

BOARD EXAMINES CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2009

ITALMOBILIARE GROUP:

- **REVENUES: 1,276.2 MILLION EURO (1,430.9 MILLION EURO IN THE FIRST QUARTER OF 2008)**
- **TOTAL NET PROFIT: -2.9 MILLION EURO (48.1 MILLION EURO)**
- **NET PROFIT ATTRIBUTABLE TO GROUP: -28.0 MILLION EURO (-18.9 MILLION EURO)**
- **SHAREHOLDERS' EQUITY: 5,423.7 MILLION EURO (5,488.2 MILLION EURO)**
- **NET DEBT: 2,605.3 MILLION EURO (2,571.9 MILLION EURO AT DECEMBER 31, 2008)**
- **NET ASSET VALUE: 1,674.9 MILLION EURO (1,911.0 MILLION EURO AT DECEMBER 31, 2008)**

- **ITALMOBILIARE SPA PROFIT: 31.2 MILLION EURO (-0.1 MILLION EURO)**

Milan, May 15, 2009 – *The Board of Directors of Italmobiliare S.p.A. has examined and approved the consolidated quarterly report at March 31, 2009.*

For the purpose of comparability, the 2008 figures have been re-stated for compliance with the IAS 1 (Presentation of Financial Statements) and IAS 23 (Borrowing Costs) accounting standards in effect as from 2009, and with operations in Turkey, previously classified as available for sale in compliance with IFRS 5 but in the event not sold, consolidated on a line-by-line basis.

The sharp decline in economic activity in the last quarter of 2008 continued in the early months of 2009. Although official first-quarter figures are not available, preliminary indicators all agree that the main industrialized nations suffered further large reductions in gross domestic product. The economic difficulties are spreading to the emerging countries which are more heavily dependent on exports of manufactured goods.

The Group's industrial core businesses also reported a negative first-quarter, although the trend eased somewhat toward the end of the three months.

During the first quarter of 2009 the financial market continued to suffer from the repercussions of the crisis that worsened in the second half of 2008; the effects on debenture and equity prices generated a loss (albeit a significantly smaller loss) in the financial sector and lower profits in the banking sector.

In this context, with 2009 first-quarter revenues of 1,276.2 million euro, the Italmobiliare Group posted a net loss of 2.9 million euro and a loss attributable to the Group of 28.0 million euro, compared respectively with a net profit of 48.1 million euro and a loss attributable to the Group of 18.9 million euro in the first quarter of 2008.

*At the end of March 2009, **total shareholders' equity** was 5,423.7 million euro, compared with 5,488.2 million euro at December 31, 2008.*

Net debt at March 31, 2009, was 2,605.3 million euro, compared with 2,571.9 million euro at December 31, 2008.

The changes in shareholders' equity and net debt produced a slight worsening in the **gearing** ratio, from 46.86% at the end of December 2008 to 48.04% at the end of March 2009.

Italmobiliare Net Asset Value (NAV) at March 31, 2009, was 1,674.9 million euro (1,911.0 million euro at the end of 2008).

As regards the **outlook**, the macroeconomic situation remains very uncertain and, as we indicated in March in the report on the consolidated financial statements at 31 December 2008, the severe financial crisis has now spread to the real economy.

2009 will be a year of very difficult economic conditions that are not easily identifiable. For this reason, it is currently difficult, after only one quarter, to draw up a reliable outlook of the consolidated results to be achieved this year.

In its statutory financial statements at 31 March 2009, the parent company **Italmobiliare S.p.A.** reported a profit for the period of 31.2 million euro, against a loss of 0.1 million euro in the same period the year before. This substantial improvement is principally due to higher dividends and lower financial charges.

THE GROUP – The Group reported first-quarter revenues of 1,276.2 million euro (-10.8% from the first quarter of 2008).

