ITALMOBILIARE

Quarterly report
at September 30, 2015

ITALMOBILIARE

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This Quarterly report at September 30,2015 has been prepared in English for the convenience of international readers. The original Italian documents should be considered the authoritative version.

ITALMOBILIARE

Quarterly report

at September 30, 2015

November 13, 2015

ITALMOBILIARE
Società per Azioni

Head Office: Via Borgonuovo, 20
20121 Milan – Italy
Share Capital € 100,166,937
Milan Companies Register

Italmobiliare S.p.A. Directors, Officers and Auditors

Board of Directors

(Term ends on approval of financial statements at 12.31.2016)

Giampiero Pesenti	1	Chairman
Italo Lucchini	1-3	Deputy Chairmn
Carlo Pesenti	1-2	Chief Executive / Operating Officer
Anna Maria Artoni	5-6	
Giorgio Bonomi	4	
Carolyn Dittmeier	4-5-6	
Sebastiano Mazzoleni		
Luca Minoli		
Gianemilio Osculati	6	
Clemente Rebecchini		
Paolo Domenico Sfameni	4-5-6-9	
Livio Strazzera	1-7	
Massimo Tononi	3-6-8	
Laura Zanetti	1-3-6	
Graziano Molinari	10	Secretary to the Board

Board of Statutory Auditors

(Term ends on approval of financial statements at 12.31.2016)

Acting Auditors

Francesco Di Carlo	Chairman
Angelo Casò	
Luciana Ravicini	

Substitute Auditors

Maria Rachele Vigani
Barbara Berlanda
Paolo Ludovici

Manager in charge of preparing the company's financial reports

Giorgio Moroni

Independent Auditors

KPMG S.p.A.

1 Member of the Executive Committee
2 Director in charge of the internal control and risk management system
3 Member of the Remuneration Committee
4 Member of the Control & Risks Committee
5 Member of the Committee for Transactions with Related Parties
6 Independent director (pursuant to Code of Conduct and Law no.58, February 24, 1998)
7 Independent director (pursuant to Law no.58, February 24, 1998)
8 Lead independent director
9 Member of the Supervisory Body
10 Secretary to the Executive Committee

COMMENTS ON OPERATIONS

Foreword

The quarterly report as at and for the nine months ended September 30, 2015, has been drawn up in compliance with article 154 ter, paragraph 5, of Legislative Decree no. 58 of February 24, 1998, and subsequent amendments. It is also compliant with the measurement and recognition criteria of the International Accounting and Financial Reporting Standards (IAS/IFRS.

The changes in accounting standards and interpretations with respect to the financial statements as at and for the year ended December 31, 2014, have not had a significant impact on this report. They arise from the application as from January 1, 2015, of:

- “Annual Improvements cycle 2011-2013”. The changes introduced constitute clarifications and corrections (IFRS 3 “Business combinations” and IFRS 13 “Fair value measurement”). They involve amendments to current requirements or provide additional indications regarding application (IAS 40 “Investment property”);
- IFRIC 21 “Levies”. The interpretation indicates that levies are to be recognized only when the obligating event specified by law that generates the liability occurs.

With regard to application of IAS 16 “Property, plant and equipment”, a review of industrial assets and their related useful lives led to a reduction of 10.2 million euro in amortization and depreciation in the first nine months.

As noted in the half-year report at June 30, 2015, on July 28 Italmobiliare S.p.A. signed an agreement to sell its entire equity stake in Italcementi to HeidelbergCement. Consequently, the assets held for sale are treated in compliance with IFRS 5, showing income statement items under a single specific caption (“Profit (loss) relating to discontinued operations”) both for the period under review and for 2014, whose interim results therefore differ to those published last year. In connection with the agreement, Italmobiliare has undertaken to purchase from Italcementi its equity investments in renewable energy (Italgen group) and in e-procurement (BravoSolution group), which will continue to be consolidated on a line-by-line basis.

On September 30, 2015, the Finter Bank Zürich group was sold to Vontobel Holding AG. This transaction also determined application of IFRS 5.

The changes in the scope of consolidation compared with 2014 were not of material importance: they consisted chiefly of three small companies purchased in the construction materials segment and a new company established in the food packaging and thermal insulation segment, all headquartered in France and consolidated line-by-line. At the end of July, the Sirap Gema group sold its thermal insulation arm, Sirap Insulation S.r.l..

Information on operations

International economic growth in the third quarter of the year was negatively affected by the general economic situation of the emerging economies, specifically by the slowdown in China, which was a contributing factor in the weakening of international commodities prices, with negative repercussions for the growth of the main exporters. The uncertain international economic situation influenced the decision of the Federal Reserve not to raise interest rates as expected in September.

In the Eurozone, the third quarter saw a strong acceleration in exports and a slowdown in imports, countered in part by the fall in investments, especially in the construction industry.

Volatility on the financial markets eased in July after Greece reached an agreement with the European leaders, but has been rising since mid-August, due to the slowdown of the Chinese economy, with consequences for the international markets. Specifically, the sudden decision of the Chinese authorities to modify the exchange-rate mechanism and simultaneously devalue the Chinese renminbi against the dollar caused a new fall in the country's share prices. The situation in China triggered significant losses on the stock markets of the advanced countries and the other emerging economies, as well as a sharp depreciation of the exchange rate in the commodity producer countries.

Ten-year government bond yields in the main advanced countries began falling once again, reflecting the attenuation of inflation and growth expectations, and the focus on safe investments.

In the third quarter of 2015, the euro recovered part of the depreciation of the first half of the year. It strengthened against the dollar, in part after the Federal Reserve decision in September not to raise official rates, and weakened slightly against the yen.

Volatility also rose on the Italian financial market in the third quarter. Share prices in particular, having rallied in July with the resolution of the Greek crisis, have been falling since mid-August due to the turbulence on the international markets and the Volkswagen scandal. Compared with the end of June, the FTSE MIB index was down 5.2% at September 30.

In this context, in the third quarter of 2015 the Group posted a **profit for the period** of 27.1 million euro and a **profit attributable to owners of the parent** of 28.4 million euro. This compared, respectively, with profit of 14.1 million euro and a loss attributable to owners of the parent of 0.8 million euro in the third quarter of 2014.

For the nine months to September 30, 2015, the Group posted a **profit for the period** of 6.7 million euro and a **loss attributable to owners of the parent** of 10.8 million euro. This compared, respectively, with a loss of 55.9 million euro and a loss attributable to owners of the parent of 37.5 million euro in the nine months to September 30, 2014.

The other main results for the third quarter and the nine months to September 30, 2015, and the changes compared with the year-earlier periods, were as follows:

- **Revenue**: 87.3 million euro in the quarter (-8.4%) and 294.8 million euro in the nine months (-4.6%);
- **Recurring gross operating profit**: a loss of 3.0 million euro in the quarter (decrease >100%) and profit of 16.8 million euro in the nine months (-67.9%);

- **Gross operating profit**: loss of 4.9 million euro in the quarter (decrease >100%) and loss of 12.6 million euro in the nine months (decrease >100%);
- **Operating profit**: loss of 9.6 million euro in the quarter (decrease >100%) and loss of 24.4 million euro in the nine months (decrease >100%);
- **Finance income and costs** (including exchange-rate differences and derivatives): net finance income of 2.8 million euro in the quarter (increase >100%) and net finance income of 0.2 million euro in the nine months (increase >100%);
- **Profit before tax**: loss of 7.1 million euro in the quarter (decrease >100%) and loss of 25.7 million euro in the nine months (decrease >100%);
- **Profit relating to continuing operations**: loss of 9.0 million euro in the quarter (decrease >100%) and loss of 33.8 million euro in the nine months (decrease >100%).

At September 30, 2015, **total equity** was 4,228.7 million euro, compared with 4,286.4 million euro at December 31, 2014 and 4,348.3 million euro at June 30, 2015.

Net financial debt at September 30, 2015, was 2,260.0 million euro, compared with 2,114.8 million euro at December 31, 2014. Net financial debt at June 30, 2015 was 2,188.4 million euro.

As a result of the changes in equity and net financial debt, the gearing ratio rose from 49.34% at December 31, 2014 to 53.45% at September 30, 2015.

Italmobiliare Net Asset Value (NAV) at September 30, 2015 was 2,085.6 million euro (1,357.6 million euro at June 30, 2015 and 1,165.4 million euro at December 31, 2014).

Performance in the individual segments of the Italmobiliare Group was as follows:

- after the agreement for the sale of the entire equity stake held in Italcementi, the continuing operations of the **construction materials segment** consist of the segment operations not involved in the sale, held in the BravoSolution group and in the Italgen group. The profit (loss) of the Italcementi group operations involved in the sale are presented in a single consolidated income statement caption (Profit (loss) relating to discontinued operations). The BravoSolution group, the international leader of supply management solutions, closed the third quarter with revenue growth of 21.1% from the year-earlier period, but posted operating losses due to increased expense for the on-going expansion of its corporate structure. In the nine months, gross operating profit was 2.0 million euro, driven by the rise in revenue (+14.6% from September 30, 2014); after amortization and depreciation of 4.6 million euro (4.2 million euro in 2014), the group posted an operating loss of 2.6 million euro (loss of 0.2 million euro in the first nine months of 2014). The BravoSolution group closed the first nine months of 2015 with a loss of 4.0 million euro (loss of 0.5 million euro for the nine months to September 30, 2014). The Italgen group produces and distributes electric power on the domestic and international markets. It closed the third quarter with a profit of 2.4 million euro, down by 0.4 million euro from the third quarter of 2014, due to the contraction in margins caused by the rise in costs to sell and in vectoring services. In the nine months to September 30, 2015, the Italgen group reported a 4.5% fall in revenue from the year-earlier period, with repercussions on gross operating profit, which was down 6.2 million euro from September 30, 2014 to 11.9 million euro. After amortization and depreciation of 2.4 million euro, in line with the year-earlier period, operating profit was 9.5 million euro (15.5 million euro in the first nine months of 2014). The group posted a profit for the period, although this was down on the figure at

September 30, 2014, of 6.4 million euro (8.8 million euro in 2014). Overall, profit for the period relating to continuing operations amounted to 2.4 million euro (8.3 million euro at September 30, 2014).

The assets held for sale of the Italcementi group closed the third quarter with a loss of 11.6 million euro (profit of 14.5 million euro in the year-earlier period); in the nine months to September 30, 2015, they closed with a loss of 10.5 million euro (loss of 72.1 million euro in the year-earlier period);

- in the **food packaging and thermal insulation segment,** consisting of the Sirap Gema group, although domestic demand remained difficult, revenue and profitability improved in the third quarter of 2015. This was due in part to the entry into the scope of consolidation of the French subsidiary Sirap Remoulins S.a.s., which offset the elimination of Sirap Insulation S.r.l.. The sale of the thermal insulation arm caused a revenue downturn of 13.7% in the third quarter of 2015 compared with the year-earlier period, offset only in part by the revenue at Sirap Remoulins. The revenue reduction led to a contraction in operating results: recurring gross operating profit was 4.3 million euro (5.0 million euro in the third quarter of 2014) and operating profit, after a reduction in amortization and depreciation compared with the third quarter of 2014, was 1.6 million euro (2.5 million euro in the year-earlier period). The gain of 4.1 million euro on the sale of Sirap Insulation S.r.l. and the positive trend in finance costs drove a profit for the third quarter of 4.7 million euro (0.5 million euro in the year-earlier period). In the nine months, revenue rose 3.1% from the year-earlier period. An improvement was also seen in recurring gross operating profit (+13.9% from the year-earlier period), while non-recurring expense for the period of 27.7 million euro, relating essentially to the fine imposed by the European Commission for breaches of community competition laws on the foamed tray market, had a severe impact, leading to a gross operating loss of 11.5 million euro (profit of 13.5 million euro in the year-earlier period). After amortization, depreciation and impairment totaling 4.6 million euro, the group posted an operating loss of 16.1 million euro (profit of 6.0 million euro in the first nine months of 2014). Net finance income of 1.2 million euro (costs of 4.3 million euro in 2014) enabled the group to limit the loss for the period to 17.6 million euro (loss of 0.2 million euro at September 30, 2014);
- the **financial segment** consists of the parent Italmobiliare and the subsidiary Franco Tosi S.r.l., which took over the Luxembourg-based company Société de Participation Financière Italmobiliare S.A. in July. For the third quarter, the segment posted a profit of 37.2 million euro (loss of 2.8 million euro in the year-earlier period). The result was chiefly due to the gain of 50.6 million euro on the sale of the entire equity investment held in Finter Bank Zürich to the Swiss group Vontobel Holding AG. Results were also positive in the first nine months of 2015, thanks to the above-mentioned gain and to the increase of 6.0 million euro in dividends received compared with the year-earlier period. The increased volatility on the financial markets during 2015 and the contraction in government bond yields in the main advanced economies contributed to the reduction of 8.4 million euro in net gains on investments of cash and cash equivalents compared with the first nine months of September 30, 2014. After a reduction of 2.9% in operating expense, extraordinary expense of 5.9 million euro and income tax of 2.4 million euro, the segment posted a profit for the period of 46.4 million euro (profit of 26.1 million euro at September 30, 2014);
- continuing operations in the **banking segment** are represented by Crédit Mobilier de Monaco, while the profit (loss) of the Finter Bank Zürich group, which was sold at the end of September, is shown under “Profit (loss) relating to discontinued operations”. Revenue for the first nine months at Crédit Mobilier de Monaco amounted to 1.2 million

euro in line with the year-earlier period, while gross operating profit and operating profit were down 9.3% and 10.7% respectively. The profit for the period of 0.2 million euro reflected a decrease of 15.0% from the first nine months of 2014. A profit was also reported in the third quarter, of 90 thousand euro (146 thousand euro in 2014).

