Buzzi Unicem

Interim report as at

September 30, 2013

Buzzi Unicem S.p.A.
Registered Office in Casale Monferrato (AL) - Via Luigi Buzzi 6
Share Capital euro 123,636,658.80
Company Register of Alessandria no.00930290044

CONTENTS

Interim management review

World economy expansion, which in the second quarter 2013 had been slowed by less thriving emerging economies, continued at a modest pace during the summer months. In the same period international trade showed very restrained growth trends. In the Eurozone some signs of recovery appeared and GDP, after declining for six consecutive quarters, returned to increase in the second quarter of the current year, confirming a moderate pace of development in summer. The GDP growth dynamics was positively impacted by exports, the slight resilience in household spending and gross fixed investments, which interrupted a downward trend of about two years. Among the main economies in the area, activity recorded a strong improvement in Germany, where adverse weather had slowed down construction in the first quarter, and, to a lesser extent, in France; in Italy GDP contraction was less sharp.
In the United States, thanks to investments resilience, GDP grew at a rate consistent with 2.5% YoY in the second and third quarter. Labor market situation improved, although at a slower pace than in the second quarter and the rate of unemployment fell to 7.3% in August. Financial markets remained unperturbed, despite high volatility. The uncertainties about the continuation of the monetary stimulus in the United States triggered an upward trend in long-term interest rates, which subsequently came to a halt, after the Federal Reserve's clarifications, while the ECB confirmed the intention to stick to its expansionary monetary policies. In Italy, conditions on the market for governmental securities have improved since the summer, reflecting also stronger growth prospects in the area but they are still exposed to the development of the domestic political context. In advanced countries inflationary pressures remained moderate, while among the main emerging economies inflation remained high in India, Russia and Brazil.
Economy forecasts are still subject above all to downside risks, owing to the still uncertain signs of recovery in Europe, the gradual dismantling of the monetary policy measures by the Federal Reserve and the recently intensified uncertainties over budgetary choices in the United Sates, such as the shutdown and the approaching of the debt ceiling.

During the third quarter of 2013, the construction sector showed a very satisfactory trend in the United States of America and confirmed its growth in Russia. In the main Central Europe countries conditions were less difficult than in the first half, while a sizeable contraction of sales volumes continued in Mexico, Italy and some markets of the Eastern Europe division.

Cement and clinker sales achieved by the group in the first nine months of 2013 stood at 20.6 million tons, down 1.2% compared with the same period of 2012. The most remarkable decline occurred in the Czech Republic, Ukraine and Mexico while the contraction was more contained in Italy, Germany and Luxembourg. The Polish and Russian markets posted a positive variance and in the United States of America sales volumes growth further accelerated. Ready-mix concrete output equaled 9.6 million cubic meters, down 6.8% from 9M-12. The output decrease was quite widespread, with sizeable unfavorable changes in Italy, the Netherlands and Poland. Less severe was the volumes decline in the Czech Republic and Mexico; output was stable in Germany/Luxembourg and volumes were higher than in the previous year in the

United States and Ukraine.

In the first nine months, the trend of cement prices in local currency continued to be favorable in Russia, Ukraine and the United States. A positive difference consolidated also in Germany. In Italy, Luxembourg and the Czech Republic changes were modest but basically negative while in Mexico and Poland the price decrease was more marked. Ready-mix concrete prices showed a favorable trend in the United States, Italy, Mexico, the Czech Republic and Germany, while they were weak in Ukraine and the Netherlands and posted a more marked decline in Poland.
Inflation of production factors remained under control. The major increases were reported in electric power while fuel prices remained stable or slightly decreased. As for the controllable costs, utmost attention was paid to the savings and efficiency projects, especially in the most critical markets. However, in the countries where capacity utilization worsened or remained at an unsatisfactory level, profitability continued to be penalized by the higher incidence of fixed costs, whose reduction cannot be proportional to the loss of production caused by poorer demand.