Geographical breakdown of revenues and operating results

(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	Q1 2009	% change vs Q1 2008	Q1 2009	% change vs Q1 2008	Q1 2009	% change vs Q1 2008	Q1 2009	% change vs Q1 2008
European Union	737.0	-20.2	47.1	-53.7	44.4	-56.8	(17.5)	n.s.
Other European countries	36.4	-41.0	(1.5)	n.s.	(1.5)	n.s.	(5.6)	-53.3
North America	74.4	-14.4	(9.2)	n.s.	(9.5)	n.s.	(21.1)	-97.6
Asia	107.9	1.3	26.7	1.3	22.9	-12.6	11.9	-24.9
Africa	298.5	33.0	104.8	12.8	104.8	12.9	79.5	12.9
Trading	57.8	-29.8	1.9	-73.4	1.9	-73.4	0.6	(91.0)
Others, inter-area eliminations	(35.8)	-34.3	(4.6)	75.0	(9.3)	n.s.	(10.3)	n.s.
Total	1,276.2	-10.8	165.2	-27.1	153.7	-32.5	37.5	67.9

n.s. not significant

The change in **revenues** arose from:

- the negative effect of the business slowdown, for -13.0%,
- the changes in the scope of consolidation, for a marginal effect of -0.1%, and

- the positive exchange-rate effect, for +2.3%, largely as a result of the appreciation of the Egyptian pound and the US dollar against the euro.

The slowdown in consolidated business activities arose from the construction materials sector, which reported a sharp decline in the mature countries offset only in part by growth in some emerging countries, from the packaging and insulation sector, where sales volumes fell in both lines of business, and from the banking sector; the financial sector achieved significant growth.

Recurring EBITDA and **EBITDA** dropped respectively by 61.5 million euro (-27.1%) and 74.2 million euro (-32.5%) from the first quarter of 2008. With the sole exception of food packaging and thermal insulation, this decline arose in virtually all sectors, although the largest reduction in absolute terms came from the construction materials sector, while the largest reduction in percentage terms was reported by the banking sector.

After an increase in amortization and depreciation charges compared with the first quarter of 2008 (116.2 million euro, from 111.2 million euro), **EBIT** fell by 67.9%, from 116.6 million euro to 37.5 million euro.

Net finance costs, including net exchange-rate differences and derivatives, decreased by 5.8 million euro, from 36.8 million euro to 31.0 million euro, largely as a result of lower interest expense on borrowings.

The **share of results of associates** increased significantly (7.4 million euro against 0.4 million euro).

These results generated a reduction in **profit before tax** of 82.6% to 13.9 million euro, from 80.1 million euro at March 31, 2008.

Despite the increase in the overall tax rate, **income tax expense**, at 16.8 million euro, was lower than the year-earlier charge (32.0 million euro) due to the reduction in profit before tax.

Italmobiliare posted a **net loss for the period** of 2.9 million euro (net profit of 48.1 million euro in the year-earlier period); after net profit attributable to minorities of 25.1 million euro (-62.5%), the **net loss attributable to the Group** was 28.0 million euro (a net loss of 18.9 million euro at March 31, 2008).

The Group has decided to present its comprehensive income results using two schedules. The first schedule reflects traditional income statement components and the net result for the period, while the second schedule, beginning with the net result for the period, presents other components of comprehensive income previously reflected only in the statement of movements in consolidated shareholders' equity: fair value gains and losses on available-for-sale financial assets and financial derivatives, translation gains and losses.

In the first quarter of 2009, the components of other comprehensive income showed a negative balance of 66.2 million euro (a negative balance of 454.3 million euro in the year-earlier period, due to fair value changes on available-for-sale financial assets for -234.4 million euro and translation differences of -214.2 million euro). Considering these components and the above-mentioned net loss for the period, total comprehensive income for the first quarter of 2009 was negative at 69.1 million euro (-105.0 million euro attributable to the Group and a positive amount of 35.9 million euro attributable to minorities). This compares with negative total comprehensive income of 406.2 million euro in the first quarter of 2008 (-273.4 million euro attributable to the Group and -132.8 million euro attributable to minorities).