Discontinued operations, represented by Finter Bank Zürich, showed a profit of 3.2 million euro for the first nine months to September 30, 2015, compared with a loss of 2.4 million euro for the year-earlier period;

- the **property, services and other segment** is not of great importance within the global context of the Group. Its results for the third quarter of 2015 are therefore not of material significance. The segment posted a loss for the first nine months of 2015 of 161 thousand euro (profit of 195 thousand euro at September 30, 2014).

Consolidated highlights

As noted in the foreword to this report, the consolidated income statement has been drawn up in compliance with IFRS 5; consequently:

- continuing operations in the construction materials segment consist of the operations not due to be sold, specifically the BravoSolution group, the international leader in supply management solutions, and the Italgen group, an electric power producer and distributor;
- continuing operations in the banking segment are represented by Credit Mobiler de Monaco;
- the caption Profit (loss) relating to discontinued operations reflects the profit (loss) for the period of the assets held for sale in the construction materials segment, the gain in the financial segment on the sale of the equity investment held in Finter Bank Zürich on September 30, 2015, and the profit (loss) for the period of Finter Bank Zürich.

Q3

(in millions of euro)		Q3 2015	Q3 2014 IFRS 5	% change	Q3 2014 published
Revenue		**87.3**	**95.2**	**(8.4)**	**1,136.5**
Recurring gross operating profit (loss)		**(3.0)**	**8.2**	**n.s.**	**166.8**
% of revenue		*(3.5)*	*8.6*		*14.7*
Other income and expense		(1.9)	1.5	n.s.	3.1
Gross operating profit (loss)		**(4.9)**	**9.7**	**n.s.**	**169.9**
% of revenue		*(5.6)*	*10.1*		*15.0*
Amortization and depreciation		(4.7)	(4.9)	3.8	(103.7)
Impairment on non-current assets		-	-		(4.4)
Operating profit (loss)		**(9.6)**	**4.8**	**n.s.**	**61.8**
% of revenue		*(11.0)*	*5.0*		*5.4*
Finance income and costs		2.8	(1.3)	n.s.	(29.0)
Impairment losses on financial assets		(0.2)	(0.1)	n.s.	-
Share of profit (loss) of equity-accounted investees		(0.1)	(0.1)	10.8	6.5
Profit (loss) before tax		**(7.1)**	**3.3**	**n.s.**	**39.3**
% of revenue		*(8.2)*	*3.5*		*3.5*
Income tax expense		(1.9)	(3.3)	42.4	(25.2)
Profit (loss) for the period relating to continuing operations		**(9.0)**	**-**	**n.s.**	**14.1**
Profit for the period relating to discontinued operations		36.1	14.1	n.s.	-
Profit for the period		**27.1**	**14.1**	**92.3**	**14.1**
attributable:	**Owners of the parent**	**28.4**	**(0.8)**	**n.s.**	**(0.8)**
	Non-controlling interests	(1.3)	14.9	n.s.	14.9

n.s. not significant

Recurring gross operating profit is the difference between revenue and costs, excluding: other non-recurring income and expense, amortization and depreciation, impairment losses on non-current assets, finance income and costs, share of profit (loss) of equity-accounted investees and income tax expense.

Gross operating profit corresponds to recurring gross operating profit plus other non-recurring income and expense.

Operating profit corresponds to gross operating profit plus amortization and depreciation and impairment losses on non-current assets.

Revenue and operating performance by operating and geographical segment

Q3

(in millions of euro)	Revenue		Recurring gross operating profit (loss)		Gross operating profit (loss)		Operating profit (loss)	
Operating segment	**Q3 2015**	**% change vs. Q3 14**	**Q3 2015**	**% change vs. Q3 14**	**Q3 2015**	**% change vs. Q3 14**	**Q3 2015**	**% change vs. Q3 14**
Construction materials, continuing operations	32.6	10.4	4.0	(32.3)	4.0	(32.2)	1.6	(56.6)
Packaging and insulation	52.1	(13.7)	4.3	(14.5)	3.8	(11.3)	1.6	(34.1)
Finance	53.0	n.s.	39.4	n.s.	38.0	n.s.	38.0	n.s.
Banking	0.4	(14.0)	0.1	(28.6)	0.1	(28.2)	0.1	(31.0)
Property, services, other	(0.4)	n.s.	-	n.s.	-	n.s.	(0.1)	n.s.
Inter-segment re-classifi-cations and eliminations	(50.4)	n.s.	(50.8)	n.s.	(50.8)	n.s.	(50.8)	n.s.
Total continuing operations	**87.3**	**(8.4)**	**(3.0)**	**n.s.**	**(4.9)**	**n.s.**	**(9.6)**	**n.s.**
Geographical segment								
European Union	117.2	52.6	47.8	n.s.	45.9	n.s.	28.7	n.s.
Other European countries	3.2	(1.8)	0.2	88.8	0.2	88.8	0.2	n.s.
Others	17.7	21.1	(0.4)	n.s.	(0.4)	n.s.	(2.0)	(37.3)
Inter-segment re-classifi-cations and eliminations	(50.8)	n.s.	(50.6)	n.s.	(50.6)	n.s.	(36.5)	n.s.
Total continuing operations	**87.3**	**(8.4)**	**(3.0)**	**n.s.**	**(4.9)**	**n.s.**	**(9.6)**	**n.s.**

n.s. not significant

The table above shows revenue and operating results in the segments gross of inter-segment eliminations and re-classifications, which are shown separately. The size of the inter-segment eliminations and re-classifications caption is chiefly due to the gain on the sale of Finter Bank Zürich, included under revenue and interim results in the “Financial segment” and re-classified, in compliance with IFRS 5, under a specific caption in the consolidated income statement.

In the third quarter of 2015, Group consolidated **revenue** relating to continuing operations amounted to 87.3 million euro, down 8.4% from the year-earlier period. The contributions of the construction materials and financial segments were positive; the food packaging and thermal insulation segment reported a revenue reduction of 13.7% from the third quarter of 2014 after the elimination of the thermal insulation arm from the scope of consolidation, offset in part by the revenue of the new French company in the Sirap Gema group (Sirap Remoulins), which began operations on February 1, 2015. Inter-segment reclassifications and eliminations reflected a negative amount of 50.4 million euro (-50.8 million euro for the geographical segments), relating chiefly to the gain on the sale of the Swiss bank in the financial segment, taken to “Profit (loss) relating to discontinued operations”.

The **recurring gross operating loss** of 3.0 million euro (profit of 8.2 million euro in 2014) reflects growth of 42.9 million euro in the financial segment, the reduction of 2.6 million euro in the construction materials segment and the Sirap group, while inter-segment reclassifications and eliminations reflect a loss of 50.8 million euro.

The above items, non-recurring expense of 1.9 million euro relating mainly to the extraordinary transactions of the third quarter, and the reduction of 3.8% in amortization and depreciation generated an **operating loss** of 9.6 million euro (profit of 4.8 million euro in the third quarter of 2014).

After **net finance income** of 2.8 million euro (net costs of 1.3 million euro in the third quarter of 2014), thanks to the gain reported by the Sirap Gema group on the sale of the thermal insulation arm (4.1 million euro), and income tax of 1.9 million euro, the **loss relating to continuing operations** was 9.0 million euro (39 thousand euro in the year-earlier period).

The **profit relating to discontinued operations** of 36.1 million euro reflects the gain of 47.7 million euro on the sale of Finter Bank Zürich and the loss of 11.6 million euro on assets held for sale in the construction materials segment.

Overall, the Group posted a **profit for the period** of 27.1 million euro, of which 28.4 million euro attributable to owners of the parent (loss of 1.3 million euro attributable to non-controlling interests). This compared with profit of 14.1 million euro in the year-earlier period, of which a loss of 0.8 million euro attributable to owners of the parent (profit of 14.9 million euro attributable to non-controlling interests).

Nine months ended September 30

(in millions of euro)	9M ended 09.30.15	9M 09.30.14 IFRS 5	% change	9M 09.30.14 published
Revenue	**294.8**	**309.1**	**(4.6)**	**3,339.9**
Recurring gross operating profit	**16.8**	**52.3**	**(67.9)**	**497.9**
% of revenue	*5.7*	*16.9*		*14.9*
Other expense, net	(29.4)	(2.2)	n.s.	(2.0)
Gross operating profit (loss)	**(12.6)**	**50.1**	**n.s.**	**495.9**
% of revenue	*(4.3)*	*16.2*		*14.8*
Amortization and depreciation	(14.6)	(14.5)	(1.2)	(308.2)
Impairment (losses) reversals on non-current assets	2.8	-	n.s.	(9.0)
Operating profit (loss)	**(24.4)**	**35.6**	**n.s.**	**178.7**
% of revenue	*(8.3)*	*11.5*		*5.4*
Finance income and costs	0.2	(4.3)	n.s.	(106.6)
Impairment losses on financial assets	(0.2)	(0.1)	(66.7)	(27.0)
Share of profit (loss) of equity-accounted investees	(1.3)	(1.6)	22.1	8.3
Profit (loss) before tax	**(25.7)**	**29.6**	**n.s.**	**53.4**
% of revenue	*(8.7)*	*9.6*		*1.6*
Income tax expense	(8.1)	(11.0)	26.5	(109.3)
Profit (loss) for the period relating to continuing operations	**(33.8)**	**18.6**	**n.s.**	**(55.9)**
Profit (loss) for the period relating to discontinued operations	40.5	(74.5)	n.s.	
Profit (loss) for the period	**6.7**	**(55.9)**	**n.s.**	**(55.9)**
attributable: **Owners of the parent**	**(10.8)**	**(37.5)**	**71.3**	**(37.5)**
Non-controlling interests	17.5	(18.4)	n.s.	(18.4)
Number of employees at period end	**1,912**	**1,944**		**19,638**

n.s. not significant

(in millions of euro)	September 30, 2015	June 30, 2015	December 31, 2014
Total equity	4,228.7	4,348.3	4,286.4
Equity attributable to owners of the parent	1,806.9	1,853.9	1,806.3
Net financial position (debt)	(2,260.0) *	(2,188.4)	(2,114.8)

* of which continuing operations +8.7 million euro, discontinued operations -2,268.7 million euro

Revenue and operating performance by operating and geographical segment
Nine months ended September 30

(in millions of euro)	Revenue		Recurring gross operating profit (loss)		Gross operating profit (loss)		Operating profit (loss)	
Operating segment	**Sept. 30 2015**	**% change vs. 09.30.14**	**Sept. 30 2015**	**% change vs. 09.30.14**	**Sept. 30 2015**	**% change vs. 09.30.14**	**Sept. 30 2015**	**% change vs. 09.30.14**
Construction materials, continuing operations	98.8	5.2	13.8	(31.7)	13.9	(37.0)	6.9	(55.3)
Packaging and insulation	178.8	3.1	16.2	13.9	(11.5)	n.s.	(16.1)	n.s.
Finance	82.1	43.0	52.2	61.2	50.5	63.9	50.3	64.6
Banking	1.2	(4.9)	0.4	(9.1)	0.4	(9.1)	0.4	(10.4)
Property, services, other	0.1	(91.4)	(0.1)	n.s.	(0.2)	n.s.	(0.2)	n.s.
Inter-segment re-classifications and eliminations	(66.2)	n.s.	(65.7)	n.s.	(65.7)	n.s.	(65.7)	n.s.
Total continuing operations	**294.8**	**(4.6)**	**16.8**	**(67.9)**	**(12.6)**	**n.s.**	**(24.4)**	**n.s.**
Geographical segment								
European Union	281.0	11.6	64.6	35.4	35.3	(22.4)	28.0	(23.5)
Other European countries	9.9	1.0	0.8	31.9	0.8	28.1	0.8	n.s.
Others	55.0	14.6	2.0	(49.8)	2.0	(49.8)	(2.6)	n.s.
Inter-segment re-classifications and eliminations	(51.1)	n.s.	(50.6)	n.s.	(50.7)	n.s.	(50.6)	n.s.
Total continuing operations	**294.8**	**(4.6)**	**16.8**	**(67.9)**	**(12.6)**	**n.s.**	**(24.4)**	**n.s.**

n.s. not significant

As noted in the comments on the consolidated results of the third quarter, the table above shows the segments' revenue and operating results gross of inter-segment eliminations and re-classifications, which are shown separately. The size of the inter-segment eliminations and re-classifications caption is chiefly due to the gain on the sale of Finter Bank Zürich, included under revenue and interim results for the "Financial segment" and re-classified, in compliance with IFRS 5, under a specific caption in the consolidated income statement.

In the nine months to September 30, 2015, **revenue** amounted to 294.8 million euro, down 4.6% from the year-earlier period (309.1 million euro). This change reflected:

- a decline in business performance of 5.4%;
- the positive exchange-rate effect for 0.5%;
- the positive consolidation effect for 0.3%.

The slowdown in business performance arose in the financial, banking and property, services, other segments, while the Group industrial segments reported progress, specifically the food packaging and thermal insulation segment (+5.1%), mainly thanks to positive performance in France, Poland and, to a lesser extent, Italy.

The positive exchange-rate effect referred mainly to the foreign subsidiaries of the BravoSolution group (+6.0), while the food packaging segment was affected by the depreciation of the Ukrainian hryvnia against the euro.

The marginally positive consolidation effect arose in the food packaging and thermal insulation segment after the inclusion of the subsidiary Sirap Remoulins S.a.s., which offset the negative effect of the elimination of Sirap Insulation S.r.l..

