The subsidiary, Quercia, operating in the United Kingdom, had a slight improvement in revenue compared to the same period in 2017 due to the increase in waste volumes processed (volumes in landfill, revenue from MRF). At the end of March 2018, the Group sold some assets of the other waste management subsidiary, Neales, for around £1.5 million. The EBITDA of the UK's waste management division improved in the first nine months of 2018, also due to the gain of about EUR 1 million earned from the sale of the plants mentioned.

Overall, EBITDA was EUR 11.3 million (EUR 13.6 million in the first nine months of 2017) due to the increase in fuel purchase prices, electricity and raw materials caused by the depreciation of the Turkish Lira, the increase in maintenance costs and, in general, the increase in fixed costs for inflation changes. Those negative effects were partly neutralised by the positive trend of cement and ready-mixed concrete sales prices.

Egypt

In Egypt, on 9 February, the Army started a significant safety operation in the Sinai area resulting in the stop of all logistic and transport activities; following that, exports stopped that same day. During February both domestic sales and the production of clinker were interrupted to start again in full on 16 April, whereas local sales started again at the end of April and exports in May. Those restrictions naturally had a negative impact on operations and distribution costs for both sales and purchases. The safety operation, now limited to monitoring and not blocking the area, will probably remain in force until the end of the year.

Sales revenues were EUR 18.8 million (EUR 29.0 million in the first nine months of 2017), down due to the above reasons and the depreciation of the Egyptian pound against the Euro (-6.6% compared to the average exchange rate of the nine months of 2017).

The quantities of white cement sold on the domestic market dropped 40% with average prices in local currency up by 16%. Volumes exported were down 38% with sales prices in dollars down.

EBITDA was EUR 2.3 million (EUR 10.4 million in the same period of 2017), mainly due to lower sales volumes, while 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. It should be noted that distribution costs were significant in the first half due to the aforementioned transport restrictions which forced the company to reorganise logistics using a fleet of rented vehicles. When production activities had stabilised, margins returned in line with budget and with the previous year.

Asia Pacific

(EUR'000)	Jan-Sept 2018	Jan-Sept 2017	Change %
Revenue from sales	65,205	59,854	8.9%
China	*33,293*	*32,237*	*3.3%*
Malaysia	*31,918*	*27,697*	*15.2%*
Eliminations	*(6)*	*(80)*	
EBITDA	13,592	13,563	0.2%
China	*8,964*	*7,816*	*14.7%*
Malaysia	*4,628*	*5,747*	*-19.5%*
EBITDA Margin %	20.8%	22.7%	
Investments	3,269	1,895	

China

In local currency, sales revenue rose 6% compared to the corresponding months of the previous year thanks to favourable price changes and improved product mix (more cement, less clinker), and greater white cement and clinker volumes sold on the domestic market (+4%). 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 the north and centre of the country, with an advantage for the

Cementir group dictated by the increase in national quality standards. Exports, not significant in the period and mainly going to South Korea, Hong Kong and Taiwan, dropped 46% as a result of the strategy to privilege domestic sales also due to a saturation of production volumes and to the commercial war with the United States.

EBITDA, EUR 9 million (7.8 million in the first nine months of 2017), mainly benefited from the favourable trend of domestic market prices and the more profitable sales volumes mix, despite the increase in variable costs linked to the higher fuel and packaging prices.

Malaysia

White cement and clinker sales volumes increased by an overall 5% compared to the previous year. Cement volumes on the domestic market were in line with 2017 despite the bad weather conditions. Cement and clinker exports rose by about 6%, with an increase in the percentage of cement volumes above all in Australia, Vietnam, South Korea, the Philippines and Cambodia and a reduction in clinker sales in Australia where the constructions market is showing signs of weakness. Clinker and cement prices are down (about 4%) due to the increase in freight prices, the country mix, depreciation of the Australian and Singapore dollars.

