

THE BOARD OF DIRECTORS EXAMINES 2009 HALF-YEAR RESULTS

## ITALMOBILIARE GROUP:

- **REVENUES: 2,776.7 MILLION EURO (3,139.5 MILLION EURO IN FIRST HALF OF 2008)**
- **TOTAL NET PROFIT: 164.2 MILLION EURO (236.3 MILLION EURO)**
- **NET PROFIT ATTRIBUTABLE TO GROUP: 58.7 MILLION EURO (67.5 MILLION EURO)**
- **INVESTMENTS IN FIXED ASSETS: 401.8 MILLION EURO (504.1 MILLION EURO)**
- **SHAREHOLDERS' EQUITY: 5,542.9 MILLION EURO (5,488.2 MILLION EURO AT THE END OF 2008)**
- **NET DEBT: 2,630.9 MILLION EURO (2,571.9 MILLION EURO AT DECEMBER 31, 2008)**
- **GEARING RATIO 47.5% FROM 46.9% AT END 2008**

## ITALMOBILIARE S.p.A.:

- **NET PROFIT: 67.1 MILLION EURO (62.0 MILLION EURO AT JUNE 30, 2008)**
- **NET ASSET VALUE: 1,924.9 MILLION EURO (1,674.9 AT MARCH 31, 2009)**

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**Milan, August 7, 2009** – *At a meeting today, the Board of Directors of Italmobiliare S.p.A. examined and approved the consolidated half-year report at June 30, 2009, which reflected a significant improvement in results in the second quarter compared with performance in the first three months of the year.*

*The first half of the year reflected the impact on the real economy and the financial markets of the worst recession for many decades. Nevertheless, the negative trend eased in the second quarter, leading, on the financial markets at least, to a recovery in share prices. The improvement enabled the Italmobiliare Group to apply write-ups to its debenture and equities portfolio, which, together with the decrease in borrowing costs, produced a significant improvement in first-half results in the financial sector. In the industrial lines of business, operating margins in the construction materials business reflected an upturn – despite a contraction in results in absolute terms – and were in line with the corresponding year-earlier period; the food packaging and thermal insulation sector reported significant growth in operating results due to the reduction in costs and measures to improve efficiency.*

*For the first half the Italmobiliare Group reported consolidated **total net profit** of 164.2 million euro (236.3 million euro in the first half of 2008), thanks to the return to a net profit of 167.1 million euro in the second quarter after a net loss of 2.9 million euro in the*

first quarter. The **net profit attributable to the Group** was 58.7 million euro (67.5 million euro), a smaller decrease than in total net profit, largely thanks to the improvement in results at the wholly owned subsidiaries.

First-half **revenues** were 2,776.7 million euro (3,139.5 million euro in the year-earlier period) while **investments** in fixed assets remained high at 401.8 million euro, mainly to upgrade and rationalize the Group's industrial facilities.

At the end of June **total shareholders' equity** amounted to 5,542.9 million euro, up from 5,488.2 million euro at December 31, 2008. Consolidated **net debt** at the end of the first half was 2,630.9 million euro (2,571.9 million euro at the end of 2008); the **financial sector had a positive net financial position** of 213,8 million euro at the end of the first half (160.6 million euro at December 31, 2008).

After the changes in shareholders' equity and debt, the **gearing** ratio at the end of the first half was 47.46% (46.86% at December 31, 2008).

The **Parent Company Italmobiliare S.p.A.** reported a net profit for the period of 67.1 million euro, compared with 62.0 million euro in the year-earlier period. The improvement was largely due to the capital gain on the sale of property and the reduction in net finance costs, which more than made up for the lower dividends received.

**Italmobiliare Net Asset Value (NAV)** at June 30, 2009, was 1,924.9 million euro (1,674.9 million euro at March 31, 2009).

Despite some signs of improvement, the general economic situation still remains highly critical and will affect the results of the sectors in which the Group operates. While the crisis is slowing and a recovery is emerging on some markets, it is uncertain whether the most acute phase has been overcome across the board, and consequently it is not possible at this time to forecast the trends that will develop after the summer break. In this situation, it is extremely difficult today to provide any reliable **guidance** on the Group's full-year consolidated result.

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**SECOND QUARTER 2009** – The seasonal nature of the Group core businesses normally produces stronger performance in the second quarter of the year compared with the first quarter. This pattern also emerged in 2009.

Whereas the first quarter of 2009 posted a net loss of 2.9 million euro (a net loss of 28.0 million euro attributable to the Group), the second quarter posted a net profit of 167.1 million euro (86.7 million euro attributable to the Group).