Recurring gross operating profit was 16.8 million euro, down 67.9% from September 30, 2014. The contribution of the construction materials segment was negative, due to expense for the on-going expansion of the corporate structure of the BravoSolution group and increased purchases of energy and vectoring services at the Italgen group. The food packaging and thermal insulation segment reported an improvement of 13.9%, thanks to the increase in revenue and the large temporary reduction in the cost of the raw materials used in production in the first quarter of the year; in the second and third quarters of 2015, raw material costs were in line with the values of 2014.

The **gross operating loss** of 12.6 million euro (profit of 50.1 million euro in the first nine months of 2014) included non-recurring expense of 29.4 million euro (expense of 2.2 million euro in the year-earlier period), referring essentially to the fine imposed on the Sirap Gema group by the European Commission for breaches of community competition laws on the foamed tray market.

After amortization and depreciation substantially in line with the year-earlier period and impairment reversals of 2.8 million euro in the food packaging and thermal insulation segment, the Group posted an **operating loss** of 24.4 million euro (profit of 35.6 million euro for the nine months to September 30, 2014).

Finance costs, other items and profit (loss) for the period

Finance income net of finance costs amounted to 0.2 million euro (costs of 4.3 million euro at September 30, 2014), reflecting the gain at the Sirap Gema group on the sale of the equity investment in Sirap Insulation (4.1 million euro), which offset the finance costs of the first nine months. Borrowing expense amounted to 2.7 million euro, a reduction of 15.8% from the first nine months of 2014 (3.2 million euro). The Group had net exchange-rate losses, net of hedges, of 0.8 million euro (losses of 0.4 million euro in the year-earlier period).

The caption does not include finance income and costs of the financial and banking segments, which are part of these segments’ core businesses and therefore classified under the line items constituting recurring gross operating profit.

Impairment losses on financial assets amounted to 0.2 million euro (losses of 0.1 million euro at September 30, 2014), and referred to equity investments in the financial segment.

The **share of profit (loss) of equity-accounted investees** reflected a loss of 1.3 million euro (loss of 1.6 million euro at September 30, 2014), due to the loss on the equity investment in Società Editrice Sud in the financial segment.

After income tax expense of 8.1 million euro (11.0 million euro in the first nine months of 2014), the Group posted a **loss relating to continuing operations** of 33.8 million euro (profit of 18.6 million euro in 2014).

The **profit relating to discontinued operations** of 40.5 million euro (loss of 74.5 million euro in the first nine months of 2014) arose from the gain of 47.7 million euro on the sale of Finter Bank Zürich and the profit for the period of 3.2 million euro posted by Finter Bank Zürich, set against the loss of 10.5 million euro relating to assets held for sale in the construction materials segment.

Overall, the Group posted **profit for the period** of 6.7 million euro, of which a loss of 10.8 million euro attributable to owners of the parent (profit of 17.5 million euro attributable to non-controlling interests). This compared with a loss of 55.9 million euro for the nine months ended September 30, 2014, of which 37.5 million euro attributable to owners of the parent (loss of 18.4 million euro attributable to non-controlling interests).

Total comprehensive income

In the nine months ended September 30, 2015, the Group posted other comprehensive income relating to continuing operations of 15.9 million euro (income of 10.4 million euro in the year-earlier period), reflecting:

- fair value gains of 33.4 million euro on available-for-sale financial assets,
- increase of 2.0 million euro for re-measurement of the net liability for employee benefits,
- translation losses of 20.2 million euro,

and a positive tax effect of 0.7 million euro.

Other comprehensive income relating to discontinued operations amounted to 26.7 million euro.

Considering the profit for the period of 6.7 million euro, described in the previous section, and the above items, total comprehensive income was 49.3 million euro (19.5 million euro attributable to owners of the parent and 29.8 million euro attributable to non-controlling interests). This compared with total comprehensive income of 101.6 million euro in the year-earlier period (10.0 million euro attributable to owners of the parent and 91.6 million euro attributable to non-controlling interests).

The statement of comprehensive income is set out with the consolidated financial statements.

Net financial debt

Net financial debt was 2,260.0 million euro at September 30, 2015, up 6.9% from December 31, 2014 (2,114.8 million euro); the net financial position relating to continuing operations was positive at 8.7 million euro.

For the nine months, the Group had net cash inflows of 52.9 million euro relating to continuing operations, arising largely from cash flows on operations of 14.2 million euro, proceeds on the sale of equity investments of 56.1 million euro and translation gains of 10.1 million euro, net of capital expenditure of 17.4 million euro and dividends paid for 11.7 million euro.

Cash flows relating to discontinued operations reflected net outflows of 198.1 million euro.

(in millions of euro)	September 30, 2015	June 30, 2015	December 31, 2014
Current financial assets	271.0	1,346.5	1,139.7
Current financial liabilities	(245.4)	(1,227.4)	(1,009.9)
Non-current financial assets	28.7	65.1	135.0
Non-current financial liabilities	(45.6)	(2,372.6)	(2,379.6)
Net financial position (debt) relating to continuing operations	**8.7**	**(2,188.4)**	**(2,114.8)**
Net financial debt relating to assets held for sale	(2,268.7)		
Total net financial debt	**(2,260.0)**	**(2,188.4)**	**(2,114.8)**

Financial ratios

(absolute amounts in millions of euro)	September 30, 2015	June 30, 2015	December 31, 2014
Total net financial debt	(2,260.0)	(2,188.4)	(2,114.8)
Consolidated equity	4,228.7	4,348.3	4,286.4
Gearing	**53.44%**	**50.33%**	**49.34%**
Net financial position (debt) continuing operations	8.7	(2,188.4)	(2,114.8)
Gross operating profit before other income and expense [1]	30.9	684.1	681.0
Leverage	**0.28**	**(3.20)**	**(3.11)**

[1] 12-month rolling basis

Capital expenditure

Capital expenditure in the first nine months of 2015 amounted to 17.4 million euro, down 7.3 million euro from the year-earlier period (24.7 million euro), as follows:

- investments in intangible assets of 4.7 million euro relating largely to the BravoSolution group for use of the technological platform for on-line trading and integration of the various software applications in the group,
- investments in property, plant and equipment of 12.7 million euro, of which 8.0 million euro relating mainly to the purchase of equipment and machinery in the food packaging segment and 3.6 million euro relating to the Italgen group in Italy, Egypt and Morocco.

Capital expenditure relating to assets held for sale at the Italcementi group totaled 207.5 million euro, relating mainly to France, Belgium, Italy, Kazakhstan and India.

Construction materials segment

After the agreement for the sale to the HeidelbergCement group of the equity investment in Italcementi, the interim results of the segment refer to the operations of the BravoSolution group, the international leader in supply management solutions, and the Italgen group, an international producer of electric power from renewable sources, which are not due to be sold.

Q3

(in millions of euro)		Q3 2015	Q3 2014 IFRS 5	% change	Q3 2014 published
Revenue		**32.6**	**29.5**	**10.4**	**1,067.3**
Recurring gross operating profit		**4.0**	**5.9**	**(32.1)**	**164.4**
% of revenue		*12.4*	*20.1*		*15.4*
Other income and expense		-	-		1.8
Gross operating profit		**4.0**	**5.9**	**(32.1)**	**166.3**
% of revenue		*12.4*	*20.1*		*15.6*
Amortization and depreciation		(2.4)	(2.2)	(7.3)	(100.8)
Impairment losses on non-current assets		-	-		(4.4)
Operating profit		**1.6**	**3.7**	**(56.5)**	**61.1**
% of revenue		*4.9*	*12.4*		*5.7*
Net finance costs		(0.7)	(0.3)	n.s.	(27.9)
Impairment losses on financial assets		-	-		-
Share of profit (loss) of equity-accounted investees		(0.1)	(0.1)	10.0	6.5
Profit before tax		**0.8**	**3.3**	**(77.5)**	**39.8**
% of revenue		*2.3*	*11.3*		*3.7*
Income tax expense		(1.1)	(2.0)	47.9	(23.9)
Profit (loss) relating to continuing operations		**(0.3)**	**1.3**	**n.s.**	**15.8**
Profit (loss) relating to discontinued operations		(11.6)	14.5	n.s.	
Profit (loss) for the period		**(11.9)**	**15.8**	**n.s.**	**15.8**
attributable:	**Owners of the parent**	**(22.7)**	**0.7**	n.s.	**0.7**
	Non-controlling interests	10.8	15.1	**(29.0)**	15.1

n.s. not significant

BravoSolution group

The BravoSolution group was established by the Italcementi group in June 2000. Over the years, it has become the international leader in supply management solutions, based on technology, professional services and expertise in the various categories. The group mission is to create value and generate concrete results for customers by helping them improve procurement processes. Its operations are in Europe (chiefly Italy, France, Spain, Germany, the Netherlands, the UK), China, the USA, Mexico, Arab Emirates, Australia. In the third quarter, the group began operations at BravoSolution Nordics OY, a Finnish company based in Helsinki wholly owned by BravoSolution S.p.A., to develop group business in Scandinavia and the Baltic area.

Q3 performance

Revenue in the third quarter of 2015 was significantly higher than in the year-earlier period, rising from 14.6 million euro to 17.7 million euro (+21.1%).

Operating results confirmed the contraction seen in the trend of the previous quarters, with the third-quarter gross operating loss increasing from 0.1 million euro to 0.4 million euro and an operating loss of 2.0 million euro (loss of 1.5 million euro in the third quarter of 2014).

The temporary decrease in operating results, despite revenue growth, was largely due to the expansion of the corporate structure as the group strengthens its business focus on its technological offer.

Italgen group

Italgen was established by Italcementi in 2001 and operates as an electric power producer and distributor on the domestic and international markets. In Italy, it currently generates power at 14 HEP power stations in Lombardy, Piedmont and the Veneto, and from a photovoltaic plant in Emilia Romagna. It also operates through subsidiaries in Morocco, with a 5 MW wind farm, and in Egypt, where it is committed to setting up a 120 MW wind farm on the Red Sea coast.

Q3 performance

Group results consist essentially of the results of the parent Italgen S.p.A..

Third-quarter revenue was 14.9 million euro, in line with the year-earlier period, while the rise in costs to sell for both energy purchases and vectoring services led to a decrease in gross operating profit to 4.4 million euro (6.0 million euro in the third quarter of 2014).

After amortization and depreciation of 0.8 million euro, unchanged from the third quarter of 2014, operating profit was 3.6 million euro, a decrease of 1.5 million euro from the year-earlier period.

Net finance income and reduced income tax expense compared with the third quarter of 2014 contributed to the profit for the period of 2.4 million euro (2.8 million euro in 2014).

* * * *

The continuing operations described above generated an overall loss for the third quarter of 0.3 million euro, of which a loss of 0.8 million euro attributable to owners of the parent, compared with the profit of 1.3 million euro for the third quarter of 2014 (profit of 0.8 million attributable to owners of the parent).

* * * *

The profit (loss) relating to discontinued operations refers to the Italcementi group companies operating essentially in the production of cement, aggregates and ready mixed concrete, which closed the third quarter with a loss of 11.6 million euro (profit of 14.5 million euro in the third quarter of 2014).

The cyclical situation in the construction sector in the areas where the group operates was substantially unchanged in the third quarter: persisting contraction in the Eurozone, slow recovery in North America and expansion in the emerging countries as a whole. Nevertheless, the differences in market conditions among the individual countries continued to grow. The recessionary trend persisted in Italy, albeit at a more moderate pace, while the signs of weakening observed since the beginning of the year in France and Greece intensified. Meanwhile, a stronger improvement in general domestic economic conditions in Spain had benefits for the local construction sector, especially thanks to the non-residential segment. In the USA, the rate of recovery continued to be affected by the slower than expected trend in the residential segment and by the failure of the US Congress to renew funding for highway infrastructure projects.

In the main emerging countries, signs of general economic weakening appeared in Egypt, while the positive construction cycle in India was not reflected fully in the group's operations due to the sharp differences in conditions from one region to another. Conditions remained weak in Thailand and Morocco, where the persistent fragility of private demand had a negative impact on industry trends.

Italcementi group overall sales volumes in the third quarter of 2015 were down on the year-earlier period. The decline was seen in cement, clinker and ready mixed concrete, whereas growth was reported in aggregates, although this was almost entirely due to the consolidation effect.

The fall in overall sales volumes was reflected in revenue, which was down 1.7% from the third quarter of 2014 (-7.2% at constant exchange rates and on a like-for-like basis), sustained only in part by a positive exchange-rate effect.

Recurring gross operating profit was down 4.8% from the third quarter of 2014, largely due to the negative sales volumes and price effect, although this was counterbalanced in part by the containment of operating expense, industrial efficiency improvements and the positive exchange-rate effect.

Operating profit at 52.6 million euro fell by 16.7% from the third quarter of 2014, due to non-recurring expense and higher amortization and depreciation. These trends were mitigated in part by impairment reversals on non-current assets.

The quarter also saw an increase in net finance costs compared with the year-earlier period, offset only in part by lower income tax than in the third quarter of 2014.