EBITDA dropped (from EUR 5.7 million to EUR 4.6 million) compared to the same period in the previous year because of lower prices on foreign markets dictated by the general strengthening of the Malaysian Ringgit, higher fuel and raw material costs, higher fixed production costs (personnel and other costs), only partly offset by the positive effect of greater sales volumes on exports and savings on maintenance.

Italy

(EUR'000)	Jan-Sept 2018	Jan-Sept 2017	Change %
Revenue from sales	55,228	23,376	136.3%
EBITDA	1,712	(631)	371.3%
EBITDA Margin %	3.1%	-2.7%	
Investments	2,090	2,206	

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

The increase in revenue from sales and EBITDA is attributed to the trading company Spartan Hive SpA, which operated with both Group companies and third party customers.

Significant events in the first nine months of 2018

On 29 March 2018, Cementir Holding finalised the purchase of a further 38.75% share in Lehigh White Cement Company from Lehigh Cement Company LLC, subsidiary of HeidelbergCement AG.

The acquisition, announced on 14 February 2018, had a value of USD 106.6 million (EUR 87 million) on a cash and debt-free basis, paid in full at closing on 29 March 2018. As a result of this transaction, the Cementir group now controls LWCC with a stake of 63.25%, while the remaining 36.75% is held by the Cemex Group. The acquisition enables direct management of assets in the United States in the white cement segment, core business of the Group, 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 press release for more details.

Significant events after the close of the quarter

In October, Aalborg Portland Holding A/S acquired an additional stake in the Egyptian company Sinai White Cement Company, passing from 66.4% to 71.1% for a value of EUR 3.8 million. The transaction strengthened the Group's presence in the white cement sector in Egypt, of significant interest for the Group.

Business outlook

In the first nine months of 2018, the Group achieved results that are consistent, overall, with management expectations. The lower earnings in Egypt and Turkey and the increase in fuel prices were partly offset by the better performance of Belgium, China and the United States.

The Group, therefore, estimates a 2% reduction in the EBITDA target for 2018 set at the start of the year thus foreseeing achieving an EBITDA of about EUR 230 million. Guidance on net financial debt at the end of 2018 is expected to remain unchanged and equal to EUR 260 million.

* * *

The results of the first nine months of 2018 will be illustrated to the financial community during a **conference call** to be held today, Thursday 8 November, at 17:30 (CET). The telephone numbers to call are:

Italy: +39 02 805 88 11	USA: +1 718 7058794
UK: + 44 1 212 81 8003	USA (freephone): 1 855 2656959

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

The consolidated income statement figures for the first nine months of 2018 and the third quarter of 2018, not audited, are attached.

Disclaimer

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

*In addition to conventional financial indicators under IFRS, the Cementir Holding Group also uses a number of **alternative performance indicators** to allow a better assessment of earnings and financial performance. In line with Consob Communication 92543/2015 and the ESMA Guidelines (ESMA/2015/1415), the meaning and content of the indicators used in this press release are provided below.*

- *EBITDA: an indicator of operating performance calculated by adding together "EBIT" and "Amortisation, depreciation, impairment losses and provisions";*
- *Net financial debt: an indicator of financial structure calculated according to Consob Communication 6064293/2006, as the sum of the items:*
  - *current financial assets;*
  - *cash and cash equivalents;*
  - *current and non-current liabilities.*
- *Net capital employed: calculated as the total amount of non-financial assets, net of non-financial liabilities.*

***CEMENTIR HOLDING** is an international producer of grey and white cement, ready-mixed concrete, aggregates and concrete products, which it exports to over 70 countries. Global leader for white cement, the Group employs about 3,100 people in 18 countries and 5 continents.*

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Consolidated income statement for the first nine months of 2018

