Cementir Holding: The Board of Directors approves consolidated results at 31 March 2014

- **Revenue: EUR 206.6 million (EUR 194.7 million at 31 March 2013)**
- **EBITDA: EUR 24.6 million (EUR 9.2 million at 31 March 2013)**
- **Net financial debt: EUR 363.2 million (EUR 324.9 million at 31 December 2013)**
- **Performance and financial targets for 2014 are confirmed**

Roma, 9 May 2014 – The Board of Directors of Cementir Holding SpA, chaired by Francesco Caltagirone Jr., today examined and approved consolidated results for the first quarter of 2014.

Financial highlights

(millions of euros)	**1st Quarter 2014**	**1st Quarter 2013**	**Change %**
Revenue from sales and services	206.6	194.7	+6.1%
EBITDA	24.6	9.2	+167.5%
EBIT	4.5	(12.5)	+136.0%
Profit (loss) before taxes	(1.8)	(13.7)	+86.7%

Net financial debt

(millions of euros)	**31-03-2014**	**31-12-2013**	**31-03-2013**
Net financial debt	363.2	324.9	401.1

Sales volumes

(‘000)	**1st Quarter 2014**	**1st Quarter 2013**	**Change %**
Grey and white cement (metric tons)	2,100	1,878	+11.8%
Ready-mixed concrete (m^3)	862	795	+8.4%
Aggregates (metric tons)	689	475	+44.9%

Group employees

	31-03-2014	**31-12-2013**	**31-03-2013**
Number of employees	3,133	3,170	3,286

The results for the first quarter of 2014 exceeded management's expectations, thanks to the excellent performance registered in the Scandinavian countries and in Turkey and to the achievement of our objectives in Egypt and the Far East.

Revenue from sales and services reached EUR 206.6 million, up 6.1% on the year-earlier period (EUR 194.7 million in the first quarter of 2013), thanks to the strong performance posted in the main geographical areas in which we operate, with the exception of Italy. At constant exchange rates, revenue would have amounted to EUR 228.1 million, an increase of 17.1% on the same period of the previous year.

In the **Scandinavian countries**, the favourable weather conditions boosted activity in the construction industry, generating increases in sales of cement and ready-mixed concrete of 27% and 22%, respectively, causing revenue to rise by EUR 14.7 million compared with the first quarter of 2013, when the area experienced extremely cold winter weather.

In **Turkey**, sales revenue in the local currency increased by about 30% compared with the first quarter of 2013 due to the increase in sales of cement (+15% compared with 31 March 2013), with sales prices rising more rapidly than inflation. Nevertheless, the depreciation of the Turkish lira against the euro in the first quarter of 2014, which closed with a 28% decrease in the average exchange rate compared with the same period of 2013, blunted the increase in revenue as reported in the financial statements translated into euros by about 2% (EUR 1.1 million).

In the **Far East**, revenue expanded by 2% (EUR 0.2 million) compared with first quarter of 2013, with developments diverging in China and Malaysia: in China, sales of white cement increased by 15%, with prices slightly higher and revenue in the local currency up 16%. In Malaysia, by contrast, sales revenue in the local currency contracted somewhat compared with first quarter of 2013 (-1.3%), mainly due to work to expand the production capacity of the plant.

In **Egypt**, the rise in average sales prices on both the domestic and the export markets, with sales volumes essentially unchanged on the previous year, caused revenue in the local currency to rise by about 11%: this gain was attenuated in the financial statements translated into euros (+EUR 0.4 million) as a result of the depreciation of the Egyptian pound (-8% compared with the average exchange rate in the first quarter of 2013).

In **Italy**, sales volumes and prices contracted further for both cement and ready-mixed concrete, with a consequent decrease of about 19% in revenue (-EUR 4.5 million) compared with the first quarter of 2013.