Investments in fixed assets in the first quarter, including changes in payables/receivables relating to purchases, amounted to 183.7 million euro (277.8 million euro in the year-earlier period), of which 8.2 million euro for investments in non-current financial assets, a sharp reduction from 115.0 million euro in the first quarter of 2008. Almost all financial investments were in the construction materials sector, where a limited number of acquisitions took place.

Investments in property, plant and equipment and intangible assets amounted to 175.5 million euro (162.8 in the first quarter of 2008) and arose largely in the construction materials sector in North America, the European Union and Africa.

At March 31, 2009, **net debt** was 2,605.3 million euro, from 2,571.9 million euro at December 31, 2008. At March 31, 2009, the Calcestruzzi subgroup had an intercompany current account debit balance of 181.7 million euro in respect of Italcementi S.p.A. (175.4 million euro at December 31, 2008). The amount in question has been classified as a current financial asset in the Italcementi S.p.A. separate financial statements and consequently included in computation of Group net debt, which decreased by an identical amount.

The ratio of net debt to shareholders' equity was 48.04% at March 31, 2009, a slight worsening from 46.86% at December 31, 2008.

Performance in the core businesses

Performance in the **construction materials** sector, where the Italcementi group operates (Italmobiliare's main industrial operation), was affected by a decrease in sales volumes, mainly in the mature countries, while the slowdown was significantly smaller in the emerging countries as a whole, thanks to the upbeat mood on a number of markets (Egypt, Morocco). Sales volumes were severely affected by trends in January and February, due to the impact of the economic crisis and particularly unfavorable weather conditions. The rise in sales prices substantially counterbalanced the increase in variable costs caused by the continued impact of high energy prices in 2008. Costs were also driven up by non-recurring expenses connected with the closure of minor plants, but benefited from containment of fixed costs as a result of measures introduced in all countries in the second half of 2008 and a positive exchange-rate effect. Under these conditions, group revenues decreased by 11.1% (-13.4% at constant size and exchange rates), while the reduction in recurring EBITDA and EBIT was 27.0% and 57.3% respectively. After decreases in net finance costs and income tax of 18.3% and 51.5% respectively, Italcementi posted a net profit for the period of 20.1 million euro (82.2 million euro in the first quarter of 2008), with a net loss attributable to the group of 12.7 million euro (a net profit of 38.7 million euro in the first quarter of 2008).

In the **food packaging and thermal insulation sector**, consisting of the Sirap Gema group, performance in the first quarter of 2009, as at the end of 2008, was affected by the impact of the economic crisis. Consolidated revenues fell by 9.1% to 54.8 million euro. The reduction in EBIT was smaller (-6.2%), due to the sharp decrease in prices of raw materials. The sector posted a net loss for the period of 2.2 million euro, compared with a net loss of 1.1 million euro in the year-earlier period; this downturn was due in part to higher finance costs caused mainly by a negative exchange-rate effect as a number of East European currencies devalued against the euro.

The **financial sector**, which includes the parent company Italmobiliare and the wholly owned financial companies, reported a net loss of 17.8 million euro compared with a net loss of 34.7 million euro in the first quarter of 2008. The first-quarter loss, smaller than that of the year-earlier period, arose mainly as a result of write-downs on the equities and debenture trading portfolios. Meanwhile, income from equity investments increased, while borrowing costs dropped significantly due to the lower level of debt and much lower interest rates.

The **banking sector** comprises Finter Bank Zürich and Crédit Mobilier de Monaco. It reported a net profit of 0.4 million euro, down from 2.1 million euro in the first quarter of 2008, a decrease caused largely by a reduction in commission income and losses on the asset portfolio.

THE OUTLOOK

The macroeconomic situation remains very uncertain and, as indicated in the report to the consolidated financial statements at 31 December 2008, the severe financial crisis has now reached the real economy.

2009 will be a year of very difficult economic conditions that are not easily identifiable. For this reason, it is currently difficult, after only one quarter, to draw up a reliable outlook of the consolidated results to be achieved this year.