(EUR'000)	Jan-Sept 2018	Jan-Sept 2017 Restated [2]	Change %	Jan-Sept 2017 Published	Change %
REVENUE FROM SALES AND SERVICES	**893,079**	**852,003**	**4.8%**	**963,771**	**-7.3%**
Change in inventories	8,634	(1,222)	806.5%	(2,150)	501.6%
Other revenue[3]	12,097	17,196	-29.7%	21,564	-43.9%
TOTAL OPERATING REVENUE	**913,810**	**867,977**	**5.3%**	**983,185**	**-7.1%**
Raw materials costs	(361,857)	(335,385)	7.9%	(393,541)	-8.1%
Personnel costs	(133,519)	(130,950)	2.0%	(155,178)	-14.0%
Other operating costs	(255,442)	(246,748)	3.5%	(282,390)	-9.5%
TOTAL OPERATING COSTS	**(750,818)**	**(713,083)**	**5.3%**	**(831,109)**	**-9.7%**
EBITDA	**162,992**	**154,894**	**5.2%**	**152,076**	**7.2%**
EBITDA Margin %	*18.25%*	*18.18%*		*15.78%*	
Amortisation, depreciation, impairment losses and provisions	(56,591)	(54,735)	3.4%	(73,748)	-23.3%
EBIT	**106,401**	**100,159**	**6.2%**	**78,328**	**35.8%**
EBIT Margin %	*11.91%*	*11.76%*		*8.13%*	
Share of net profits of equity-accounted investees	653	3,428	-81.0%	3,428	-80.9%
Net financial income (expense)	31,762	(14,252)	n.s.	(14,851)	n.s.
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY-ACCOUNTED INVESTEES	**32,415**	**(10,824)**	**n.s.**	**(11,423)**	**n.s.**
PROFIT (LOSS) BEFORE TAXES FROM CONTINUING OPERATIONS	**138,816**	**89,335**	**55.4%**	**66,905**	**107.5%**
PROFIT (LOSS) BEFORE TAXES /REVENUE %	*15.54%*	*10.49%*		*6.94%*	
PROFIT (LOSS) FROM DISCONTINUED ACTIVITIES	**-**	**(22,430)**		**-**	
PROFIT (LOSS) BEFORE TAXES FOR THE PERIOD	**138,816**	**66,905**	**107.5%**	**66,905**	**107.5%**

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

Consolidated income statement for the third quarter of 2018

(EUR'000)	3rd Quarter 2018	3rd Quarter 2017 Restated	Change %	3rd Quarter 2017 Published	Change %
REVENUE FROM SALES AND SERVICES	**304,612**	**295,097**	**3.2%**	**332,384**	**-8.4%**
Change in inventories	1,483	720	106.0%	(3,227)	146.0%
Other revenue[4]	2,590	3,731	-30.6%	6,806	-61.9%
TOTAL OPERATING REVENUE	**308,685**	**299,548**	**3.1%**	**335,963**	**-8.1%**
Raw materials costs	(117,159)	(116,374)	0.7%	(133,261)	-12.1%
Personnel costs	(42,573)	(40,096)	6.2%	(47,585)	-10.5%
Other operating costs	(81,949)	(75,852)	8.0%	(88,108)	-7.0%
TOTAL OPERATING COSTS	**(241,681)**	**(232,322)**	**4.0%**	**(268,954)**	**-10.1%**
EBITDA	**67,004**	**67,226**	**-0.3%**	**67,009**	**0.0%**
EBITDA Margin %	*22.00%*	*22.78%*		*20.16%*	
Amortisation, depreciation, impairment losses and provisions	**(19,088)**	**(18,236)**	**4.7%**	**(24,499)**	**-22.1%**
EBIT	**47,916**	**48,990**	**-2.2%**	**42,510**	**12.7%**
EBIT Margin %	*15.73%*	*16.60%*		*12.79%*	
Share of net profits of equity-accounted investees	74	1,203	-93.8%	1,203	-93.8%
Net financial income (expense)	(3,141)	(1,333)	-135.6%	(1,419)	-121.4%
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY-ACCOUNTED INVESTEES	**(3,067)**	**(130)**	**n.s.**	**(216)**	**n.s.**
PROFIT (LOSS) BEFORE TAXES	**44,849**	**48,860**	**-8.2%**	**42,294**	**6.0%**
PROFIT (LOSS) BEFORE TAXES/ REVENUE %	*14.72%*	*16.56%*		*12.72%*	

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