Nine months ended September 30

(in millions of euro)		9M ended 09.30.15	9M 09.30.14 IFRS 5	% change	9M 09.30.14 published
Revenue		**98.8**	**93.8**	**5.2**	**3,115.7**
Recurring gross operating profit		**13.8**	**22.0**	**(37.1)**	**469.3**
% of revenue		*14.0*	*23.4*		*15.1*
Other income and expense		0.1	-	n.s.	(0.1)
Gross operating profit		**13.9**	**22.0**	**(37.0)**	**469.2**
% of revenue		*14.0*	*23.4*		*15.1*
Amortization and depreciation		(7.0)	(6.6)	(5.2)	(299.3)
Impairment losses on non-current assets		-	-	-	(9.0)
Operating profit		**6.9**	**15.4**	**(55.3)**	**160.9**
% of revenue		*6.9*	*16.4*		*5.2*
Net finance costs		(1.6)	(0.6)	n.s.	(102.9)
Impairment losses on financial assets		-	-	-	(26.8)
Share of profit (loss) of equity-accounted investees		-	(0.3)	n.s.	9.6
Profit before tax		**5.3**	**14.5**	**(63.4)**	**40.7**
% of revenue		*5.4*	*15.4*		*1.3*
Income tax expense		(2.9)	(6.2)	52.7	(104.5)
Profit (loss) relating to continuing operations		**2.4**	**8.3**	(71.3)	
Profit (loss) relating to discontinued operations		(10.5)	(72.1)	85.4	
Profit (loss) for the period		**(8.1)**	**(63.8)**	**87.3**	**(63.8)**
attributable:	**Owners of the parent ***	(55.2)	**(112.6)**	**50.9**	(112.6)
	Non-controlling interests	47.1	48.8	(3.6)	48.9
Number of employees for continuing operations		725	679		18,311

n.s. not significant

BravoSolution group

Group consolidated revenue at September 30, 2015, made healthy progress to 55.1 million euro (+14.6%) from the year-earlier period (48.1 million euro).

Despite the appreciable revenue growth of the period, the prolonged unfavorable economic cycle in both the national and international industry had repercussions on operating results, which were down on the first nine months of 2014. In this context, consolidated gross operating profit was 2.0 million euro (4.0 million euro in 2014); after amortization and depreciation of 4.6 million euro (4.2 million euro in the first nine months of 2014), the group posted an operating loss of 2.6 million euro (loss of 0.2 million euro in 2014).

Finance costs of 1.4 million euro, up by 1.0 million euro from the first nine months of 2014, and a small income tax charge generated a loss for the period of 4.0 million euro. Of this, a loss of 5.5 million euro was attributable to owners of the parent (loss of 0.5 million euro at September 30, 2014, of which a loss of 1.3 million euro attributable to owners of the parent).

Consolidated capital expenditure for the nine months, relating largely to development of functionality and use of the technological on-line trading platform and integration of the software applications used in the BravoSolution group, totaled 4.7 million euro, an increase of 0.9 million euro from the year-earlier period.

Group total equity was 30.0 million euro, down by 4.3 million euro from December 31, 2014.

The BravoSolution group had 630 employees (595 employees at September 30, 2014). The organization structure consists largely of commercial, operating and technical personnel, in order to offer customers special attention to the quality of the technology and services offered.

Looking ahead to the rest of the year, although the economic situation is unfavorable and the outlook remains uncertain, the BravoSolution group expects to report revenue growth for the full year and an improvement in earnings.

With regard to business development, the BravoSolution group will focus on consolidating its world leadership in supply management, in order to expand its presence among the top industrial and service groups in Italy, Europe, North America and Asia. It will also continue to establish a presence on the developing markets, while identifying new opportunities for growth.

Italgen group

In the first nine months of 2015, demand for electric power rose 1.9% compared with the year-earlier period. The climate was the main driver in the increase in power consumption in the summer of 2015, while the first real signs of an upturn in energy requirements due to an economic and production improvement finally emerged in September.

Group revenue was 43.7 million euro, down 4.4% from the first nine months to September 30, 2014, and related mainly to the energy vectoring service for 6.4 million euro (+4.7% from 2014) and power sales for 17.1 million euro, down 2.9 million euro from the year-earlier period.

After costs of production totaling 31.8 million euro (27.7 million euro at September 30, 2014), gross operating profit was 11.9 million euro, down 6.2 million euro from the year-earlier period. The result reflected the significant impact of lower energy sales and production volumes and larger purchases of energy and distribution services, as well as a reduction in green certificates and higher demolition expense.

After amortization and depreciation for the nine months of 2.4 million euro, operating profit was 9.5 million euro (15.5 million euro in the year-earlier period).

After tax of 2.9 million euro, the group posted a profit for the period of 6.4 million euro (8.8 million euro in the year-earlier period).

* * * *

The continuing operations described above generated an overall profit for the nine months to September 30, 2015, of 2.4 million euro, of which 0.9 million euro attributable to owners of the parent. This compared with profit of 8.3 million euro in the year-earlier period, of which 7.5 million euro attributable to owners of the parent.

* * * *

The discontinued operations in the Italcementi group, essentially companies active in the production of cement, aggregates and ready mixed concrete, closed the first nine months with a loss of 10.5 million euro, of which a loss of 56.1 million euro attributable to owners of the parent. This compared with a loss of 72.1 million euro in the year-earlier period, of which a loss of 120.1 million euro attributable to owners of the parent.

In the nine months to September 30, the Italcementi group reported revenue of 3,217.0 million euro (3,115.7 million euro in the first nine months of 2014), an improvement of 3.2% from the year-earlier period, reflecting a positive exchange-rate effect (+7.0%) and consolidation effect (+0.1%), set against a decline in business performance (-3.9%).

The revenue trend was affected by the reduction in average prices and sales volumes. At constant exchange rates and on a like-for-like basis, the largest increases in absolute terms were in North America, India and Morocco, while the largest decreases were in France-Belgium and Egypt.

The positive exchange-rate effect reflected the generalized appreciation of currencies against the euro (in particular the US dollar) among the group companies.

Recurring gross operating profit, at 482.9 million euro, was up 1.7% from the year-earlier period. The result reflected the decline in sales volumes and sales prices, but benefited from the containment of costs, greater industrial efficiency, higher income from carbon emission rights and a positive exchange-rate effect.

At constant exchange rates, the strongest progress in recurring gross operating profit was in India, Italy (thanks to carbon emission rights), Morocco, Bulgaria and Trading; the largest reductions were in France-Belgium, Egypt and Spain.

After net non-recurring expense of 16.5 million euro (net expense of 0.1 million euro in 2014), gross operating profit was 466.4 million euro, a decrease of 1.7% from the first nine months of 2014.

Operating profit, at 165.6 million euro, was down 0.4% from the year-earlier period (166.3 million euro). Higher amortization and depreciation (306.0 million euro compared with 299.3 million euro) was outweighed by impairment reversals of 5.2 million euro in the period under review, against impairment losses of 9.0 million euro in the first nine months of 2014.

Although the first nine months had higher net finance costs due largely to the net exchange-rate effect on financial assets and liabilities, there were no impairment losses on financial assets and income tax expense was lower than in the year-earlier period.

In this context, the Italcementi group expects its full-year operating results to be slightly down on 2014.

Food packaging and thermal insulation segment

The Sirap Gema group produces and markets products for the packaging of fresh food, through subsidiaries in Italy and abroad.

The corporate structure at September 30, 2015, compared with the structure at September 30, 2014, includes the new company Sirap Remoulins S.a.s., wholly owned by Sirap France S.a.s. and operational since February 1, 2015. On July 30, the investment held in Sirap Insulation S.r.l. was sold. After this sale, the group no longer operates in thermal insulation, but focuses its resources on the food packaging business.

The figures for the third quarter and the first nine months are set out below.

Q3

The tables comprises a dissimilarity due to the difference in the scope of consolidation: the figures for 2015 include Sirap Remoulins S.a.s. and do not include Sirap Insulation S.r.l.; viceversa, the figures for 2014 include Sirap Insulation S.r.l. and do not include Sirap Remoulins S.a.s..

(in millions of euro)	**Q3 2015**	**Q3 2014**	**% change**
Revenue	**52.1**	**60.4**	**(13.7)**
Recurring gross operating profit	**4.3**	**5.0**	**(14.5)**
% of revenue	*8.2*	*8.2*	
Other net expense	(0.5)	-	n.s.
Gross operating profit	**3.8**	**5.0**	**(23.7)**
% of revenue	*7.3*	*8.2*	
Amortization and depreciation	(2.2)	(2.5)	13.6
Impairment on non-current assets	-	-	
Operating profit	**1.6**	**2.5**	**(34.1)**
% of revenue	*3.1*	*4.1*	
Finance income and costs	3.4	(1.4)	n.s.
Profit before tax	**5.0**	**1.1**	**n.s.**
% of revenue	*9.5*	*1.8*	
Income tax expense	(0.3)	(0.6)	n.s.
Profit for the period	**4.7**	**0.5**	**n.s.**
% of revenue	*9.0*	*0.8*	
Profit attributable to owners of the parent	**4.7**	**0.5**	**n.s.**
Non-controlling interests	n.s.	n.s.	

n.s. not significant

Revenue in the third quarter (52.1 million euro) fell by 8.3 million euro, a decrease of 13.7%; the change was largely due to the change in the scope of consolidation (Sirap Remoulins S.a.s. 8.0 million euro in 2015; Sirap Insulation S.r.l. 15.3 million euro in 2014).

Recurring gross operating profit in the third quarter also showed a decrease compared with the year-earlier period, for the same reason (-0.7 million euro, equivalent to -14.5%), while the return on revenue was unchanged (8.2%).

After non-recurring expense of 0.5 million euro relating largely to the acquisition of Sirap Remoulins S.a.s, **gross operating profit** in the third quarter of 2015 was 3.8 million euro, down by 1.2 million euro from the third quarter of 2014.

Operating profit at 1.6 million euro was down 0.9 million euro from the year-earlier period, reflecting a smaller difference in absolute terms compared with the year-earlier period than gross operating profit, due to the recovery of 0.3 million euro relating to amortization and depreciation.

The gain of 4.1 million euro on the sale of the equity investment in Sirap Insulation S.r.l. and the positive trend in interest and expense generated a positive balance on **finance income and costs** of 3.4 million euro (net costs of 1.4 million euro in the third quarter of 2014).

After income tax expense of 0.3 million euro (0.6 million euro in 2014), the segment posted a **profit for the period** of 4.7 million euro, compared with profit of 0.5 million euro in the year-earlier period.

Nine months ended September 30

The income statement for the nine months to September 30, 2015, includes the results of Sirap Insulation S.r.l. in the period prior to the sale (from January 1, 2015, to June 30, 2015), and the results of Sirap Remoulins S.a.s. since February 1, 2015, when it began operations.

(in millions of euro)	**9M ended 09.30.15**	**9M ended 09.30.14**	**% change**
Revenue	**178.8**	**173.5**	**3.1**
Recurring gross operating profit	**16.2**	**14.2**	**13.9**
% of revenue	*9.1*	*8.2*	
Other net expense	(27.7)	(0.7)	n.s.
Gross operating profit (loss)	**(11.5)**	**13.5**	**n.s.**
% of revenue	*(6.4)*	*7.8*	
Amortization and depreciation	(7.4)	(7.5)	2.2
Impairment reversals on non-current assets	2.8	-	n.s.
Operating profit (loss)	**(16.1)**	**6.0**	**n.s.**
% of revenue	*(9.0)*	*3.4*	
Finance income and costs	1.2	(4.3)	n.s.
Profit (loss) before tax	**(14.9)**	**1.7**	**n.s.**
% of revenue	*(8.3)*	*1.0*	
Income tax expense	(2.7)	(1.9)	n.s.
Loss for the period	**(17.6)**	**(0.2)**	**n.s.**
% of revenue	*(9.9)*	*(0.1)*	
Loss for the period attributable to owners of the parent	**(17.7)**	**(0.2)**	**n.s.**
Profit for the period attributable to non-controlling interests	0.1	n.s.	
Number of employees at period end [1]	**1,147**	**1,194**	

(*) of which 32 people on state-subsidized lay-off in 2013 (26 due to the closure of Corciano, Perugia)

(in millions of euro)	**September 30, 2015**	**June 30, 2015**	**December 31, 2014**
Total equity	9,4	(10.2)	12,2
Equity attributable to owners of the parent	9.0	(10.5)	11,9
Net financial debt	(61.6)	(107.0)	(107.6)

n.s. not significant

Although demand on the key markets remained slack, the first nine months of 2015 saw an improvement in revenue and profitability, due in part to the inclusion in the scope of consolidation of the French subsidiary Sirap Remoulins S.a.s., which offset the effect of the elimination of Sirap Insulation S.r.l.

Prices of polystyrene raw materials used in production dropped significantly in the first quarter, so that, despite the unexpected realignment with 2014 values in the second and third quarters, the average purchase price for the first nine months of 2015 was 1,258 euro/mt compared with 1,421 euro/mt in the year-earlier period (a reduction of approximately 11%).

The loss for the period reflected the negative impact of the decision of the European Commission published on June 24, 2015, which, as noted in the report on operations in the first half to June 30, 2015, alleged continued unfair trading by some companies in the Sirap group in the period 2002 to 2008, on the foamed tray market. The European Commission imposed a fine totaling 35.9 million euro on the companies concerned, Sirap Gema S.p.A., Sirap France S.a.s., and some subsidiaries of the Petruzalek group, against which the parent increased the provision for risks, which stood at 8.8 million euro at December 31, 2014, with an additional amount of 27.1 million euro. The provision is included in "Other income and expense" of the consolidated income statement.

Group **revenue** in the first nine months of 2015 amounted to 178.8 million euro, up 5.3 million euro from the first nine months of 2014 (173.5 million euro); 21.3 million euro were reported by Sirap Remoulins S.a.s.; 26.2 million euro were reported by Sirap Insulation S.r.l. in the first six months of the year.

Group **recurring gross operating profit** at September 30, 2015, was 16.2 million euro, of which 1.5 million euro reported by Sirap Remoulins S.a.s. and 1.7 million euro by Sirap Insulation S.r.l. in the first six months; the improvement from 14.2 million euro in the year-earlier period was 2.0 million euro, or 13.9%.

After non-recurring expense of 27.7 million euro (0.7 million euro at September 30, 2014), arising from the above-mentioned fine imposed by the European Commission, the group had a **gross operating loss** of 11.5 million euro, compared with profit of 13.5 million euro in the first nine months of 2014.

Amortization and depreciation (7.4 million euro) was down from the year-earlier period (7.5 million euro).