Operating costs totalled EUR 185.8 million, down EUR 9.5 million compared with the first quarter of 2013 thanks to the decline in the cost of raw materials and personnel costs (-8.2% and -4.3% respectively compared with the same period of 2013). Specifically, the cost of raw materials fell from EUR 100.0 million in the first quarter of 2013 to EUR 91.8 million in the first quarter of 2014, benefiting from savings achieved on purchases of fuels and energy consumption thanks to the impact of the centralised procurement policy and the improved productive efficiency of plants. Personnel costs amounted to EUR 37.5 million, down EUR 1.7 million compared with the first quarter of 2013 as a result of the corporate reorganisations undertaken in recent years.

EBITDA came to EUR 24.6 million, up EUR 15.4 million (+167.5%) on the EUR 9.2 million posted in the first quarter of 2013, with the gain attributable to the improved performance achieved in the Scandinavian countries and Turkey and the unchanged contribution of Egypt and the Far East. At unchanged exchange rates, the EBITDA increase would have been EUR 19.8 million.

The EBITDA margin also improved, rising to 11.9% from 4.7% in the first quarter of 2013, underscoring the substantial improvement in profitability.

EBIT, after depreciation, amortization, impairment losses and provisions of EUR 20.1 million, was a positive EUR 4.5 million (compared with an operating loss of EUR 12.5 million in the first quarter of 2013).

Financial management yielded a negative EUR 6.3 million, a deterioration of EUR 1.2 million compared with the first quarter of 2013 due to exchange rate losses recognised, but to a large extent not realised, mainly as a result of the depreciation of the Turkish lira, and to the losses on the measurement of financial instruments used to hedge commodity prices and interest rates.

The **loss before taxes** amounted to EUR 1.8 million, a sharp improvement on the loss of EUR 13.7 million posted in the first quarter of 2013.

Net financial debt at 31 March 2014 totalled EUR 363.2 million, an increase of EUR 38.4 million compared with 31 December 2013, mainly attributable to developments in working capital and to the annual maintenance of plants, which is normally performed in the first part of the year.

Total equity at 31 March 2014 amounted to EUR 1,026.1 million (EUR 1,029.4 million at 31 December 2013), not including income taxes for the period.

Outlook

The performance seen in the first quarter of the year should continue in the rest of 2014, with the addition of the contribution of waste management activities, which should become fully operational during the year, and a gradual return to profitability at the Italian subsidiary due to the impact of the industrial and corporate reorganizations carried out in recent years rather than to any improvement in market conditions.

Accordingly, we can confirm the performance and financial targets set for 2014, with EBITDA of more than EUR 180 million and net financial debt of about EUR 280 million.

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At today's meeting, the Board reappointed Massimo Sala, the Company's Chief Financial Officer, to serve as the manager responsible for preparing the Company's financial reports.

The Board also confirmed that the directors Paolo Di Benedetto, Flavio Cattaneo and Alfio Marchini continue to meet the independence requirements laid down by the applicable regulations and the Corporate Governance Code.

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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 press release corresponds with that contained in company documents, books and accounting records.

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.

The consolidated performance figures at 31 March 2014 are attached.

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Consolidated income statement

(EUR '000)	1st Quarter 2014	1st Quarter 2013	Change %
REVENUE FROM SALES AND SERVICES	**206,611**	**194,750**	**6.1%**
Change in inventories	54	6,487	
Other revenue*	3,749	3,300	
TOTAL OPERATING REVENUE	**210,414**	**204,537**	**2.9%**
Raw materials costs	(91,785)	(99,999)	-8.2%
Personnel costs	(37,514)	(39,187)	-4.3%
Other operating costs	(56,527)	(56,159)	0.7%
TOTAL OPERATING COSTS	**(185,826)**	**(195,345)**	**-4.9%**
EBITDA	**24,588**	**9,192**	**167.5%**
EBITDA Margin%	*11.90%*	*4.72%*	
Amortisation, depreciation, impairment losses and provisions	(20,100)	(21,645)	-7.1%
EBIT	**4,488**	**(12,453)**	**136.0%**
EBIT Margin %	*2.17%*	*-6.39%*	
FINANCIAL INCOME (EXPENSE)	**(6,310)**	**(1,227)**	
LOSS BEFORE TAXES	**(1,822)**	**(13,680)**	**86.7%**
LOSS BEFORE TAXES Margin %	*-0,88%*	*-7,02%*	

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