Consolidated net sales decreased by 3.2% from € €2,146.3 million to €2,078.5 million and EBITDA stood at €335.8 million, down €37.1 million (-10.0%). Net of non-recurring items, EBITDA would have decreased by €38.8 million (-10.6%). Thus recurring EBITDA to sales margin declined from 17.0% to 15.7%. Foreign exchange fluctuations accounted for a decrease of €27.5 million in net sales and €6.4 million in EBITDA. Like-for-like, net sales would have been down by 2.1% while EBITDA would have decreased by 8.3%. After depreciation, amortization and impairment charges of €166.0 million (€169.8 million in 9M-12), Ebit amounted to €169.8 million (€203.2 million in 2012). Net finance costs decreased from €90.0 million to €81.4 million; higher was the contribution from equity-accounted associates (€4.0 million vs. €2.9 million). As a consequence of the above, profit before tax stood at €95.0 million vs. €116.3 million at September 2012 (-18.3%). The non-recognition of deferred tax assets on tax losses accrued in some jurisdictions meant a much higher average tax rate; consequently the income statement closed with a net profit for the period down by 52.7% to €40.1 million, of which €21.8 million attributable to owners of the company (vs. €57.4 million in 9M-12).

Cash flow was equal to €206.1 million (€254.5 million at September 2012). Net debt as at September 30, 2013 amounted to €1,107.5 million, down €17.4 million over year-end 2012. In the first nine months, the group invested a total of €116.9 million in property, plant and equipment, €14.6 million thereof for expansion or special projects. Equity investments amounted to €66.8 million mainly referred to the purchase of all outstanding Dyckerhoff shares still held by minority shareholders (squeeze-out). As at September 30, 2013, shareholders' equity, inclusive of non-controlling interests, stood at €2,488.6 million vs. €2,602.6 million as at December 31, 2012. Consequently debt/equity ratio was equal to 0.45 (0.43 at 2012 year-end).

Italy
In the summer months, thanks also to the improvement of the European economic cycle, some encouraging qualitative signs appeared.

In the second quarter of 2013 GDP decreased by 0.3% QoQ; the decline was considerably less sharp than in the two previous quarters and basically stabilized in the third quarter. The improvement of the cyclical phase reflects the recovery of exports accompanied by signs more favorable for investments. Capital goods expenditure started to rise again, after declining for seven quarters and the contraction of construction investment moderated. Inflation slowed to 0.9% on an annual basis in September, an historically low level. Household spending continues to be held back by the weakness of disposable income and the difficult conditions on the labor market. The estimated contraction of GDP for the full year 2013 is still significant (-1.9%) but the gradual strengthening of business and household confidence seems to confirm the possibility of an economic activity's turnabout, to which investment recovery would greatly contribute.
In such a context, cement consumption for the current year is projected to contract by 16%, thus declining for the seventh year in a row. The ready-mix concrete sector is going through an even more complicated phase, with heavy reduction in volumes and extreme difficulties in collecting payments from customers which increase operating losses.

Our sales volumes of cement and clinker, including exports, reported a 4.1% decline from the same period a year earlier. Thanks to stronger export deliveries and the supply of semi finished clinker to competitors' production units that had ceased kiln activity, the higher and continuous decline in the domestic market could be contained. Average selling prices posted a 1.1% decrease over 9M-12, mainly as a consequence of a higher incidence of export volumes. Ready-mix concrete sales were down 22.5% with prices up 2.2% compared with September 2012. On the costs front, fuels showed a quite favorable trend (-12.0%) while the price of electric power continued to rise (+7.4%) Overall net sales in Italy came in at €326.1 million, down 10.4% vs. €363.8 million in the previous year while EBITDA remained negative at -€13.1 million vs. a positive of €3.4 million in 2012. During the period, other operating revenues equal to €4.5 million were realized from the sale of CO2 emission rights (nil in 2012). Operating results continued to be heavily penalized by the write-off of trade receivables, equal to €13.1 million in the nine months (€9.8 million in the same period of 2012), €10.7 million thereof in the ready-mix concrete sector. Moreover staff costs include restructuring expenses of €1.1 million (nil at September 2012).

Central Europe

After a the first quarter which posted a GDP decrease of 1.4%, economic activity in Germany accelerated considerably during the two following quarters. GDP's growth is sustained by domestic demand, favored by the high rate of employment and the increase in disposable income. The growth, only slightly positive, is penalized by weaker exports towards both the Eurozone countries, hit by recession, and the emerging countries, whose growth is less buoyant. The restart of a favorable economic situation is however widely supported by the stability/solidity of the country and by the context suitable to sustainable development. Adverse weather in the first quarter hindered building activities which then recovered especially in the residential sector. Cement consumption in the country will probably be in line with that of the previous year while exports to neighboring countries are expected to decline conspicuously.