The comparison with the prior-year quarters also reflects an improvement trend, despite the negative percentage changes. Whereas the net profit in the first quarter of 2009 presented a negative change of 106.0% with respect to the first quarter of 2008, this decline eased to 11.2% in the second quarter.

A change in the second quarter compared with the first can also be seen in the net profit for the period attributable to the Group (+0.4%) and to minorities (-21.1%), with the following percentage variations: -48.3% for profit attributable to the Group and -62.5% attributable to minorities.

**FIRST HALF 2009** – In the period January-June 2009, Group **revenues** amounted to 2,776.7 million euro (-11.6% from the first half of 2008); business performance had a negative impact of 13.7%, while the exchange-rate effect was positive (2.1%) due to the appreciation of the Egyptian pound, Swiss franc and, to a lesser degree, the US dollar against the euro.

The business slowdown arose in all sectors, but most noticeably in construction materials and in real estate, services, others.

**Recurring EBITDA** and EBITDA decreased by 74.7 million euro (-12.2%) and 86.3 million euro (-14.0%) respectively from the first half of 2008. All the sectors, with the exception of packaging and insulation and the financial sector, contributed to the decline, but the largest reductions in absolute terms were in construction materials and real estate, services, others.

After an increase in amortization and depreciation (+4.1%) compared with the first half of 2008 (232.9 million euro from 223.7 million euro), **EBIT** was down 30.4%, falling from 393.5 million euro to 273.8 million euro.

Turnover by geographical area reflected significant growth in revenues in Africa and a particularly sharp reduction in the other European countries, North America and the EU countries, as well as in Trading. EBITDA and EBIT fell in all areas, except Africa. In absolute terms, the EU countries as a whole made the largest contribution to revenues and EBIT.

**Net finance costs**, including net exchange rate differences and derivatives, amounted to 58.9 million euro, down by 11.9 million euro from the first half of 2008 (70.8 million euro), largely as a result of the decrease in interest rates.

**Impairment variations on financial assets** at June 30, 2009 (-2.4 million euro) were significantly lower than in the first half of 2008, which reflected write-downs of 15.2 million euro, due to the impairment of the Calcestruzzi company.

The **share of results of associates**, at 19.1 million euro, was 5.0 million euro up on the first half of 2008 (14.1 million euro), chiefly owing to the improvement in results of some associates in the financial sector.

**Profit before tax** in the first half was 231.6 million euro, a decrease of 28.0% from June 30, 2008 (321.6 million euro).

Income tax expense for the period was 67.4 million euro, down by 21.0% from the year-earlier period essentially due to the reduction in profit before tax, while the overall average tax rate rose from 26.5% to 29.1%.

Consequently, **net profit for the period** was 164.2 million euro (-30.5% on the year-earlier period).

**Net profit attributable to the Group**, after profit attributable to minority interests of 105.5 million euro (-37.5%), was 58.7 million euro, compared with 67.5 million euro in the first half of 2008 (-13.0%). This difference in trend was mainly due to the improvement in the results of the wholly owned subsidiaries.

In compliance with the revised IAS 1, 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: mainly fair value gains and losses on available-for-sale financial assets and financial derivatives, translation gains and losses.

In the first half of 2009, the components of other comprehensive income showed a negative balance of 0.4 million euro (negative balance of 437.2 million euro in the first half of 2008, largely due to fair value changes and translation differences). Given these

components and the net profit for the period described above, total comprehensive income for the first half of 2009 was 163.8 million euro (a total of 99.3 million euro attributable to the Group and a total of 64.5 million euro attributable to minorities), compared with negative total comprehensive income of 437.2 million euro in the first half of 2008 (a total of -346.6 million euro attributable to the Group and a total of -90.6 million euro attributable to minorities).

#### Revenues and operating results by geographical area

(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	H1 2009	% change vs H1 2008	H1 2009	% change vs H1 2008	H1 2009	% change vs H1 2008	H1 2009	% change vs H1 2008
European Union	1,656.1	-18.1	299.6	-15.7	299.7	-15.8	168.7	-27.6
Other European countries	90.0	-37.9	(1.0)	-110.9	(1.0)	-111.0	(9.2)	n.s.
North America	189.6	-16.9	(10.3)	-145.4	(10.6)	-144.9	(33.2)	n.s.
Asia	211.5	-1.7	52.5	-6.7	48.5	-14.3	7.8	-78.4
Africa	584.0	25.3	203.8	20.5	203.8	20.3	154.1	23.2
Trading	124.6	-33.0	6.3	-58.5	6.5	-57.3	3.5	-73.9
Others, inter-area eliminations	(79.1)	-35.9	(10.7)	-17.0	(16.0)	24.7	(17.9)	9.4
<b>Total</b>	<b>2,776.7</b>	<b>-11.6</b>	<b>540.2</b>	<b>-12.2</b>	<b>530.9</b>	<b>-14.0</b>	<b>273.8</b>	<b>-30.4</b>