The group posted an **operating loss** for the nine months to September 30, 2015, of 16.1 million euro, compared with profit of 6.0 million euro in the year-earlier period.

Finance income net of finance costs amounted to 1.2 million euro largely thanks to the gain of 4.1 million euro on the sale of the equity investment in Sirap Insulation S.r.l., the reduction in finance costs due to lower average indebtedness, the lower impact of net exchange-rate differences and the re-measurement of the provision for risks.

The general increase in taxable income at the group companies led to **income tax expense** of 2.7 million euro, an increase from September 30, 2014 (1.9 million euro).

The group posted a **loss** for the first nine months of 17.6 million euro, compared with the loss of 0.2 million euro in the year-earlier period.

Consolidated **net financial debt** at September 30, 2015, was 61.6 million euro, down by 46.0 million euro from 107.6 million euro at December 31, 2014. Working capital management generated a free cash flow of 4.7 million euro. The period saw a number of extraordinary movements: the change in the scope of consolidation (entry of Sirap Remoulins S.a.s.: -1.8 million euro; sale of Sirap Insulation S.r.l.: -26.4 million euro), a payment by the sole shareholder of 15.0 million euro to cover losses and replenish the share capital of the parent. The net financial position includes 15.0 million euro for partial coverage of the EC fine with a positive effect on the cost of the necessary guarantee.

Consolidated **equity** at September 30, 2015, amounted to 9.4 million euro, a decrease from 12.2 million euro at December 31, 2014.

The equity decrease of 2.8 million euro included the payment of 15.0 million euro to cover losses and replenish share capital made on September 22, 2015, by the sole shareholder, Italmobiliare S.p.A., to Sirap Gema S.p.A., the loss for the period of 17.6 million euro and a decrease of 0.2 million euro in the translation and consolidation reserves. As previously reported, at the reporting date of June 30, 2015, the parent Sirap Gema S.p.A. found itself in the circumstances envisaged by art. 2447 of the Italian Civil Code, with negative equity of 13.5 million euro, reflected in negative consolidated equity of 10.2 million euro at June 30, 2015.

Significant events in the period

On January 19, 2015, a new company wholly owned by Sirap France S.a.s., Sirap Remoulins S.a.s., was established to acquire foamed-tray production assets from “Vitembal Société Industrielle”, a company that went into “*rédressement judiciaire*” in 2013. The court of Nimes approved the transaction on January 27, 2015, and the assets in question have been part of the Sirap Gema group since February 1, 2015. This strategic step will enable the group to extend its market leadership in foamed trays to France.

After a preliminary sale contract was drawn up in December 2014, on February 12, 2015, the notarial deed of sale of the Corciano site (Perugia) was signed, for an overall amount of 1 million euro; the site ceased production operations at the end of 2011.

On June 18, 2015, proceedings formally began to wind up the subsidiary Petruzalek Bosnia, which ceased operations on June 30, 2015. The decision was taken in view of the lack of growth prospects on the Bosnian market, which no longer has a strategic role in the Petruzalek group, in part due to the termination of operations of the Bosnian divisions of two international mass merchandising chains.

On June 24, 2015, the European Commission published its final decision regarding the proceeding begun in 2008 for infringement of community competition laws on the plastic food packaging market. The Commission imposed an overall fine of 35.9 million euro. Action is being taken to suspend execution of the fine and file an appeal against the sentence of first degree, regarded as disproportionate.

On July 30, 2015, the Sirap group completed the valuation of the equity investment in Sirap Insulation S.r.l., selling its share to the French group Holding Soprema S.A.. The sale will enable the Sirap group to focus its resources on its food packaging business.

Performance by operating segment and geographical segment

Q3

(in millions of euro)	Revenue		Recurring gross operating profit		Gross operating profit		Operating profit (loss)	
	Q3 2015	% change vs. Q3 14	Q3 2015	% change vs. Q3 14	Q3 2015	% change vs. Q3 14	Q3 2015	% change vs. Q3 14
Food packaging								
Italy	23.5	2.7	2.2	16.7	2.2	14.4	0.9	82.0
France	13.1	n.s.	0.7	0.5	0.4	(51.8)	(0.1)	n.s.
Other EU countries	17.1	0.4	1.1	(0.8)	1.0	(3.6)	0.6	(8.1)
Other non-EU countries	3.2	(1.8)	0.3	89.0	0.2	89.0	0.2	n.s.
Eliminations	(4.8)	14.5	-		-		-	
Total	**52.1**	**15.4**	**4.3**	**11.0**	**3.8**	**(1.0)**	**1.6**	**(5.7)**
Total	**52.1**	**(13.7)**	**4.3**	**(14.5)**	**3.8**	**(23.7)**	**1.6**	**(34.1)**

n.s. not significant

Nine months ended September 30

(in millions of euro)	Revenue		Recurring gross operating profit (loss)		Gross operating profit (loss)		Operating profit (loss)	
	Sept. 30 2015	% change vs. 09.30.14	Sept. 30 2015	% change vs. 09.30.14	Sept. 30 2015	% change vs. 09.30.14	Sept. 30 2015	% change vs. 09.30.14
Food packaging								
Italy	68.1	2.6	7.1	6.9	(20.2)	n.s.	(24.3)	n.s.
France	37.2	n.s.	3.3	76.9	2.9	56.0	4.4	n.s.
Other EU countries	50.6	3.7	3.4	33.6	3.4	32.4	2.1	63.8
Other non-EU countries	9.9	1.0	0.8	32.1	0.8	28.3	0.8	32.1
Eliminations	(13.0)	n.s.	(0.1)	n.s.	(0.1)	n.s.	-	n.s.
Total	**152.8**	**16.3**	**14.5**	**24.9**	**(13.2)**	**n.s.**	**(17.0)**	**n.s.**
Thermal insulation-Italy	**26.2**	**n.s.**	**1.7**	**n.s.**	**1.7**	**n.s.**	**0.9**	**n.s.**
Eliminations	(0.2)		-		-		-	
Total	**178.8**	**3.1**	**16.2**	**13.9**	**(11.5)**	**n.s.**	**(16.1)**	**n.s.**

n.s. not significant

Food packaging

In Western Europe, demand for food packaging products remained weak in the first nine months of 2015, and had a negative impact on spending on fresh food and consequently on demand for related primary packaging.

In this context, thanks above all to the entry into the group of the new company Sirap Remoulins, total revenue generated by the group in food packaging in 2015 was 152.8 million euro, up from 131.5 million euro in the first nine months of 2014.

The breakdown of performance by key markets was as follows.

- On the Italian market, sales of foamed containers (XPS) generated growth in revenue to 40.4 million euro, compared with 39.3 million euro in the first nine months of 2014. Rigid container revenue, at 14.5 million euro, was up 6.4% on the year-earlier period (13.6 million euro). The parent Sirap Gema S.p.A. (to which the Italian foamed and rigid container operations of the subsidiary Universal Imballaggi S.r.l. report) closed the period with revenue of 66.5 million euro, compared with 64.6 million euro in the first nine months of 2014. Recurring gross operating profit was 7.1 million euro, an improvement of 0.5 million euro from 6.6 million euro in the year-earlier period.
- On the French market, where consumption continued to stagnate, a significant increase in revenue was reported for the first nine months of 2015, thanks to the new operations of Sirap Remoulins S.a.s.. Revenue in the first nine months of 2015 amounted to 37.2 million euro, compared with 17.5 million euro in the year-earlier period; of the total increase of 19.7 million euro, a large proportion referred to the first eight months of activity of Sirap Remoulins S.a.s.. Recurring gross operating profit amounted overall to 3.3 million euro, against 1.8 million euro in the year-earlier period; operating profit reached 4.4 million euro, compared with 1.1 million euro in the year-earlier period, also thanks to the re-measurement of Sirap Remoulins S.a.s. assets for an amount of 2.8 million euro.
- In Poland, where domestic demand picked up, Inline Poland reported overall revenue of 23.3 million euro, an improvement of 15.9% from 20.1 million euro in the nine months to September 30, 2014; gross operating profit and operating profit were 2.4 and 1.6 million euro respectively, up from the first nine months of 2014 (respectively 2.0 and 1.1 million euro).
- In the Petruzalek group countries in Central Eastern Europe, demand was generally weak; revenue was 37.8 million euro, from 39.0 million euro at September 30, 2014. Gross operating profit for the nine months was 1.8 million euro, a significant improvement from 1.2 million euro in the year-earlier period, thanks above all to the results of the re-organization and restructuring. Revenue and operating margins were partially affected by the negative exchange-rate effect; owing to the widely reported political and social unrest in Ukraine, the average exchange rate of the hryvnia against the euro depreciated by 58.5%.

Thermal insulation

As noted, the consolidated income statement for the nine months to September 30 reflects the results of the thermal insulation arm only for the first six months, with revenue of 26.2 million euro, gross operating profit of 1.7 million euro and operating profit of 0.9 million euro.

Disputes and pending proceedings

On June 24, the European Commission published its final decision on the proceeding begun in 2008 for alleged breaches of community competition laws on the plastic food packaging market. The Commission imposed a fine totaling 35.9 million euro. As previously reported, Sirap Gema S.p.A. considers the fine excessive and disproportionate; on September 10, 2015, assisted by its lawyers, it filed an appeal against the decision on its own behalf and on behalf of the subsidiaries concerned. In order to suspend execution of the decision, on September 30, within the term of three months from notification of the decision, the company arranged the required financial covers.

Environmental initiatives

On January 1, 2012, the Sirap Gema group adopted an Environmental Policy document to give visibility to its commitment to and activities for environmental protection in the countries where it operates. Guidelines have been drawn up and shared with group employees with regard to the group's intention to comply with local regulations and apply the best ecological standards for sustainable and responsible development; in addition, appropriate initiatives in this field are being implemented or are planned with set procedures and deadlines.

Significant events after the reporting date

No significant events took place.

Outlook

The general economic situation on the Sirap group's core markets continues to be weak. The collection risk on receivables remains high, due to the low liquidity of many operators. This risk will continue to be closely monitored to minimize the negative impact on results, and mitigated through insurance cover where appropriate.

After the sale of Sirap Insulation, the Sirap Gema group now operates exclusively in food packaging. Demand continues to be affected by low food spending and by the promotional campaigns of mass merchandisers. In this context, the group has consolidated its improvements in operating margins through restructuring efficiencies, increased automation in production processes and constant attention to costs. The recent acquisition in France is part of the program to consolidate Sirap Gema on its core markets.

Financial segment

The financial segment consists of the parent Italmobiliare S.p.A. and the subsidiary Franco Tosi S.r.l., which in July took over the Luxembourg-based company Société de Participation Financière Italmobiliare S.A..

Q3

(in millions of euro)	Q3 2015	Q3 2014	% change
Revenue	53.0	4.5	n.s.
Recurring gross operating profit (loss)	39.4	(3.5)	n.s.
Gross operating profit (loss)	38.0	(2.0)	n.s.
Operating profit (loss)	38.0	(2.1)	n.s.
Profit (loss) for the period	**37.2**	**(2.8)**	n.s.

n.s. not significant

Results in accordance with the financial model

Given the specific nature of the financial segment, to permit full understanding of performance, the table below sets out the results of the segment in the format normally used for financial companies. This reflects:

- “Net gains (losses) on equity investments”, which includes, with regard to available-for-sale investments, dividends received, gains and losses realized on sales of equity investments, and impairment losses on these financial assets;
- “Net gains (losses) on investments of cash and cash equivalents”, which includes interest income on bank coupons and deposits, impairment losses on securities and trading equities, gains/losses on the sale of trading securities, income/expense on trading derivatives;
- “Net borrowing costs”, which consists essentially of interest expense on financing, bank commissions and costs;
- “Other income and expense”, which includes personnel expense and operating expense for the financial structure, net of amounts recovered from other Group companies and movements on provisions for risks

Q3

(in millions of euro)	Q3 2015	Q3 2014	% change
Net gains (losses) on equity investments	47.8	(1.9)	n.s.
Net gains (losses) on investments of cash and cash equivalents	(0.5)	2.9	n.s.
Net borrowing costs	(0.3)	(0.8)	64.9
Total net finance income	**47.0**	**0.2**	n.s.
Other net expense	(9.2)	(2.3)	n.s.
Income tax expense	(0.6)	(0.7)	10.0
Profit (loss) for the period	**37.2**	**(2.8)**	**n.s.**

n.s. not significant

ITALMOBILIARE

The weaker outlook for world growth, the fall in oil prices and the reduction in inflation-indexed forward rates fueled a decline in nominal yields on long-term government bonds, after significant increases in the first six months of 2015. In the third quarter, share prices also fell as volatility rose, largely because of the uncertainty on the financial markets caused by developments in China. Specifically, the depreciation of the Chinese renminbi since August 11 was followed by sudden drops in Chinese share prices and sharp increases in uncertainty on the international financial markets.

Material losses were reported on the Eurozone stock markets, in all business sectors. The losses associated with events in Greece at the end of June and early July were rapidly absorbed, but in the second half of August, share prices sank as uncertainty rose over world prospects. At the same time, the US stock markets reported larger losses than the European markets.

ECB monetary policy measures continue to be reflected in loan conditions: bank lending rates settled at record lows and these favorable conditions sustained a gradual upturn in loans.

The segment’s results for the period benefited from the sale by Franco Tosi, after its takeover of Société de Participation Financière Italmobiliare S.A., of the entire equity investment in Finter Bank Zürich to the Swiss group Vontobel Holding AG. The sale, described in “Significant events in the period” valued the investment at approximately 84.7 million Swiss francs and generated a gain of 51.9 million Swiss francs.