Furthermore, the Board appointed independent director Giorgio Perolari to the Internal Control Committee, in substitution of Jonella Ligresti, who had previously requested to be replaced in the position as a result of the many commitments she has within her own group.

The manager in charge of preparing the company's financial reports, Mr Angelo Maria Triulzi, declares, pursuant to paragraph 2 article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting entries.

ITALMOBILIARE ON THE INTERNET: http://www.italmobiliare.it
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Attachments: condensed income statement and balance sheet

To permit comparison with the first quarter of 2008, the 2008 figures have been re-stated for compliance with the IAS 1 (Presentation of Financial Statements) and IAS 23 (Borrowing Costs) accounting standards in force as from January 1, 2009, and with operations in Turkey, previously classified as available for sale in compliance with IFRS 5 but in the event not sold, consolidated on a line-by-line basis.

Italmobiliare Group					
Income statement (in thousands of euro)	Q1 2009	%	Q1 2008 re-stated	%	% change
Revenues	1,276,209	100.0	1,430,874	100.0	-10.8
Other revenues	20,907		13,135		
Change in inventories	(17,583)		15,632		
Internal work capitalized	9,005		6,470		
Goods and utilities expenses	(500,332)		(581,312)		
Services expenses	(280,318)		(320,734)		
Employee expenses	(253,424)		(254,867)		
Other operating income (expense)	(89,240)		(82,470)		
Recurring EBITDA	165,224	12.9	226,728	15.8	-27.1
Net capital gains on sale of fixed assets	747		5,325		
Non-recurring employee expenses for re-orgs.	(12,340)		(4,340)		
Other non-recurring income (expense)	117		185		
EBITDA	153,748	12.0	227,898	15.9	-32.5
Amortization and depreciation	(116,264)		(111,186)		
Impairment variation			(102)		
EBIT	37,484	2.9	116,610	8.1	-67.9
Finance income	8,879		9,688		
Finance costs	(36,670)		(43,092)		
Net exchange-rate differences and derivatives	(3,212)		(3,419)		
Share of results of associates	7,467		361		
Profit before tax	13,948	1.1	80,148	5.6	-82.6
Income tax expense	(16,834)		(32,066)		
Net profit from continuing operations	(2,886)	-0.2	48,082	3.4	n.s.
Net profit/loss from discontinued operations					
Net profit for the period	(2,886)	-0.2	48,082	3.4	n.s.
Attributable to:					
Equity holders of the parent	(28,001)	-2.2	(18,882)	-1.3	-48.3
Minority interests	25,115	2.0	66,964	4.7	-62.5

Italmobiliare Group					
Consolidated statement of comprehensive income* (in thousands of euro)	Q1 2009		Q1 2008 re-stated		% change
		%		%	
Net profit for the period	(2,886)	-0.2	48,082	3.4	-106.0
Fair value adjustments to:					
Available-for-sale financial assets	(82,806)		(234,371)		
Derivative financial instruments	(23,268)		(6,119)		
Translation differences	39,658		(214,212)		
Tax relating to components of other comprehensive income	194		381		
Components of other comprehensive income	(66,222)		(454,321)		
Total comprehensive income	(69,108)	-5.4	(406,239)	-28.4	-83.0
Attributable to:					
Equity holders of the parent	(105,024)		(273,472)		
Minorities	35,916		(132,767)		

* In accordance with IAS 1

Italmobiliare Group				
Financial position (in thousands of euro)	March 31, 2009	December 31, 2008	Change	
			Δ	%
Cash, cash equivalents and current financial assets	(1,635,175)	(1,573,543)	(61,632)	3.9
Short-term financing	1,291,032	1,245,522	45,510	3.7
Medium/long-term financial assets	(96,015)	(111,050)	15,035	-13.5
Medium/long-term financing	3,045,457	3,010,954	34,503	1.1
Total net debt	2,605,299	2,571,883	33,416	1.3
	March 31, 2009	December 31, 2008 re-stated		
Total shareholders' equity	5,423,726	5,488,239	(64,513)	-1.2