n.s.: not significant

#### Revenues and operating results by line of business

(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	H1 2009	% change vs H1 2008	H1 2009	% change vs H1 2008	H1 2009	% change vs H1 2008	H1 2009	% change vs H1 2008
Construction materials	2,585.8	-11.6	497.4	-16.2	488.2	-18.0	237.9	-37.1
Packaging and insulation	118.4	-9.0	13.6	18.2	13.6	18.2	7.6	39.0
Financial	91.7	-15.2	58.4	21.7	58.4	20.4	58.3	20.4
Banking	20.1	-11.8	3.6	-25.6	3.6	-25.3	2.9	-31.8
Property, services, other	1.4	-80.5	0.1	-99.6	-	-99.5	-	-100.3
Inter-sector eliminations	(40.7)	-25.5	(32.9)	-32.1	(32.9)	-32.1	(32.9)	-32.1
<b>Total</b>	<b>2,776.7</b>	<b>-11.6</b>	<b>540.2</b>	<b>-12.2</b>	<b>530.9</b>	<b>-14.0</b>	<b>273.8</b>	<b>-30.4</b>

**Total shareholders' equity** at June 30, 2009, was 5,542.9 million euro, up by 54.7 million euro from December 31, 2008, reflecting an increase of 90.3 million euro on shareholders' equity attributable to the Group and a decrease of 35.6 million euro in minority interests. The overall change reflected the positive impact of net profit for the period (164.2 million euro) and the change in the fair value reserve (52.8 million euro) and the negative impact of the decrease in dividends distributed (103.5 million euro) and the change in the translation reserve and other changes (58.8 million euro).

At June 30, 2009, **net debt** was 2,630.9 million euro, an increase of 59.0 million euro from the situation at December 31, 2008 (2,571.9 million euro). The increase arose largely from the significant level of investments in fixed assets in the first half (401.8 million euro), dividends distributed (96.0 million euro, counterbalanced only in part by cash flows from operating activities (442.7 million euro).

Group first-half **investments** in fixed assets amounted to 401.8 million euro, down by 102.3 million euro from the first half of 2008. They focused mainly on upgrading and rationalizing existing industrial facilities. Capital expenditure, relating for the most part to the construction materials sector and to a much lesser extent to the food packaging and thermal insulation sector, amounted to 378.0 million euro, up by 49.5 million euro from the year-earlier period (328.5 million euro).

Investments in financial assets amounted to 23.8 million euro (175.6 million euro in the first half of 2008), and essentially concerned the construction materials sector.

The **gearing** ratio (net debt to shareholders' equity) at June 30, 2009, was 47.46%, a slight decline from 46.86% at December 31, 2008.

Italmobiliare **Net Asset Value** (NAV) at June 30, 2009, was 1,924.9 million euro (1,674.9 million euro at March 31, 2009, and 1,911.0 million euro at December 31, 2008).

### **Performance in the core businesses**

The **construction materials** sector, where the Italcementi group operates (the group published its 2009 half-year results on July 31), reported a decline in sales volumes in the first half of 2009, mainly on the mature markets. The sales price trend was positive overall, although it varied from one market to another and saw a general slowdown toward the end of the period. Revenues, at 2,585.8 million euro, were down 11.6% from the first half of 2008, adversely affected by the slacker business performance. At constant size and exchange rates, revenues decreased by 13.9%. The negative effect produced by the sharp fall in sales was largely counterbalanced by incisive control of operating expenses and overheads. Operating results were nonetheless down on the first half of 2008: recurring EBITDA, at 497.4 million euro, fell by 16.2%, while EBIT, at 237.9 million euro, dropped by 37.1%. After net finance costs, the share of results of associates and tax, profit for the period was 127.3 million euro (-42.3%), while net profit attributable to the group was 55.1 million euro (-58.0%).