In the first nine months, cement volumes sold dropped by 3.2% from the same period a year earlier, with prices higher by 1.6%. In the ready-mix concrete sector, output was down 2.1% with prices slightly improving. To be pointed out, however, that since the beginning of the year, following an organization restructuring, some ready-mix concrete production and sale activities have been transferred from Germany to Luxembourg. At constant scope, output would have increased by 1%. Overall net sales stood at €448.6 million vs. €460.2 million in 9M-12 (-2.5%) and EBITDA increased from €60.0 million to €60.1 million. The 2013 figure however includes non-recurring income for €8.0 million represented by the partial release of the allowance for spare parts obsolescence following the adoption of a consistent valuation within the group. Net of non-recurring items, EBITDA decreased by €7.9 million (-13.2%). Among production costs, electric power showed a slightly favorable trend (-1%) while fuels sharply increased (+5%). During the first nine months, other operating costs were accrued equal to €1.9 million for internal purchases of CO2 emission rights, while in 2012 the company had realized other operating revenues for €1.8 million deriving from the sale of the rights. Moreover staff costs include restructuring expenses of €9.7 million (nil at September 2012), €5.2 million thereof related to a supplement to the provisions for pension funds.

In Luxembourg the economy continued to show a slightly positive trend, confirming the stability of the country which is one of the less hit by the sovereign debt crisis and at the centre of the most important European trade axis. Construction investments maintain a downward trend and consequently cement domestic consumption for the full year is expected to be lower than in 2012. After a start of the year penalized by adverse weather, the resilience of sales showed a pace more in line with the previous year's one.
In the nine months, cement and clinker volumes sold, including internal sales, fell by 4.4% with slightly lower average unit revenues (-1.2%). Overall net sales increased by 2.8% from €79.3 million to €81.5 million and EBITDA was up 34.1% from €10.7 million to €14.3 million. To be noticed that since the beginning of the year, following an organization restructuring, some activities in the ready-mix concrete sector have been transferred from Germany to Luxembourg, whose contribution to EBITDA for the period is equal to €1.2 million. The 2013 figure includes non-recurring income for €2.5 million represented by the partial release of the allowance for spare parts obsolescence following the adoption of a consistent valuation within the group. Net of non-recurring items EBITDA increased by €1.2 million (+11.0%), with EBITDA to sales margin at 14.5% vs. 13.5% in 2012. During the period, the company realized other operating revenues equal to €0.6 million deriving from the internal sale of CO2 emission rights (nil in 2012). On the production costs front, the trend was favorable for fuels (-11%) while electric power price was virtually stable.

In the Netherlands, the recession of the country's economy which began in 2012 continues with the construction industry being especially hit. Volumes sold reached 0.5 million cubic meters of ready-mix concrete (-17.1% vs. 9M-12), with net sales amounting to €53.1 million, remarkably down from €69.3 million in 2012. EBITDA remained negative, decreasing to -€5.6 million from -€4.3 million. Staff costs include restructuring expenses of €0.7 million (nil at September 2012).

Eastern Europe
The economic growth rates in Russia, Poland and the Czech Republic, although remaining overall positive, suffered from a loss of momentum and some slowdowns which brought to a downward revision in the forecasts for the current year.

In the Czech Republic, for the entire year 2013, GDP is estimated to remain unchanged or slightly negative with a contraction of building activities and a reduction in investments. Our cement sales reflected the sluggishness of the market and dropped by 18.6% from the same period a year earlier, with average selling prices in local currently slightly lower (-0.9%). Also the ready-mix concrete market confirmed a marked decline of volumes (-8.4%), with prices stable in the Czech Republic but weaker in Slovakia. Overall net sales, penalized also by some devaluation of the local currency, decreased by 14.8% to €95.9 million vs. €112.6 million and EBITDA stood at €11.9 million, down 42.1% from €20.6 million in 9M-12. The 2013 figure includes non-recurring income for €0.3 million represented by the partial release of the allowance for spare parts obsolescence following the adoption of a consistent valuation within the group. As for energy costs, fuels showed a favorable trend while electric power increased. During the period, other operating revenues were realized equal to €0.9 million deriving from internal sale of CO_2 emission rights (nil in 2012).