In this context, the segment posted **net gains on equity investments** of 47.8 million euro in the third quarter (losses of 1.9 million euro in the third quarter of 2014), essentially due to the effect of the gain on the sale of the Swiss bank described above.

The segment posted **net losses on investments of cash and cash equivalents** of 0.5 million euro (gains of 2.9 million euro in the third quarter of 2014) reflecting net measurement losses of 3.9 million euro on trading instruments (gains of 1.0 million euro in the year-earlier period), offset in part by finance income of 3.4 million euro (2.0 million euro in 2014). Net **borrowing costs** were down 64.9% to 0.3 million euro from 0.8 million euro in the year-earlier third quarter, due to the lower cost of money and lower indebtedness in the period.

There was a large increase in **other expense** net of other income (9.2 million euro compared with 2.3 million euro in the third quarter of 2014) due to non-recurring expense incurred on the extraordinary transaction relating to the agreement for the sale of the equity investment in Italcementi and the provision for risks relating to possible future expense on the sale of Finter Bank Zürich.

After **income tax expense** of 0.6 million euro, the segment posted a **profit for the period** of 37.2 million euro (loss of 2.8 million euro in the third quarter of 2014).

Nine months ended September 30

(in millions of euro)	9M ended 09.30.2015	9M ended 09.30.2014	% change
Revenue	82.1	57.4	43.0
Recurring gross operating profit	52.2	32.4	61.2
Gross operating profit	50.5	30.8	63.9
Operating profit	50.3	30.5	64.6
Profit for the period	**46.4**	**26.1**	**77.8**
Number of employees at period end	30	44	

n.s. not significant

(in millions of euro)	September 30, 2015	June 30, 2015	December 31, 2014
Equity	1,115.1	1,085.3	1,046.7
Net financial position	93.0	85.5	77.6

The table below sets out results reclassified in accordance with the financial model:

(in millions of euro)	9M ended 09.30.2015	9M ended 09.30.2014	% change
Net gains on equity investments	63.8	34.5	84.6
Net gains on investments of cash and cash equivalents	2.7	11.1	(75.9)
Net borrowing costs	(1.1)	(2.5)	56.9
Total net finance income	**65.4**	**43.1**	**51.6**
Other net expense	(16.6)	(14.1)	(17.5)
Income tax expense	(2.4)	(2.9)	19.2
Profit for the period	**46.4**	**26.1**	**77.8**

n.s. not significant

The Eurosystem sovereign bond purchase program launched by the ECB in January generated accommodating financial conditions in the nine months, which continued to support the supply of credit to the private sector and reduce its cost. After an initial rise in April, long-term government bond yields began falling again, reflecting the decline in inflation and growth expectations and the search for safe investments at a time of increased aversion to risk.

After reaching very high levels in mid-April, share prices made a partial adjustment as interest rates on long-term government bonds rose. The volatility on the international financial and currency markets began to rise rapidly in mid-August as fears spread of a slowdown in the Chinese economy and its repercussions on the rest of the world. In August, the drop in Chinese share prices spread to the world's other stock markets. A contributing factor to the fall reported in the Eurozone was the turbulence triggered by the Volkswagen group in the last ten days of September, which led volatility on the financial markets to return to record highs.

In this context, **net gains on equity investments** of 63.8 million euro (34.5 million euro at September 30, 2014), were largely generated by:

- the gain of 49.7 million euro from the sale of shares (26.3 million euro in the first nine months of 2014), essentially the sale of the equity investment in Finter Bank Zürich;
- dividends of 15.6 million euro up from 6.0 million euro at September 30, 2014 (9.6 million euro);
- losses of equity-accounted investees of 1.2 million euro (-1.3 million euro at September 30, 2014), reflecting the loss at the associate Società Editrice Sud S.p.A..

Net gains on investments of cash and cash equivalents were down 8.4 million euro to 2.7 million euro, from 11.1 million euro in the year-earlier period, largely due to re-measurement losses of 2.7 million euro on bonds (gains of 4.6 million euro at September 30, 2014) and the absence of gains on sales of trading instruments (gains of 4.3 million euro at September 30, 2014). Interest income decreased by 1.4 million euro (2.2 million euro at September 30, 2015 from 3.6 million euro for the first nine months of 2014), while derivative transactions generated income of 2.2 million euro compared with expense of 2.6 million euro in the first nine months of 2014.

Net borrowing costs were 1.1 million euro, a decrease from the year-earlier period (2.5 million euro), largely due to average segment indebtedness of 154.6 million euro, down from 182.3 million euro at September 30, 2014.

Other expense net of other income amounted to 16.6 million euro, up 2.5 million euro from the first nine months of 2014 (14.1 million euro). Countering the decrease of 2.9% in net operating expense, the segment reported extraordinary expense and provisions of 5.9 million euro (3.1 million euro in 2014), chiefly for legal and consultancy fees in connection with the sale agreement for the investment in Italcementi and the provision for risks set aside for possible future expense on the sale of Finter Bank Zürich.

After income tax of 2.4 million euro (2.9 million euro at September 30, 2014), the segment posted a **profit for the period** of 46.4 million euro, up 20.3 million euro from the profit for the first nine months of 2014 (26.1 million euro).

The companies in the financial segment hold substantial equity investments, the majority classified as “Available for sale”. The fair value changes on these investments, excluding consolidated investments carried at cost less impairment losses in the separate financial statements, are recognized in equity under the “Fair value reserve”, or in the income statement if the correlated financial assets have been impaired, in line with the accounting standards adopted by the Italmobiliare Group. At September 30, 2015, the fair value reserve of the financial segment reflected a positive balance of 39.1 million euro, an increase of 34.6 million euro from December 31, 2014, due to the rise in share prices in the first nine months, particularly in banking stocks.

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Significant events in the period

On February 27, 2015, the Boards of Directors of Franco Tosi S.r.l. and Société de Participation Financière Italmobiliare S.A. (Soparfi), both wholly owned by Italmobiliare S.p.A., approved the merger of Soparfi into and with Franco Tosi. This is a cross-border merger, since the companies were established in two different member States of the European Union.

The merger is part of the plan to rationalize the Group's corporate structure by eliminating arrangements that are no longer cost-effective when managed separately or that no longer fit with the Group's strategic plans. The merger was completed on July 9, 2015, and will permit greater efficiency and unity in decision-making processes. Specifically, the Group will benefit from:

- a reduction in overheads;
- simplified cash flows;
- a simplified Group corporate structure for increased market transparency.

On September 4, Franco Tosi S.p.A. and the Swiss group Vontobel reached an agreement to strengthen operations in private banking. The agreement provides for the acquisition of Finter Bank Zürich by Vontobel, which took place on September 30, with the sale of the entire equity investment held by Franco Tosi in the Swiss bank. The transaction, for which the sale amounts will be finalized in the next few months after possible adjustments taking account of the trend in assets under management, valued the entire investment in Finter Bank Zürich at approximately 84.7 million Swiss francs, with a gain of 51.9 million Swiss francs. As part of the transaction, Franco Tosi invested approximately 10 million Swiss francs in Vontobel Holding AG shares representing 0.349% of the Swiss group's share capital. Vontobel Holding AG is a private banking company listed in Zurich, specialized in active asset management and tailor-made investment solutions for its clients. With 1,400 employees worldwide, it manages assets totaling approximately 181 billion Swiss francs.

On September 29, the Italmobiliare Board of Directors deliberated the partial exercise of its right of withdrawal from the Mediobanca shareholders' agreement with respect to 4,826,272 shares representing 0.56% of the share capital. Italmobiliare confirmed its adherence to the agreement with a share equivalent to 1% of the bank's capital.

On July 31, 2015, the Italian tax authorities served a tax assessment report (PVC, *Processo Verbale di Constatazione*) on Italmobiliare, on completion of the tax inspection begun on February 26, 2015, into direct taxes and VAT for 2010. The inspection looked in particular at the foreign companies in the banking and financial segments held by Italmobiliare in the 2010 tax period. The company decided not to present any response to the elements presented in the PVC and no tax assessment notice has been served to date.

Net financial position of Italmobiliare and the financial segment

In millions of euro)	September 30, 2015		June 30, 2015		December 31, 2014	
	Italmobiliare	Financial segment[1]	Italmobiliare	Financial segment[1]	Italmobiliare	Financial segment[2]
Current financial assets	10.2	261.1	10.3	225.0	8.1	216.8
Current financial liabilities	(154.5)	(154.4)	(137.5)	(138.3)	(139.5)	(140.5)
Current net financial position (debt)	**(144.3)**	**106.7**	**(127.2)**	**86.7**	**(131.4)**	**76.3**
Non-current financial assets	6.2	6.3	6.8	18.9	6.3	21.3
Non-current financial liabilities	(20.0)	(20.0)	(20.0)	(20.1)	(20.0)	(20.0)
Non-current net financial position (debt)	**(13.8)**	**(13.7)**	**(13.2)**	**(1.2)**	**(13.7)**	**1.3**
Net financial position (debt)	**(158.1)**	**93.0**	**(140.4)**	**85.5**	**(145.1)**	**77.6**

[1] Comprising: Italmobiliare S.p.A. and Franco Tosi S.r.l.
² Comprising: Italmobiliare S.p.A. and Société de Participation Financière Italmobiliare S.A. (now merged with Franco Tosi S.r.l.)

Current financial assets in the financial segment at September 30, 2015 totaled 261.1 million euro and consisted largely of bonds (45.1%) and cash/money market instruments (32.3%). The bond portfolio consisted of floating-rate instruments for 30.5% and fixed-rate instruments for the remaining 69.5% with an average A rating (S&P). The portfolio is diversified on a geographical basis and a segment basis; maximum exposure on a single bond accounted for 8.5% (BBB), while maximum exposure to a single issuer (Italian treasury bonds) accounted for 10.9% (BBB) of the total bond portfolio at September 30, 2015. In this portfolio, treasury instruments amounted to 40.1 million euro, with an average A rating.

Italmobiliare S.p.A. had net financial debt of 158.1 million euro, up by 13.0 million euro from December 31, 2014 (145.1 million euro). The financial segment, which includes the parent Italmobiliare, had a consolidated net financial position of 93.0 million euro, up 15.4 million euro from December 31, 2014 (77.6 million euro), largely due to the transactions on equity investments.

Significant events after the reporting date

No significant events took place.

Outlook

The scenario on the stock markets and, overall, with regard to the credit spread is supported by general economic growth, although this is slower than expected. Market valuation multiples are in line with equilibrium values, while corporate earnings remain at slightly above-consensus average values.

Conversely, the bond markets appear to reflect the deflationary risk and are exposed both to a possible rise in inflation, against the possible stabilization of oil prices, and to the effects of normalization of US monetary policy.

In this context too, the results reported to date indicate that the segment’s full-year profit will be up on 2014.

Banking segment

After the sale of the Finter Bank Zürich group on September 30, 2015, the interim results of the banking segment refer exclusively to Crédit Mobilier de Monaco. The sold Swiss banking group contributed a profit of 3.3 million euro to the profit of the segment.

Crédit Mobilier de Monaco

Crédit Mobilier de Monaco is a bank in Monaco whose main activity is guarantee-backed loans.

In the first nine months of 2015, net interest income was 1 million euro in line with the result at September 30, 2014, while the decrease in net operating income led to a reduction of 9.1% in gross operating profit compared with the year-earlier period (400 thousand euro from 440 thousand euro at September 30, 2014). After measurement losses of 48 thousand euro and income tax expense of 119 thousand euro, the bank reported a profit for the period of 233 thousand euro (274 thousand euro at September 30, 2014).

The bank also posted a profit for the third quarter of 2015 of 90 thousand euro, down 38.4% from the year-earlier period (146 thousand euro) due to a reduction of 10.3% in operating income.

Equity after dividends paid amounted to 5.9 million euro, in line with the figure at December 31, 2014.

The net financial position was down 0.4 million euro, from 5.7 million euro at December 31, 2014, to 5.3 million euro at September 30, 2015.

Significant events in the period

No significant events took place.

Significant events after the reporting date

No significant events took place.

Outlook

Subject to currently unforeseeable events, the Monaco bank expects to report a full-year profit, although this will be lower than the profit reported in 2014.

Property, services and other segment

This segment includes a number of real estate companies and service companies essentially providing services within the Group. The segment is of marginal importance within the Italmobiliare Group.

The decrease in the results of operations and financial position was largely due to the withdrawal from the segment of Franco Tosi S.r.l., whose results, after the takeover of Société de Participation Financière Italmobiliare S.A., are now reported in the financial segment.

At September 30, 2015, segment revenue amounted to 129 thousand euro, a sharp decrease from 1.5 million euro in 2014, reflecting the contraction in sales in the real estate segment. After operating expense of 330 thousand euro (1.3 million euro at September 30, 2014), the segment posted a loss for the period of 161 thousand euro (profit of 195 thousand euro at September 30, 2014).

There was a small loss for the third quarter of 2015, of 58 thousand euro in line with the year-earlier period.

Equity at September 30, 2015, amounted to 1.3 million euro (2.3 million euro at December 31, 2014).

Subject to currently unforeseeable events, the segment expects to post a small loss for the full year.

Transactions with related parties

For the purposes of the consolidated financial statements, transactions with related parties for the period January 1 – September 30, 2015, were with:

- subsidiaries not consolidated on a line-by-line basis;
- joint ventures and their subsidiaries;
- associates and their subsidiaries;
- other related parties.

All transactions with related parties, whether for the exchange of goods and services or of a financial nature, are conducted at normal market conditions and in compliance with the Code of Conduct.

Transactions with related parties were of an immaterial amount in the Italmobiliare S.p.A. consolidated financial statements.

No atypical or unusual transactions took place in the period under review.