The **food packaging and thermal insulation sector**, consisting of the Sirap Gema group, reported first-half revenues of 118.4 million euro, down 9.0% from the first half of 2008; the decline arose largely on lower sales volumes, especially in thermal insulation, and on a negative exchange-rate effect (-2.2%). EBIT was 7.6 million euro, with a significant improvement from the year-earlier period (+39%). Despite the difficult economic situation and fierce competition, the group successfully maintained a healthy overall sales price level, thus benefiting from the decrease in raw material costs and from action to improve efficiency. Profit before tax was 3.4 million euro, a sharp increase from the year-earlier period (1.9 million euro), adversely affected only in part by finance costs (4.2 million euro), which increased by 17.5% due to a negative exchange-rate effect. The net profit for the period was 1 million euro, down from the first half of 2008 (3.4 million euro) as a result of the combined effect of the improvement in operating margins and the absence of the reversal of deferred tax applied in 2008.

The **financial sector**, which includes the parent company Italmobiliare and the wholly owned financial companies, reported a net profit of 64.8 million euro compared with 51.3 million euro in the first half of 2008. The improvement in earnings compared with the year-earlier period was largely due to write-ups on the debenture trading portfolio (reflecting the recovery in market prices), the decrease in borrowing costs and the very positive contribution of associates.

The **banking sector** comprises Finter Bank Zürich and Crédit Mobilier de Monaco. It reported a first-half net profit of 2.5 million euro, down by 32.8% from 3.6 million euro in the year-earlier period, as a result of the reduction in net interest income and trading income and the slight increase in administrative expenses and amortization.

**OUTLOOK** – Despite some signs of improvement, the general economic situation still remains highly critical and will affect the results of the sectors in which the Group operates. While the crisis is slowing and a recovery is emerging on some markets, it is uncertain whether the most acute phase has been overcome across the board, and consequently it is not possible at this time to forecast the trends that will develop after the summer break.

In this situation, it is extremely difficult today to provide any reliable guidance on the Group's full-year consolidated result.

**DEBENTURE ISSUES AND MATURITIES** – No new debentures were issued during the period and no issues are due to mature in the 18 months after closure of the first half, other than those illustrated by the subsidiary Italcementi S.p.A. in its press release of July 31, 2009.

**The Manager in charge of preparing Italmobiliare S.p.A. financial reports, 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: <a href="http://www.italmobiliare.it">http://www.italmobiliare.it</a>
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Attachments: the pre-audit income statement and balance sheet

To permit comparison with the first half of 2009, the 2008 figures have been re-stated for compliance with IAS 1 (Presentation of Financial Statements) and IAS 23 (Borrowing Costs) 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.

<b>Italmobiliare Group</b>					
<b>Income Statement</b> (in thousands of euro)	<b>H1 2009</b>	<b>%</b>	<b>H1 1 2008</b>	<b>%</b>	<b>% change</b>
<b>Revenues</b>	<b>2,776,679</b>	<b>100.0</b>	<b>3,139,501</b>	<b>100.0</b>	<b>-11.6</b>
Other revenues	25,775		29,837		
Change in inventories	(71,669)		831		
Internal work capitalized	22,504		15,712		
Goods and utilities expenses	(1,023,368)		(1,209,140)		
Services expenses	(586,753)		(705,560)		
Employee expenses	(506,895)		(519,808)		
Other operating income (expense)	(96,121)		(136,456)		
<b>Recurring EBITDA</b>	<b>540,152</b>	<b>19.5</b>	<b>614,917</b>	<b>19.6</b>	<b>-12.2</b>
Net capital gains on sale of fixed assets	4,731		6,041		
Non-recurring employee expenses for re-orgs	(12,848)		(4,340)		
Other non-recurring income (expense)	(1,102)		622		
<b>EBITDA</b>	<b>530,933</b>	<b>19.1</b>	<b>617,240</b>	<b>19.7</b>	<b>-14.0</b>
Amortization and depreciation	(232,926)		(223,728)		
Impairment variations	(24,242)		(23)		
<b>EBIT</b>	<b>273,765</b>	<b>9.9</b>	<b>393,489</b>	<b>12.5</b>	<b>-30.4</b>
Finance income	16,352		24,612		
Finance costs	(68,758)		(89,148)		
Net exchange-rate differences and derivatives	(6,491)		(6,218)		
Impairment variations on financial assets	(2,412)		(15,235)		
Share of results of associates	19,098		14,061		
<b>Profit before tax</b>	<b>231,554</b>	<b>8.3</b>	<b>321,561</b>	<b>10.2</b>	<b>-28.0</b>
Income tax expense	(67,322)		(85,250)		
<b>Net profit for the period</b>	<b>164,232</b>	<b>5.9</b>	<b>236,311</b>	<b>7.5</b>	<b>-30.5</b>
Attributable to:					
<b>Equity holders of the parent</b>	58,682	2.1	67,451	2.1	
<b>Minority interests</b>	105,550	3.8	168,860	5.4	
Earnings per share					
- Basic					
ordinary shares	1.543 €		1.776 €		
savings shares	1.582 €		1.815 €		
- Diluted					
ordinary shares	1.543 €		1.773 €		
savings shares	1.582 €		1.812 €		

