

BOARD OF DIRECTORS EXAMINES RESULTS FOR FIRST QUARTER OF 2006

ITALMOBILIARE GROUP:

- **NET PROFIT BEFORE MINORITY INTEREST: 113 MILLION EURO (+56 MILLION EURO, AN INCREASE OF 98.5%)**
- **GROUP NET PROFIT: 43.8 MILLION EURO (+25.6 MILLION EURO, OR +140.6%)**
- **SHAREHOLDERS' EQUITY: UP TO 6,083.4 MILLION EURO (FROM 5,916.7 MILLION EURO AT THE END OF 2005)**
- **NET DEBT: 1,807.5 MILLION EURO (1,896 MILLION EURO AT DECEMBER 31, 2005)**
- **GEARING IMPROVES FROM 32% TO 29.7%**

Milan, May 15, 2006 – The Board of Directors of Italmobiliare S.p.A. examined and approved the quarterly report to March 31, 2006. The figures are not entirely representative of full-year trends due to the seasonal nature of the construction materials business, non-recurring events and the accounting treatment of dividends of associates.

*The Italmobiliare Group posted a **net profit before minority interest** of 113 million euro (+98.5%) and a **group net profit** of 43.8 million euro (+140.6%) reflecting positive performance in all business sectors, on **revenues** of 1,357.7 million euro(+30.4%).*

*The increase in Group **shareholders' equity** – which exceeded 6 billion euro at the end of March to reach 6,083.4 million euro, compared with 5,916.7 million euro at the end of 2005 – and the decrease in **net debt** to 1,807.5 million euro generated an improvement in **gearing** to 29.7%, from 32% at December 31, 2005.*

The full-year outlook confirms the group's expectation, announced at the time of approval of the 2005 financial statements, that consolidated operating profit, subject to currently unforeseeable events, could be higher than the 2005 figure.

THE GROUP – In the first quarter of 2006 – a period only partially representative of full-year trends due to the seasonal nature of the group's core business (construction materials), non-recurring events and accounting treatment of dividends of associates – the Italmobiliare Group posted **net profit before minority interest** of 113 million euro and **group net profit** of 43.8 million euro, year-on-year improvements of 98.5% and 140.6% respectively.

Revenues rose by 30.4% to 1,357.7 million euro, thanks to increased sales (+18.3%), the enlargement of the scope of consolidation (+10.1%) and the positive exchange-rate effect (+2.0%).

Recurring gross operating profit of 284.2 million euro (+76.2%) and **gross operating profit** of 287.7 million euro (+66.8%) grew in part thanks to the consolidation of the construction operations in Egypt (Suez Cement Company group since April 1, 2005 and Asec Cement Company since August 1, 2005). Excluding the newly consolidated operations, margins would have grown by 39.8% and 32.7% respectively.

After depreciation and amortization of 103.4 million euro (31.5% higher than the first quarter of 2005), **operating profit** almost doubled to reach 184.2 million euro (+96.7%).

At March 31, **net debt** was 1,807.5 million euro. The decrease from December 31, 2005 (1,896.1 million euro) was 88.5 million euro, largely as a result of cash flow from operations and contained financial investments. At the same date **total shareholders' equity** had risen to 6,083.4 million euro, from 5,916.7 million euro at December 31, 2005.

Gearing (net debt/shareholders' equity) at March 31, 2006 was 29.7%, a marked improvement on 32.0% at December 31, 2005.

Core business performance – The **construction materials business** (*Italcementi* group, which published its own results on May 5) benefited in the first quarter from the consolidation of operations in Egypt and much more favorable weather conditions in North America and the European Union compared with 2005. Revenues, at 1,290.2 million euro, were up 30.3%. Recurring gross operating profit and operating profit were 265.7 million euro and 167.6 million euro respectively, from 155.6 million euro and 90.1 million euro in first quarter 2005. The stronger operating performance was reflected in the quarter's net profit, which gained 71.7% to 87.9 million euro.

The **food packaging and thermal insulation business**, headed by the *Sirap Gema* group, reported revenue growth to 40 million euro (+8.1%) thanks to higher sales volumes in both thermal insulation and food packaging, except in France, which was affected by the avian flu scare. Recurring gross operating profit (5.4 million euro) was in line with the previous period, while operating profit gained 12.4%, from 3.6 to 4.0 million euro. Net profit for the period was 1.9 million euro, down from the 2005 first-quarter result (2.2 million euro), due to income tax expense.

In the **financial business**, composed of the parent company *Italmobiliare S.p.A.* and the wholly owned financial subsidiaries, net profit was 24.1 million euro, well up on the 5.9 million euro profit of the year-earlier period. The improvement was due to a large capital gain on the disposal of Gemina shares, particularly strong results in cash management, and higher dividends during the quarter.

The **banking business** – *Finter Bank Zürich* and *Crédit Mobilier de Monaco* – reported a net profit of 2.2 million euro, up from 1.6 million euro a year earlier. The increase was largely driven by the robust performance of Finter Bank Zürich.

OUTLOOK – The relevant growth and profit margins reported by the Italmobiliare Group for the first quarter of 2006 arose from stronger operative performance, but also from a number of events with limited time benefits.

Nevertheless, even after taking all such factors into account, the first-quarter trends provide a valid basis, together with the overall positive outlook for the individual businesses, to confirm the Group's expectation of a higher full-year consolidated operating profit than in 2005, subject to currently unforeseeable events.

ITALMOBILIARE ON THE INTERNET: http://www.italmobiliare.it
--

Italmobiliare - Media Relations

Tel. (0039) 02.29024.212

Summaries of the income statement and balance sheet are attached.

Italmobiliare Group					
Income Statement (in thousands of euro)	1 Q 2006	%	1 Q 2005	%	Change %
Revenues	1,357,690	100	1,041,171	100	30.4
Other revenues	18,812	1.4	12,122	1.2	55.2
Change in inventories	6,828	0.5	15,846	1.5	-56.9
Internal work capitalized	7,393	0.5	2,103	0.2	251.5
Goods and utilities expense	(497,499)	-36.6	(384,247)	-36.9	29.5
Services expense	(324,340)	-23.9	(272,668)	-26.2	19.0
Employee benefits expense	(236,979)	-17.5	(215,932)	-20.7	9.7
Other operating income/(expense)	(47,725)	-3.5	(37,081)	-3.6	28.7
Gross operating profit – recurring	284,180	20.9	161,314	15.5	76.2
Other income/(expense)	3,476	0.3	11,124	1.1	-68.8
Gross operating profit (*)	287,656	21.2	172,438	16.6	66.8
Amortization and depreciation	(103,436)	-7.6	(78,657)	-7.6	31.5
Impairment variation	(40)		(126)		-68.3
Operating profit	184,180	13.6	93,655	9.0	96.7
Finance costs, net	(20,292)	-1.5	(16,591)	-1.6	22.3
Share of result of associates	919	0.1	5,361	0.5	-82.9
Profit before tax	164,807	12.2	82,425	7.9	99.9
Income tax expense	(51,839)	-3.8	(25,506)	-2.4	103.2
Net profit	112,968	8.3	56,919	5.5	98.5
Attributable to:					
Group	43,823	3.2	18,213	1.7	140.6
Minority interest	69,145	5.1	38,706	3.7	78.6

(in thousands of euro)	31/03/2006	31/12/2005
Net debt	1,807,544	1,896,066
Total shareholders' equity	6,083,428	5,916,748

(*) Compared with Gross Operating Profit – Recurring , includes non-recurring income and expense