Transactions with subsidiaries, joint ventures, associates and the subsidiaries of such companies

Transactions with subsidiaries, joint ventures, associates and non-consolidated subsidiaries of such companies are of a commercial nature (exchange of goods and/or services) or a financial nature.

Transactions with other related parties

Transactions with other related parties in the quarter were as follows:

- administrative, financial, contractual and tax consultancy services, as well as support for the organization of corporate restructuring operations, supplied to the Italmobiliare Group by Finsise S.p.A., whose majority shareholder is Italo Lucchini, Deputy Chairman of Italmobiliare, for considerations totaling approximately 271 thousand euro;
- legal consultancy, judicial and extrajudicial assistance provided to the Italmobiliare Group by the law firm Gattai – Minoli & Partners, of which Italmobiliare director Luca Minoli is a partner, for considerations of approximately 2,076 thousand euro;

In the first nine months, the Italmobiliare Group made an endowment to the Italcementi Cav. Lav. Carlo Pesenti foundation of 600 thousand euro. Italcementi S.p.A. charged the foundation an amount of 121 thousand euro for administrative and corporate services and other services.

Dispute and pending proceedings

Appropriate provision has been made on an accruals basis for legal and tax disputes concerning Group companies, in cases where, with respect to risks that have emerged and assessment of related risks, contingent liabilities are probable and measurable.

Details of the main disputes are provided in the sections on the individual operating segments.

Outlook

The recovery in the Eurozone is proceeding at a weaker pace than expected at the beginning of the year, largely due to the slowdown in world trade caused by the slower growth of the emerging economies.

Domestic demand continues to be sustained by ECB monetary policy measures and their positive impact in favoring the reduction in interest rates on the European money markets, with positive effects on medium/long-term inflation expectations, and by the progress in re-balancing public accounts and structural reforms. Nevertheless, anticipation of a possible increase in official rates in the USA is generating extreme volatility on the financial markets.

In this context, the Group expects to report an overall improvement in its full-year profit compared with 2014, driven by positive results, including extraordinary results, in the financial segment.

Compliance with simplified rules pursuant to arts. 70 and 71 of the Issuers Regulation

Italmobiliare S.p.A. has adopted the opt-out regime envisaged by the Consob Issuers Regulation, exercising the right to waive the obligations to publish disclosure documents required in connection with significant merger and demerger transactions, acquisitions and sales, capital increases by contributions in kind.

In compliance with this regime, the company provided appropriate disclosures to the market.

Milan, November 13, 2015

for the Board of Directors
The Chairman
Giampiero Pesenti

Financial statements

ITALMOBILIARE

Income statement

(in thousands of euro)	Q3 2015	%	Q3 2014 IFRS5	%	Change	%	Q3 2014 published	%
Revenue	**87,268**	**100.0%**	**95,232**	**100.0%**	**(7,964)**	**-8.4%**	**1,136,452**	**100.0%**
Other revenue	1,795		1,795				7,270	
Change in inventories	(419)		(1,662)		1,243		3,706	
Internal work capitalized	1,252		1,113		139		14,710	
Raw materials and supplies	(39,569)		(44,479)		4,910		(471,392)	
Services	(18,647)		(14,195)		(4,452)		(275,580)	
Personnel expense	(31,321)		(28,142)		(3,179)		(222,494)	
Other net operating expense	(3,392)		(1,505)		(1,887)		(25,895)	
Recurring gross operating profit (loss)	**(3,033)**	**-3.5%**	**8,157**	**8.6%**	**(11,190)**	**n.s.**	**166,777**	**14.7%**
Net gains from sale of non-current assets			1,301		(1,301)		2,442	
Non-recurring personnel (expense) income for re-organizations	(45)		195		(240)		791	
Other non-recurring (expense) income	(1,827)		1		(1,828)		(83)	
Gross operating profit (loss)	**(4,905)**	**-5.6%**	**9,654**	**10.1%**	**(14,559)**	**n.s.**	**169,927**	**15.0%**
Amortization and depreciation	(4,689)		(4,874)		185		(103,733)	
Impairment on non-current assets							(4,386)	
Operating profit (loss)	**(9,594)**	**-11.0%**	**4,780**	**5.0%**	**(14,374)**	**n.s.**	**61,808**	**5.4%**
Finance income	4,164		26		4,138		5,927	
Finance costs	(992)		(1,172)		180		(40,797)	
Exchange-rate differences and net gains (losses) on derivatives	(417)		(164)		(253)		5,876	
Impairment losses on financial assets	(196)		(50)		(146)		(50)	
Share of profit (loss) of equity-accounted investees	(99)		(111)		12		6,545	
Profit (loss) before tax	**(7,134)**	**-8.2%**	**3,309**	**3.5%**	**(10,443)**	**n.s.**	**39,309**	**3.5%**
Income tax expense	(1,928)		(3,348)		1,420		(25,226)	
Profit (loss) relating to continuing operations	**(9,062)**	**-10.4%**	**(39)**	**0.0%**	**(9,023)**	**n.s.**	**14,083**	**1.2%**
Profit relating to discontinued operations net of tax effects	36,147		14,122		22,025			
Profit for the period	**27,085**	**31.0%**	**14,083**	**14.8%**	**13,002**	**92.3%**	**14,083**	**1.2%**
Attributable to:								
owners of the parent	**28,420**	**32.6%**	**(755)**	**-0.8%**	**29,175**	**n.s.**	**(755)**	**-0.1%**
non-controlling interests	**(1,335)**	**-1.5%**	**14,838**	**15.6%**	**(16,173)**	**n.s.**	**14,838**	**1.3%**

ITALMOBILIARE

Income statement

(in thousands of euro)	9M ended 09.30.2015	%	9M ended 09.30.2014 IFRS5	%	Change	%	9M ended 09.30.2014 published	%
Revenue	**294,784**	**100.0%**	**309,068**	**100.0%**	**(14,284)**	**-4.6%**	**3,339,896**	**100.0%**
Other revenue	6,932		7,306		(374)		28,064	
Change in inventories	(17)		(4)		(13)		(4,960)	
Internal work capitalized	3,967		3,183		784		28,031	
Raw materials and supplies	(130,052)		(131,811)		1,759		(1,346,470)	
Services	(52,792)		(44,613)		(8,179)		(814,045)	
Personnel expense	(97,872)		(86,348)		(11,524)		(680,952)	
Other net operating expense	(8,143)		(4,465)		(3,678)		(51,632)	
Recurring gross operating profit	**16,807**	**5.7%**	**52,316**	**16.9%**	**(35,509)**	**-67.9%**	**497,932**	**14.9%**
Net gains from sale of non-current assets	10		1,301		(1,291)		4,330	
Non-recurring personnel expense for re-organizations	(118)		(2,605)		2,487		(3,524)	
Other net non-recurring expense	(29,275)		(960)		(28,315)		(2,849)	
Gross operating profit (loss)	**(12,576)**	**-4.3%**	**50,052**	**16.2%**	**(62,628)**	**n.s.**	**495,889**	**14.8%**
Amortization and depreciation	(14,624)		(14,445)		(179)		(308,150)	
Impairment reversals on non-current assets	2,770				2,770		(9,003)	
Operating profit (loss)	**(24,430)**	**-8.3%**	**35,607**	**11.5%**	**(60,037)**	**n.s.**	**178,736**	**5.4%**
Finance income	4,215		87		4,128		18,205	
Finance costs	(3,244)		(4,011)		767		(121,414)	
Exchange-rate differences and net gains (losses) on derivatives	(807)		(395)		(412)		(3,419)	
Impairment losses on financial assets	(220)		(132)		(88)		(26,976)	
Share of profit (loss) of equity-accounted investees	(1,242)		(1,594)		352		8,309	
Profit (loss) before tax	**(25,728)**	**-8.7%**	**29,562**	**9.6%**	**(55,290)**	**n.s.**	**53,441**	**1.6%**
Income tax expense	(8,088)		(11,007)		2,919		(109,368)	
Profit (loss) relating to continuing operations	**(33,816)**	**-11.5%**	**18,555**	**6.0%**	**(52,371)**	**n.s.**	**(55,927)**	**-1.7%**
Profit (loss) relating to discontinued operations net of tax effects	40,520		(74,482)		115,002			
Profit (loss) for the period	**6,704**	**2.3%**	**(55,927)**	**-18.1%**	**62,631**	**n.s.**	**(55,927)**	**-1.7%**
Attributable to:								
owners of the parent	**(10,776)**	**-3.7%**	**(37,520)**	**-12.1%**	**26,744**	**-71.3%**	**(37,520)**	**-1.1%**
non-controlling interests	**17,480**	**5.9%**	**(18,407)**	**-6.0%**	**35,887**	**n.s.**	**(18,407)**	**-0.6%**

Statement of comprehensive income

(in thousands of euro)	9M ended 09.30.2015	%	9M ended 09.30.2014 IFRS 5	%	Change	%	9M ended 09.30.2014 published	%
Profit (loss) for the period	**6,704**	**2.3**	**(55,927)**	**-18.1**	**62,631**	**n.s.**	**(55,927)**	**-1.7**
Other comprehensive income (expense) relating to continuing operations								
Items that will not be reclassified to profit or loss subsequently								
Re-measurement of the net liability/(asset) for employee benefits	1,969		(173)		2,142		(21,554)	
Re-measurement of the net liability/(asset) for employee benefits - investments in equity-accounted investees								
Income tax (expense)	(500)		(7)		(493)		5,107	
Total items that will not be reclassified to profit or loss subsequently	**1,469**		**(180)**		**1,649**		**(16,447)**	
Items that might be reclassified to profit or loss subsequently								
Translation reserve on foreign operations	(20,196)		1,408		(21,604)		161,626	
Translation reserve on foreign operations - investments in equity-accounted investees							4,492	
Fair value gains (losses) on cash flow hedges	69				69		(14,213)	
Fair value gains (losses) on cash flow hedges - investments in equity-accounted investees								
Fair value gains on available-for-sale financial assets	33,369		6,617		26,752		19,873	
Fair value gains (losses) on available-for-sale financial assets								
Income tax (expense)	1,195		2,543		(1,348)		2,239	
Total items that might be reclassified to profit or loss subsequently	**14,437**		**10,568**		**3,869**		**174,017**	
Total other comprehensive in come relating to continuing operations net of tax effect	**15,906**		**10,388**		**5,518**		**157,570**	
Other comprehensive income relating to discontinued operations net of tax effect	26,739		147,182		(120,443)			
Total other comprehensive income	**42,645**		**157,570**		**(114,925)**		**157,570**	
Total comprehensive income	**49,349**	**16.7**	**101,643**	**32.9**	**(52,294)**	**-51.4**	**101,643**	**3.0**
Attributable to:								
owners of the parent	19,486		9,991		9,495		9,991	
non-controlling interests	29,863		91,652		(61,789)		91,652	

Condensed statement of change in total net financial position

(in thousands of euro)	09.30.2015	09.30.2014 IFRS5	Change	09.30.2014 published
Opening net financial debt	**(2,114,773)**	**(1,829,988)**	**(284,785)**	**(1,829,988)**
Cash flow from operating activities before change in working capital	1,615	20,606	(18,991)	278,232
Change in working capital	12,551	(20,868)	33,419	(43,876)
	14,166	**(262)**	**14,428**	**234,356**
Investments in PPE, investment property and intangible assets	(17,357)	(9,956)	(7,401)	(333,772)
Change in liabilities for purchases of PPE, inv. prop, intangibles	510	(646)	1,156	(58,633)
	(2,681)	**(10,864)**	**8,183**	**(158,049)**
Investments in equity investments	(420)	(14,016)	13,596	(17,152)
Change in liabilities for purchases of equity investments	(150)	(130)	(20)	119
Proceeds from the sale of non-current assets	56,082	106,665	(50,583)	121,851
Dividends paid	(11,694)	(7,360)	(4,334)	(81,405)
Change in treasury shares	432		432	
Italcementi share capital increase				263,557
Change in interests in subsidiaries		(359)	359	(380,440)
Other changes	11,336	3,149	8,187	(54,223)
Cash flows relating to continuing operations	**52,905**	**77,085**	**(24,180)**	**(305,742)**
Cash flows relating to discontinued operations	(198,135)	(382,827)	184,692	
Closing net financial debt	**(2,260,003)**	**(2,135,730)**	**(124,273)**	**(2,135,730)**

Financial position

(in thousands of euro)	September 30, 2015	June 30, 2015	December 31, 2014	Change Sept. 30, 2015 Dec. 31. 2014	% change
Current financial assets	(271,010)	(1,346,491)	(1,139,699)	868,689	-76.2
Current financial liabilities	245,458	1,227,381	1,009,914	(764,456)	-75.7
Non-current financial assets	(28,717)	(65,084)	(135,018)	106,301	-78.7
Non-current financial liabilities	45,598	2,372,609	2,379,576	(2,333,978)	-98.1
Net financial (position) debt relating to continuing operations	**(8,671)**	**2,188,415**	**2,114,773**	**(2,123,444)**	**n.s.**
Net financial debt relating to assets held for sale	2,268,674			2,268,674	
Total net financial debt	**2,260,003**	**2,188,415**	**2,114,773**	**145,230**	**6.9**
Total equity	**4,228,651**	**4,348,326**	**4,286,380**	**(57,729)**	**-1.3**

Net financial debt at September 30, 2015, computed in compliance with Consob communication no. DEM/6064293 of July 28, 2006 (i.e., excluding non-current financial assets) amounted to 20,046 thousand euro (2,249,791 thousand euro at December 31, 2014).

Comments on the financial statements

The Italmobiliare S.p.A. quarterly report as at and for the nine months ended September 30, 2015, was approved by the Board of Directors on November 13, 2015. At the meeting, the Board authorized publication of a press release dated November 13, 2015, containing key information from the report.