In Poland estimates for a GDP growth of 1.3% for full year 2013 were confirmed, while investments in the construction sector are still penalized by the comparison with periods when activities peaked. During the summer months, cement deliveries showed a promising pace, thus allowing to report in the nine months a 2.8% improvement from the same period in 2012. Conversely, ready-mix concrete output continued to be quite weak (-20.4%). Selling prices in local currency reversed the negative trend but remained below the 2012 level for both cement (-3.5%) and ready-mix concrete (-8.0%). Net sales, on which foreign exchange fluctuations had no impact, came in at €79.3 million vs. €86.4 million in 2012 (-8.2%). EBITDA increased from €19.4 million to €21.1 million, with EBITDA to sales margin improving from 22.4% to 25.4%. The 2013 figure includes non-recurring income for €0.9 million represented by the partial release of the allowance for spare parts obsolescence following the adoption of a consistent valuation within the group. Among the energy factors, the trend of electric power cost was favorable while fuels price slightly increased. During the period, other operating revenues were realized, equal to €0.4 million deriving from internal sale of CO_2 emission rights (nil in 2012).

In Ukraine, economy continues to be sluggish although a slight improvement has been recorded starting from the second quarter of the year. Consequently GDP growth estimate for the full year 2013 remains at a mere +0.4%. Investments in construction are expected to drop by 15% with negative consequences on cement demand. In the first nine months cement sales decreased by 12.0% in a better price environment (+3.7% in local currency). Net sales and EBITDA respectively decreased from €106.4 million to €94.5 million (-11.2%) and from €15.8 million to €10.5 million, penalized by a weaker local currency. EBITDA was influenced by non-recurring costs for €2.5 million relating to a litigation with the public administration about VAT on gas supplies. On the energy costs front, the trend was favorable for fuels while electric power inflation was around 4%.

As for Russia, the International Monetary Fund's predictions of GDP growth have been downsized to +1.5%, quite in decrease from the +3.5% growth posted in 2012. The country met greater difficulties in repeating the development model strongly based on the aftermath of rising oil prices and the maximized use of merely the existing production capacity, in an environment of weakened investments and high inflation. The construction sector, however, is still expected to grow by over 2%, as does cement consumption, which should thus break the record realized in 2012.
Suchoi Log cement factory succeeded in resuming normal uptime in the month of August, solving the production shutdown in the dry-process kiln caused by a fire in the raw meal grinding department which had occurred in May. Sales volumes progress continued to improve, with an increase of 3.9% from the beginning of the year and prices in local currency rising by 6.7%. Net sales were up 4.3% to €194.0 million vs. €186.0 million in 2012 while EBITDA at €70.8 million was down 10.8% from €79.4 million in the previous year. The 2013 figure includes non-recurring income for €0.4 million represented by the partial release of the allowance for spare parts obsolescence following the adoption of a consistent valuation within the group. Ruble devaluation negatively impacted the translation of results into euro. At constant exchange rate, net sales and EBITDA would have posted a change of +9.3% and -6.8% respectively. The inflation rate on the two main energy factors (fuels and electric power) continued to be remarkable but on lower levels than at the end of June (8% approx.)

United States of America
In the third quarter, GDP maintained a rate of growth consistent with that of the second quarter (+2.5%). The improvement in the labor market continued although at a slower pace than in the previous quarter, as did investment recovery and household consumption. Inflationary pressure remained moderate and house prices confirmed an upward trend. The International Monetary Fund forecasts a GDP growth of 1.6% for the current year.
Cement volumes sold in the nine months of the year were up 9.0% from the same period 2012, thanks to the improved contribution from the Midwestern regions and an ongoing robust demand in the South-West of the Country. Ready-mix concrete output, mainly located in the Southwestern regions, maintained a consistent growth (+7.8%). The trend in average selling prices in local currency continued to be positive both for cement (+2.9%) and ready-mix concrete (+6.4%). Overall net sales totaled €552.6 million vs. €510.3 million and EBITDA increased from €91.6 million to €103.4 million. Dollar weakness had a negative impact on net sales for €15.7 million and on EBITDA for €2.9 million. Net of non-recurring items, consisting of a €7.8 million gain on disposal of properties in 2012, EBITDA showed a progress of €19.6 million (+23.4%). The profitability improvement was attributable not only to the volumes and prices trend, but also to the decrease of fuel costs which partly offset the hikes in the prices of electric power and purchased raw materials as well as to the lower incidence of unit fixed costs due to a much improved utilization of production capacity.

