INTERIM FINANCIAL REPORT
30 SEPTEMBER 2012

cementirholding
CALTAGIRONE GROUP

Directors, officiers and auditors

Board of Directors

Chairman

Francesco Caltagirone Jr. [1]

Deputy Chairman

Carlo Carlevaris

Directors

Alessandro Caltagirone

Azzurra Caltagirone

Edoardo Caltagirone

Saverio Caltagirone

Flavio Cattaneo [2–3]

Mario Ciliberto

Fabio Corsico

Mario Delfini [1–3]

Paolo Di Benedetto [2–3–4]

Alfio Marchini [2]

Riccardo Nicolini [1]

Board of Statutory Auditors

Chairman

Claudio Bianchi

Standing members

Giampiero Tasco

Federico Malorni

Manager responsible for financial reporting

Massimo Sala

Independent auditors

KPMG SpA

[1] Member of the Executive Committee
[2] Member of the Control and Risk Committee
[3] Member of the Appointment and Remuneration Committee
[4] Lead Independent Director

BLANK PAGE

Interim financial report at 30 September 2012

The interim financial report of the Cementir Holding group has been prepared in accordance with the international accounting standards (IAS/IFRS) endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002, as well as with Art. 154-ter (Financial reporting) of Legislative Decree 58/1998, as amended.

The following table reports performance for the first nine months and third quarter of 2012, with comparative figures for the corresponding periods of 2011:

Results

(Euro '000)	Jan-Sep 2012	Jan-Sep 2011	Δ %	3rd quarter 2012	3rd quarter 2011	Δ %
REVENUES FROM SALES AND SERVICES	**730,945**	**696,643**	**4.92%**	**268,471**	**245,730**	**9.25%**
Change in inventories	199	(6,299)		(1,189)	1,858	
Other revenues*	8,863	6,810		1,822	1,612	
TOTAL OPERATING REVENUES	**740,007**	**697,154**	**6.15%**	**269,104**	**249,200**	**7.99%**
Raw material costs	(336,801)	(329,336)	2.27%	(122,944)	(114,154)	7.70%
Personnel costs	(116,985)	(113,247)	3.30%	(38,809)	(35,966)	7.90%
Other operating costs	(191,360)	(162,892)	17.48%	(68,428)	(55,006)	24.40%
TOTAL OPERATING COSTS	**(645,146)**	**(605,475)**	**6.55%**	**(230,181)**	**(205,126)**	**12.21%**
EBITDA	**94,861**	**91,679**	**3.47%**	**38,923**	**44,074**	**-11.69%**
EBITDA Margin %	*12.98%*	*13.16%*		*14.50%*	*17.94%*	
Depreciation, amortisation, impairment losses and provisions	(64,240)	(62,428)	2.90%	(21,459)	(20,396)	5.21%
EBIT	**30,621**	**29,251**	**4.68%**	**17,464**	**23,678**	**-26.24%**
EBIT Margin %	*4.19%*	*4.20%*		*6.50%*	*9.64%*	
FINANCIAL INCOME (EXPENSE)	**(13,951)**	**(22,644)**		**(5,658)**	**(15,120)**	
PROFIT BEFORE TAX	**16,670**	**6,607**	**152.31%**	**11,806**	**8,558**	**37.95%**
PROFIT BEFORE TAX Margin %	*2.28%*	*0.95%*		*4.40%*	*3.48%*	

* "Other revenues" includes the items of the income statement "Increases for internal work" and "Other operating revenues".

Sales volumes

('000)	Jan-Sep 2012	Jan-Sep 2011	Δ %	3rd quarter 2012	3rd quarter 2011	Δ %
Grey and white cement (metric tons)	7,350	7,917	-7.15%	2,676	2,697	-0.78%
Ready-mix concrete (m^3)	2,637	2,861	-7.81%	879	966	-9.01%
Aggregates (metric tons)	2,703	2,785	-2.94%	913	918	-0.59%

Group employees

	30-09-2012	31-12-2011	30-09-2011
Number of employees	3,385	3,200	3,243

During the first nine months of 2012, revenues from sales and services amounted to EUR 730.9 million (EUR 696.6 million at 30 September 2011), while EBITDA came to EUR 94.9 million (EUR 91.7 million at 30 September 2011), EBIT amounted to EUR 30.6 million (EUR 29.3 million at 30 September 2011) and profit before tax totalled EUR 16.7 million (EUR 6.6 million at 30 September 2011).

Despite the decline in volumes of sales across all business sectors (cement, ready-mix concrete and aggregates), which reflected the unfavourable weather conditions at the beginning of the year in Italy and Turkey, revenues rose 4.9% compared with 30 September 2011 thanks to positive results in Scandinavia, in the Far East and in Egypt. More specifically, in Scandinavia volumes rose about EUR 16 million over the same period of 2011 due to good performance in terms of volumes and prices for both the domestic and export markets. In the Far East, revenues grew by about EUR 10 million over 30 September 2011 as a result of higher sales and prices in China, Malaysia and export markets. In Egypt, revenues rose by around EUR 7 million thanks to higher exports of white cement offsetting the impact of the crisis in the domestic market, which is still affected by political strains in that country. After the first quarter of declining demand for cement, the Turkish market began to expand again in the third quarter, albeit with results below expectations. In Italy, revenues were stable, while quantities contracted sharply (-20%) owing to the continuing crisis in the construction industry.