<b>Italmobiliare Group</b>					
<b>Consolidated statement of comprehensive income</b> (in thousands of euro)	<b>H1 2009</b>	<b>%</b>	<b>H1 2008</b>	<b>%</b>	<b>% change</b>
<b>Net profit for the period</b>	<b>164,232</b>	<b>12.9</b>	<b>236,311</b>	<b>16.5</b>	<b>-30.5</b>
Fair value adjustments to:					
Available-for-sale financial assets	79,952		(492,864)		
Derivative financial instruments	(36,656)		18,323		
Translation differences	(53,257)		(212,481)		
Tax relating to components of other comprehensive income	9,534		13,462		
<b>Components of other comprehensive income</b>	<b>(427)</b>		<b>(673,560)</b>		
<b>Total comprehensive income</b>	<b>163,805</b>	<b>12.8</b>	<b>(437,249)</b>	<b>-30.6</b>	<b>-137.5</b>
Attributable to:					
<b>Equity holders of the parent</b>	99,292		(346,626)		
<b>Minority interests</b>	64,513		(90,623)		

<b>Italmobiliare Group</b>			
<b>Balance Sheet</b> (in thousands of euro)	<b>6/30/2009</b>	<b>12/31/2008</b>	<b>Change</b>
<b>Non-current assets</b>			
Property, plant and equipment	4,427,873	4,384,588	43,285
Investment property	39,145	29,344	9,801
Goodwill	2,036,273	2,035,059	1,214
Intangible assets	134,502	137,805	(3,303)
Investments in associates	357,300	342,971	14,329
Other equity investments	705,277	634,736	70,541
Non-current trade and other receivables	132,237	165,369	(33,132)
Deferred tax assets	51,969	46,371	5,598
Non-current receivables due from employees	1,657	205	1,452
<b>Total non-current assets</b>	<b>7,886,233</b>	<b>7,776,448</b>	<b>109,785</b>
<b>Current assets</b>			
Inventories	821,534	984,189	(162,655)
Trade receivables	1,180,064	1,176,744	3,320
Other current assets	420,453	454,036	(33,583)
Income tax assets	68,521	105,628	(37,107)
Equity investments and financial receivables	858,512	810,292	48,220
Cash and cash equivalents	666,178	590,535	75,643
<b>Total current assets</b>	<b>4,015,262</b>	<b>4,121,424</b>	<b>(106,162)</b>
<b>Total assets</b>	<b>11,901,495</b>	<b>11,897,872</b>	<b>3,623</b>
<b>Shareholders' equity</b>			
Share capital	100,167	100,167	
Reserves	354,825	300,057	54,768
Treasury shares	(21,226)	(21,226)	
Retained earnings	1,836,036	1,800,521	35,515
<b>Group shareholders' equity</b>	<b>2,269,802</b>	<b>2,179,519</b>	<b>90,283</b>
Minority interests	3,273,101	3,308,715	(35,614)
<b>Total shareholders' equity</b>	<b>5,542,903</b>	<b>5,488,234</b>	<b>54,669</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and long-term borrowings	3,128,779	2,970,766	158,013
Employee benefit liabilities	176,478	176,557	(79)
Non-current provisions	264,164	287,446	(23,282)
Other non-current liabilities	58,670	43,083	15,587
Deferred tax liabilities	263,038	291,095	(28,057)
<b>Total non-current liabilities</b>	<b>3,891,129</b>	<b>3,768,947</b>	<b>122,182</b>
<b>Current liabilities</b>			
Bank overdrafts and short-term borrowings	332,458	560,446	(227,988)
Interest-bearing loans and short-term borrowings	317,532	269,618	47,914
Trade payables	613,114	738,399	(125,285)
Current provisions	1,956	1,989	(33)
Income tax liabilities	51,064	64,575	(13,511)
Other liabilities	1,151,339	1,005,664	145,675
<b>Total current liabilities</b>	<b>2,467,463</b>	<b>2,640,691</b>	<b>(173,228)</b>
<b>Total liabilities</b>	<b>6,358,592</b>	<b>6,409,638</b>	<b>(51,046)</b>
<b>Total shareholders' equity and liabilities</b>	<b>11,901,495</b>	<b>11,897,872</b>	<b>3,623</b>