Mexico (50% consolidation)
The country's economy in the first nine months of the year negatively surprised for

the unexpected deceleration. Public spending contracted pending the implementation of the development plan for the years 2013-2018 launched by the new President that will have a sizeable impact on oil industry, telecommunication sector, public education system and tax reform. The International Monetary Fund, deeming that many of the factors which contributed to the slowdown will be transitory, predicts a GDP growth limited to 1.2% for the whole year 2013 and a subsequent rebound to 3% for 2014. The construction sector suffered from a marked slowdown, penalized also by the comparison with the excellent results posted in 9M-12, favored by the election period. Moreover, the hurricanes that hit the country in September caused big troubles to the circulation of goods for several days.
In the first nine months, our associate Corporación Moctezuma's cement volumes decreased by 11.4%, with prices that were penalized by poor demand and keener competition, thus contracting by 5.6%. Ready-mix concrete sales were virtually stable (-1.5%) and prices progressed by 1.7%. Net sales decreased by 12.0%, from €201.3 million to €177.1 million and EBITDA was down 18.4%, from €76.3 million to €62.3 million. The stability of the Mexican peso positively impacted the translation of the results into euro: at constant exchange rate, net sales and EBITDA would have decreased by 13.2% and 19.5% respectively. Cement unit production costs did not increase, thanks mainly to the favorable trend of energy factors and the excellent management of industrial operations.

Outlook

In Italy, due to volumes contraction, although mitigated by higher exports and clinker sales, results will continue to be unsatisfactory. The effects of the actions promptly taken to adjust the cement production capacity and make the ready-mix concrete sector even more competitive will become more evident starting from next year. To be pointed out that, at the closing of the financial statements for the year 2013, all conditions are likely to exist for recognizing the discount on system charges reserved to the energy-intensive enterprises as a reduction of electric power costs. The discount application is effective from 1 July 2013 and the benefit expected in the 2013 financial statements is about €6.5 million.

Central Europe, thanks to the volumes recovery reported in the third quarter and possibly in the last one, should close the year with results in line with those posted in 2012.

In Eastern Europe, despite the profitability improvements realized in the third quarter, we expect all countries, except Poland, to post results lower than in the previous year.

In the United States of America, the favorable volume/price mix should continue also in the fourth quarter, thus confirming the improvement trend so far attained.

In Mexico, the trend of demand reported till now will likely continue also in the last quarter of the year and consequently results will remain decidedly weaker that the very positive ones realized in 2012.

Overall, we think that for the full financial year 2013 the outlook of recurring operating results down 5% to 10% from the previous year, as already disclosed to the market in the half-yearly financial report, still represents the best assumption that can be set forth at present.

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Pursuant to articles 70 and 71 of Consob Regulation no 11971/99, the company avails itself of the faculty of making exception to the obligations to publish the Information Documents required in the event of significant transactions of mergers, spin-offs, capital increases by means of the conferral of assets in kind, acquisitions and disposals.

Casale Monferrato, November 8, 2013

For the Board of Directors
Alessandro Buzzi
(Chairman)

CONSOLIDATED BALANCE SHEET

	(thousands of euro)		
	Sep 30, 2013	Jun 30, 2013	Dec 31, 2012
ASSETS			
Non-current assets			
Goodwill	583,294	583,973	584,199
Other intangible assets	11,456	11,853	12,425
Property, plant and equipment	3,092,280	3,174,068	3,208,706
Investment property	28,017	28,314	19,299
Investments in associates	173,487	199,425	202,944
Available-for-sale financial assets	3,035	3,113	3,513
Deferred income tax assets	61,367	69,537	66,244
Other non-current assets	51,217	50,956	55,284
	4,004,153	**4,121,239**	**4,152,614**
Current assets			
Inventories	387,485	393,950	437,565
Trade receivables	476,784	502,819	439,383
Other receivables	114,323	127,327	116,085
Available-for-sale financial assets	154	2,126	86,989
Derivative financial instruments	2,980	2,968	2,307
Cash and cash equivalents	663,364	495,500	556,193
	1,645,090	**1,524,690**	**1,638,522**
Assets held for sale	13,057	12,888	11,546
Total Assets	**5,662,300**	**5,658,817**	**5,802,682**