Operating costs rose 6.5%, going from EUR 605.5 million in the first nine months of 2011 to EUR 645.1 million at 30 September 2012. This increase is attributable to the contained rise in the cost of raw materials (+2.3% compared with in 2011), caused mainly by higher energy costs in the major manufacturing markets, by the 3.3% increase in personnel costs, essentially due to extraordinary, non-recurring expenses, and the significant increase in other operating costs (+17.5% compared with in 2011), mainly attributable to higher transport and logistics costs as a result of the increase in volumes of cement exported by Egypt and Denmark and to the larger quantities of ready-mix concrete sold in Norway.

EBITDA and EBIT came to EUR 94.9 million and EUR 30.6 million, respectively, up 3.5% and 4.7% compared with 30 September 2011.

Financial management yielded a negative EUR 13.9 million, in line with market conditions on an average debt in the first nine months of about EUR 410 million. Compared with the previous year, around half of the financial management result for 2011 (negative EUR 22.6 million) was due to unrealised financial expense that was recognised as a result of losses on exchange rate differences (mainly the Turkish lira) and to the mark-to-market measurement of financial instruments used for hedging purposes.

An analysis of the figures for the third quarter of 2012 shows revenues from sales and services of EUR 268.5 million (EUR 245.7 million in the third quarter of 2011), while EBITDA amounted to EUR 38.9 million (EUR 44.1 million in the third quarter of 2011), EBIT came to EUR 17.5 million (EUR 23.7 million in the third quarter of 2011) and profit before tax totalled to EUR 11.8 million (EUR 8.6 million in the third quarter of 2011).

In the third quarter of 2012 revenues rose by EUR 22.8 million over the year-earlier period, confirming the rising trend already seen in the first six months of the year in Scandinavia, in the Far East and in Egypt, the recovery of demand for cement in Turkey and the steady expansion of activity in the waste management sector, offsetting the continuing difficulties reported in Italy.

Operating costs rose by 12.2% compared with the same period of 2011 due to the rise in the cost of raw materials (+7.7%), driven by increased electricity costs, higher personnel costs (+7.9%) as a result of the expansion of the workforce in the waste management sector and non-recurring costs, and higher costs for transport and logistics, which drove other operating costs upward (+24.4% compared with the third quarter of 2011).

EBITDA and EBIT amounted to EUR 38.9 million and EUR 17.5 million, respectively, down 11.7% and 26.2% compared with the same period of last year.

The result of financial management was a negative EUR 5.7 million, an improvement of EUR 9.4 million compared with the third quarter of 2011, of which about EUR 3 million reflects the decrease in the value of financial derivatives used to hedge commodity, exchange rate and interest rate risk. In 2011, the tensions in the financial markets, particularly in the third quarter, had a strong impact on the result of financial management (EUR -15.1 million) with the recognition of unrealised costs.

Financial highlights

(Euro '000)	30-09-2012	30-06-2012	31-12-2011	30-09-2011
Net capital employed	1,531,956	1,518,359	1,440,415	1,426,873
Group and non-controlling interests in shareholders' equity	1,122,514	1,112,331	1,082,881	1,053,124
Net Financial Position*	409,442	406,028	357,534	373,749

* Net Financial Position is calculated in accordance with Consob Communication no. DEM/6064293 of 28 July 2006.

The net financial position at 30 September 2012 showed net debt of EUR 409.4 million, an increase of EUR 51.9 million compared with 31 December 2011, mainly due to changes in working capital, investments in Turkey's waste management sector and the distribution of dividends of EUR 6.5 million. In the third quarter of 2012, the Group's financial position improved by about EUR 7 million if the purchase of NWM Holding Limited GBP 8.6 million is excluded.

Directors' report and significant events

The results reported at 30 September 2012 are in line with management's expectations for Scandinavia, Egypt and the Far East, while in Turkey, there was an unexpected contraction in volumes sold despite the beginning of a recovery in the domestic market in the third quarter. Finally, the projected weakness in the construction sector in Italy, exacerbated by unfavourable weather in the first part of the year and by higher electricity costs, led to poorer than expected results.

The performance of operations in the first nine months of the year in the main geographic areas in which the Group operates should continue in the final quarter of 2012, during which the investments made in the waste management sector are expected to make a contribution to profitability.

The most significant events in 2012 include the completion of the acquisition, on 4 July 2012, by Cementir Holding, completed its acquisition of NWM Holdings Limited (NWMH) through the Turkish subsidiary Recydia A.S., a company in the waste management and renewable energy business. NWMH heads a group that operates in the collection, treatment, recycling and disposal of urban and industrial waste in the county of Lancashire and in the areas of Manchester and Liverpool (England). Recydia paid a price of GBP 8.6 million for the entire share capital of NWMH on the closing date. The operation is a first step into the promising UK waste management market and confirms Cementir Holding's commitment in the waste treatment and renewable energy segments.

Additionally on 4 July 2012, Cementir Holding SpA transferred 25% of the share capital in the Turkish subsidiary Cimentas A.S. to the Danish subsidiary Aalborg Portland A/S, wholly owned by Cementir Holding S.p.A., as part of a Group reorganisation of equity investments.

On 11 July 2012, a Framework Agreement on a company reorganisation plan was signed between the subsidiary Cementir Italia and the unions. The plan includes laying off up to 70 employees to be specified during the term of the agreement (July 2012 – December 2013) and the submission of a request for use of the redundancy fund for reasons of reorganisation for 24 months for up to 80 employees. The project is entirely different from similar tools used in the past and the operational details will be specified more completely by the end of this year.

Rome, 7 November 2012

The Chairman of the Board of Directors

/s/ Francesco Caltagirone Jr.

* * *

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