	Sep 30, 2013	Jun 30, 2013	Dec 31, 2012
	(thousands of euro)		
EQUITY			
Equity attributable to owners of the company			
Share capital	123,637	123,637	123,637
Share premium	458,696	458,696	458,696
Other reserves	81,017	145,807	156,324
Retained earnings	1,709,241	1,663,350	1,694,273
Treasury shares	(4,768)	(4,768)	(4,768)
	2,367,823	**2,386,722**	**2,428,162**
Non-controlling interests	120,817	165,654	174,461
Total Equity	**2,488,640**	**2,552,376**	**2,602,623**
LIABILITIES			
Non-current liabilities			
Long-term debt	1,417,117	1,311,822	1,385,154
Derivative financial instruments	74,973	20,666	22,310
Employee benefits	396,916	413,201	437,640
Provisions for liabilities and charges	121,700	126,207	126,239
Deferred income tax liabilities	404,046	408,600	403,282
Other non-current liabilities	17,223	16,909	16,655
	2,431,975	**2,297,405**	**2,391,280**
Current liabilities			
Current portion of long-term debt	210,076	271,275	288,146
Short-term debt	70,005	73,846	70,685
Derivative financial instruments	893	2,766	4,994
Trade payables	242,385	234,003	244,713
Income tax payables	8,650	9,943	11,223
Provisions for liabilities and charges	45,062	38,955	40,342
Other payables	164,614	178,248	148,676
	741,685	**809,036**	**808,779**
Total Liabilities	**3,173,660**	**3,106,441**	**3,200,059**
Total Equity and Liabilities	**5,662,300**	**5,658,817**	**5,802,682**

CONSOLIDATED INCOME STATEMENT

	(thousands of euro)			
	July-September		January-September	
	2013	2012 restated*	2013	2012 restated*
Net sales	**804,805**	**795,396**	**2,078,520**	**2,146,261**
Changes in inventories of finished goods and work in progress	(20,598)	(433)	(38,516)	589
Other operating income	17,389	12,418	49,557	54,236
Raw materials, supplies and consumables	(298,990)	(324,808)	(841,563)	(911,355)
Services	(182,286)	(182,518)	(501,251)	(526,719)
Staff costs	(119,291)	(109,682)	(347,068)	(330,450)
Other operating expenses	(15,911)	(17,973)	(63,856)	(59,630)
Operating cash flow (EBITDA)	**185,117**	**172,401**	**335,823**	**372,932**
Depreciation, amortization and impairment charges	(53,077)	(56,567)	(166,006)	(169,755)
Operating profit (EBIT)	**132,040**	**115,834**	**169,817**	**203,177**
Gains on disposal of investments	2,629	(125)	2,640	218
Finance revenues	13,432	8,402	35,235	40,920
Finance costs	(47,214)	(33,367)	(116,652)	(130,878)
Equity in earnings of associates	2,490	2,979	3,993	2,896
Profit before tax	**103,377**	**93,723**	**95,033**	**116,333**
Income tax expense	(36,676)	(27,455)	(54,946)	(31,609)
Profit for the period	**66,701**	**66,269**	**40,087**	**84,724**
Attributable to:				
Owners of the company	59,091	53,817	21,756	57,416
Non-controlling interests	7,610	12,452	18,331	27,308

* restated data following early adoption of IAS 19 revised - Employee benefits.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(thousands of euro)			
	July-September		January-September	
	2013	2012 restated*	2013	2012 restated*
Profit for the period	**66,701**	**66,269**	**40,087**	**84,724**
Items that will not be reclassified to profit or loss				
Actuarial gains (losses) on post-employment benefits	11,003	1,020	37,266	386
Income tax relating to items that will not be reclassified	(4,168)	(394)	(13,898)	(149)
Total items that will not be reclassified to profit or loss	**6,835**	**626**	**23,368**	**237**
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	(71,725)	(27,153)	(85,058)	41,354
Income taxes relating to items that may be reclassified	1,040	460	1,023	139
Total items that may be reclassified subsequently to profit or loss	**(70,685)**	**(26,693)**	**(84,035)**	**41,493**
Other comprehensive income for the period, net of tax	**(63,850)**	**(26,067)**	**(60,667)**	**41,730**
Total comprehensive income for the period	**2,851**	**40,202**	**(20,580)**	**126,454**
Attributable to:				
Owners of the company	(159)	25,595	(33,830)	88,569
Non-controlling interests	3,009	14,607	13,250	37,885

* restated data following early adoption of IAS 19 revised - Employee benefits.

CONSOLIDATED NET FINANCIAL POSITION

(thousands of euro)

	Sep 30, 2013	Jun 30, 2013	Dec 31, 2012
Cash and short-term financial assets:			
- Cash and cash equivalents	663,364	495,500	556,193
- Short-term monetary investments	154	130	85,000
- Derivative financial instruments	2,980	2,968	2,306
- Other current financial receivables	18,306	18,324	16,063
Short-term financial liabilities:			
- Current portion of long-term debt	(210,076)	(271,275)	(288,146)
- Short-term debt	(70,005)	(73,846)	(70,685)
- Derivative financial instruments	(893)	(2,766)	(4,994)
- Other current financial liabilities	(25,501)	(39,689)	(20,538)
Net short-term cash	**378,329**	**129,346**	**275,199**
Long-term financial assets:			
- Other non-current financial receivables	10,976	10,802	10,701
Long-term financial liabilities:			
- Long-term debt	(1,417,117)	(1,311,823)	(1,385,154)
- Derivative financial instruments	(74,973)	(20,666)	(22,310)
- Other non-current financial liabilities	(4,734)	(4,767)	(3,365)
Net debt	**(1,107,520)**	**(1,197,107)**	**(1,124,928)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

This interim report for the nine months ended 30 September 2013 has been drawn up in compliance with art. 154 ter of Legislative Decree 58/1998. It has been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission and the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2012, to which please refer for additional information.

The preparation of the interim report requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the closing date and the reported amounts of revenues and expenses for the period. In case in the future such estimates and assumptions, based on the best knowledge of the management, should significantly differ from the actual circumstances, they would be modified accordingly in the relevant period in which they change. Income tax expense is accrued using the tax rate that would be applicable to expected total annual profit or loss.

As illustrated in the annual financial statements as at 31 December 2012, the group has early adopted IAS 19 (revised) - Employee benefits retrospectively, therefore the items of the consolidated income statement as at 30 September 2012 have been restated while the items of the consolidated balance sheet as at 30 September 2013 are consistent with the corresponding ones as at 31 December 2012.

The changes occurred in the scope of consolidation during the first nine months of 2013 do not alter, overall, in a material way, the comparability with the previous period.

For the outlook please refer to the section “Interim management review”.

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Equity attributable to owners of the company decreased by €60.3 million from 31 December 2012. The change is mainly the result of the following developments: an increase due to profit for the period (€21.8 million) and actuarial gains on post-employment benefits (€23.4 million); a decrease due to translation differences (€79.0 million), dividends paid (€12.5 million) and transactions with non-controlling interests after the acquisition of control (€12.9 million).

* * *

The decrease of 3.2% in net sales compared with the same period of 2012 is due to unfavorable currency effect for 1.3%, to additions in the scope of consolidation for 0.2% and to unfavorable trading conditions (volumes and prices effect) for 2.1%.

Segment information

The breakdown of net sales, operating cash flow and operating profit by geographical area is the following:

thousands of euro	*Italy*	*Central Europe*	*Eastern Europe*	*United States of America*	*Mexico*	*Unallocated items and adjustments*	*Total*
Nine months ended 30 September 2013							
Segment revenue	323,853	566,678	461,173	552,634	177,135	(2,953)	2,078,520
Intersegment revenue	(268)	-	-	-	-	268	-
Revenue from external customers	323,585	566,678	461,173	552,634	177,135	(2,685)	2,078,520
Operating cash flow	(13,096)	68,873	114,330	103,414	62,289	13	335,823
Operating profit	(44,446)	34,050	78,023	49,703	51,204	1,283	169,817

thousands of euro	*Italy*	*Central Europe*	*Eastern Europe*	*United States of America*	*Mexico*	*Unallocated items and adjustments*	*Total*
Nine months ended 30 September 2012 restated							
Segment revenue	360,975	588,454	487,457	510,258	201,265	(2,148)	2,146,261
Intersegment revenue	(117)	(521)	-	-	-	638	-
Revenue from external customers	360,858	587,933	487,457	510,258	201,265	(1,510)	2,146,261
Operating cash flow	2,794	66,467	135,158	91,624	76,330	559	372,932
Operating profit	(27,935)	28,422	98,225	37,050	65,665	1,750	203,177

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The manager responsible for preparing the company's financial reports, Silvio Picca, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this interim report corresponds to the document results, books and accounting records.