The quarterly report as at and for the nine months ended September 30, 2015, has been drawn up in accordance with article 154 ter, paragraph 5 of Legislative Decree no. 58 of February 24, 1998, and subsequent amendments. It has also been prepared in compliance with the measurement and recognition criteria envisaged by the International Financial Reporting Standards (IFRS).

The consolidated financial statements are based on the accounts of the consolidated companies as at and for the nine months ended September 30, 2015.

Accounting policies

The accounting policies used to prepare the quarterly report as at and for the nine months ended September 30, 2015, are consistent with those used to prepare the Group financial statements as at and for the year ended December 31, 2014, and, in addition, with the policies effective as from January 1, 2015:

- “Annual Improvements cycle 2011-2013”. The changes introduced constitute clarifications and corrections (IFRS 3 “Business combinations” and IFRS 13 “Fair value measurement”) and involve changes in current requirements or provide additional indications regarding their application (IAS 40 “Investment property”).
- IFRIC 21 “Levies”. The interpretation indicates that levies are to be recognized only when the obligating event specified by law that generates the liability occurs.

The application of the above policies, amendments and interpretations did not generate material impacts on the Group financial statements.

Attention is drawn to the fact that, as from January 1, 2015, with regard to the application by the Group of IAS 16 “Property, plant and equipment”, the list of the components and useful lives of Group industrial assets has been updated to reflect technological developments and the benefits expected to accrue from use of such assets.
With regard to assets held for sale in the construction materials segment, the accounting treatment of the French tax “*Cotisation sur la valeur ajoutée des entreprises*” (CVAE) has been modified; the tax is now classified under other income tax rather than under operating fiscal charges. For comparative purposes, the income statements of the previous periods have been re-stated accordingly.

Discretional measurements and use of estimates

In the preparation of this quarterly report, the discretional measurements made in the application of the Group accounting policies and the main sources of uncertainty relating to estimates are the same as those used in the preparation of the consolidated financial statements as at and for the year ended December 31, 2014.

Scope of consolidation

As noted in the report as at and for the six months ended June 30, 2015, on July 28 Italmobiliare signed an agreement with HeidelbergCement for the sale of the entire equity investment held in Italcementi.
The agreement signed with HeidelbergCement provides for:

- the sale of the equity investment held by the parent Italmobiliare in the capital of Italcementi (equivalent to 45.0% of capital, represented by 157.2 million shares) at a per-share of 10.60 euro,
- the granting to Italmobiliare, as part of the purchase consideration, of a share of the capital of HeidelbergCement, of between 4.0% and 5.3% at Italmobiliare's discretion;
- as part of the transaction, Italmobiliare undertakes to purchase from Italcementi the investments held in renewable energy (Italgen) and in e-procurement (BravoSolution group), together with other assets.

The transaction has been classified under discontinued operations pursuant to IFRS5, and the relevant assets and liabilities have therefore been stated separately from the other assets and liabilities, respectively as assets and liabilities held for sale. On the consolidated income statement, profit for the period relating to assets held for sale in the construction materials segment is shown under a separate caption from the profit for the period of continuing operations. The assets to be re-purchased by Italmobiliare continue to be consolidated line-by-line and recognized in the financial statements and in the comments on the financial statements in the same manner as in previous financial reports.

On September 3, 2015, an agreement was signed for the sale of the subsidiary Finter Bank Zurich to the Swiss group Vontobel Holding AG, completed on September 30, 2015 with the sale of the equity investment. This transaction too has been classified under discontinued operations in compliance with IFRS5; consequently, the profit including the related gain on the sale has been shown separately from profit relating to continuing operations.
For both transactions illustrated above, the income statement and the statement of comprehensive income presented for comparative purposes have been re-stated in order to show assets held for sale and discontinued operations separately from other continuing operations.

Changes in the scope of consolidation

The main changes with respect to September 30, 2014, are as follows:

- the formation of BravoSolution Nordics OY (Finland), consolidated line-by-line, a company in the BravoSolution e-business group;
- the sale of the equity investment in Finter Bank Zurich (Switzerland), as illustrated above;
- the sale of the equity investment in Sirap Gema Insulation S.r.l. (Italy), active in thermal insulation ;
- the merger of Société de Participations Financières (Luxembourg) into and with Franco Tosi S.r.l. (Italy).

Among assets held for sale in the construction materials segment, the following changes took place in the scope of consolidation:

- acquisition of three companies of modest size active in the aggregates segment in France, consolidated line-by-line as from the first quarter: Dragages du Pont de St Leger, Garonne Labo and Granulats de Saint Laurent;
- the Teracem Ltd. company in Ghana, a terminal in the cement and clinker trading segment, consolidated line-by-line.

Exchange rates used to translate the financial statements of foreign operations

Exchange rates for 1 euro:

Currencies	Average rate September 30, 2015	Average rate Full-year 2014	Average rate September 30, 2014	Closing rate September 30, 2015	Closing rate December 31, 2014	Closing rate September 30, 2014
Thai baht	37.61501	43.14687	43.90713	40.71200	39.91000	40.80000
Czech crown	27.35468	27.53586	27.50434	27.18700	27.73500	27.50000
Swedish crown	9.37092	9.09852	9.04047	9.40830	9.39300	9.14650
Gambian dalasi	47.86084	54.91114	55.00977	44.30790	54.67090	53.49030
Kuwaiti dinar	0.33460	0.37804	0.38300	0.33858	0.35558	0.36280
Libyan dinar	1.51928	1.64626	1.68268	1.52965	1.45389	1.53887
Serbian dinar	120.62893	117.23088	116.21318	119.60300	121.12200	118.48500
UAE dirham	4.09124	4.87957	4.97641	4.11262	4.45942	4.62160
Moroccan dirham	10.82054	11.16302	11.20520	10.87790	10.98020	11.02540
Australian dollar	1.11436	1.32850	1.47598	1.12030	1.21410	1.44420
Canadian dollar	1.46308	1.47188	1.48192	1.59390	1.48290	1.40580
US dollar	1.40384	1.46614	1.35487	1.50340	1.40630	1.25830
Hungarian florin	309.09162	308.70612	308.76618	313.45000	315.54000	310.57300
Swiss franc	1.06211	1.21462	1.21801	1.09150	1.20240	1.20630
Ukrainian hryvnia	24.00514	15.86431	15.14698	23.81270	19.20600	16.30000
Croatian kuna	7.61059	7.63442	7.62421	7.64450	7.65800	7.65250
Albanian lek	140.10934	139.95452	140.03258	139.32900	140.09500	139.42000
Moldavian leu	20.56033	18.61587	18.57413	22.52730	18.95840	18.32990
Bulgarian lev	1.95583	1.95583	1.95583	1.95583	1.95583	1.95583
Egyptian pound	8.52401	9.41554	9.57441	8.76584	8.68519	9.00270
Syrian pound	235.70018	203.69370	201.02165	247.35900	218.88600	202.10900
Bosnian mark	1.95583	1.95583	1.95583	1.95583	1.95583	1.95583
Mozambique metical	39.64777	40.71317	41.33354	44.76720	38.43840	38.69270
New Turkish lira	2.97081	2.90650	2.93310	3.39030	2.83200	2.87790
New Romanian leu	4.44138	4.44372	4.44712	4.41760	4.48280	4.41020
Mauritanian ouguiya	358.03490	401.62913	407.70479	370.17500	380.52300	382.06400
Mexican peso	17.36535	17.65504	17.77195	18.97680	17.86790	16.99770
Brazilian real	3.52573	3.12113	3.10282	4.48080	3.22070	3.08210
Chinese renminbi	6.96414	8.18575	8.35441	7.12060	7.53580	7.72620
Qatar riyal	4.05681	4.83737	4.93326	4.07789	4.42155	4.58237
Saudi riyal	4.18020	4.98307	5.08138	4.20157	4.55733	4.71974
Russian ruble	66.59742	50.95184	48.01516	73.24160	72.33700	49.76530
Indian rupee	70.85495	81.04062	82.26243	7.04805	76.71900	77.85640
Sri Lanka rupee	149.29850	173.48069	176.77415	158.25600	159.34700	164.14000
Pound sterling	0.72715	0.80612	0.81182	0.73850	0.77890	0.77730
Kazakh tenge	219.27306	238.15509	241.94676	303.83100	221.46000	228.91800
Japanese yen	134.77759	140.30612	139.48592	134.69000	145.23000	138.11000
Polish zloty	4.15706	4.18426	4.17512	4.24480	4.27320	4.11760

The exchange rates used to translate the financial statements of foreign operations are those published by the Bank of Italy, with the exception of the rate for the Turkish lira, published by the Turkish central bank.

Revenue

Revenue from sales and services totaled 87,268 thousand euro in the third quarter of 2015 and 294,784 thousand euro at September 30, 2015, as follows:

(in thousands of euro)	Q3 2015	Q3 2014	Change	% change
Industrial revenue				
Product sales	52,111	60,378	(8,267)	-13.7%
Services provided	33,878	30,733	3,145	10.2%
Total	**85,989**	**91,111**	**(5,122)**	**-5.6%**
Financial revenue				
Interest	551	414	137	33.1%
Dividends	5	150	(145)	-96.7%
Gains and other revenue	346	3,129	(2,783)	-88.9%
Total	**902**	**3,693**	**(2,791)**	**-75.6%**
Bank revenue				
Interest	354	399	(45)	-11.3%
Total	**354**	**399**	**(45)**	**-11.3%**
Property and service revenue	**23**	**29**	**(6)**	**-20.7%**
Grand total	**87,268**	**95,232**	**(7,964)**	**-8.4%**

(in thousands of euro)	9M ended 09.30.2015	9M ended 09.30.2014	Change	% change
Industrial revenue				
Product sales	178,887	173,842	5,045	2.9%
Services provided	102,348	97,572	4,776	4.9%
Total	**281,235**	**271,414**	**9,821**	**3.6%**
Financial revenue				
Interest	1,566	2,812	(1,246)	-44.3%
Dividends	1,336	1,829	(493)	-27.0%
Gains and other revenue	9,473	31,642	(22,169)	n.s.
Total	**12,375**	**36,283**	**(23,908)**	**-65.9%**
Bank revenue				
Interest	1,091	1,116	(25)	-2.2%
Total	**1,091**	**1,116**	**(25)**	**-2.2%**
Property and service revenue	**83**	**255**	**(172)**	**-67.5%**
Grand total	**294,784**	**309,068**	**(14,284)**	**-4.6%**

The breakdown of consolidated revenue by operating segment and geographical segment is shown below:

by operating segment:

(in thousands of euro)	Q3 2015	Q3 2014	Change	
			Amount	%
Continuing operations in construction materials	32,619	29,536	3,083	10.4%
Packaging and insulation	52,113	60,362	(8,249)	-13.7%
Finance	2,129	4,846	(2,717)	-56.1%
Banking	376	437	(61)	-14.0%
Property, services, other	31	51	(20)	-39.2%
Total continuing operations	**87,268**	**95,232**	**(7,964)**	**-8.4%**
Construction materials discontinued operations	*1,016,795*	*1,037,674*	*(20,879)*	*-2.0%*
Banking discontinued operations	*(50)*	*4,753*	*(4,803)*	*n.s.*
Inter-segment eliminations	*(1,163)*	*(1,207)*	*44*	*-3.6%*

(in thousands of euro)	9M ended 09.30.15	9M ended 09.30.14	Change	
			Amount	%
Continuing operations in construction materials	98,757	93,837	4,920	5.2%
Packaging and insulation	178,845	173,512	5,333	3.1%
Finance	15,885	39,756	(23,871)	-60.0%
Banking	1,168	1,228	(60)	-4.9%
Property, services, other	129	735	(606)	-82.4%
Total continuing operations	**294,784**	**309,068**	**(14,284)**	**-4.6%**
Construction materials discontinued operations	*3,117,908*	*3,021,501*	*96,407*	*3.2%*
Banking discontinued operations	*10,030*	*12,980*	*(2,950)*	*-22.7%*
Inter-segment eliminations	*(3,649)*	*(3,653)*	*4*	*-0.1%*

by geographical segment:

(in thousands of euro)	Q3 2015	Q3 2014	Change	
			Amount	%
European Union	66,353	77,410	(11,057)	-14.3%
Other European countries	3,180	3,183	(3)	-0.1%
Others	17,735	14,639	3,096	21.1%
Total continuing operations	**87,268**	**95,232**	**(7,964)**	**-8.4%**
Construction materials discontinued operations	*1,016,795*	*1,037,674*	*(20,879)*	*-2.0%*
Banking discontinued operations	*(50)*	*4,753*	*(4,803)*	*-101.1%*
Inter-segment eliminations	*(1,163)*	*(1,207)*	*44*	*-3.6%*

(in thousands of euro)	9M ended 09.30.15	9M ended 09.30.14	Change	
			Amount	%
European Union	229,917	251,370	(21,453)	-8.5%
Other European countries	9,820	9,653	167	1.7%
Others	55,047	48,045	7,002	14.6%
Total continuing operations	**294,784**	**309,068**	**(14,284)**	**-4.6%**
Construction materials discontinued operations	*3,117,908*	*3,021,501*	*96,407*	*3.2%*
Banking discontinued operations	*10,030*	*12,980*	*(2,950)*	*-22.7%*
Inter-segment eliminations	*(3,649)*	*(3,653)*	*4*	*-0.1%*

Raw materials and supplies

Raw materials and supplies amounted to 130,052 thousand euro, as follows:

(in thousands of euro)	9M ended 09.30.15	9M ended 09.30.14	Change	% change
Raw materials and semifinished goods	52,549	59,981	(7,432)	-12.4%
Fuel	610	759	(149)	-19.6%
Materials and machinery	6,714	5,383	1,331	24.7%
Finished goods	34,493	31,278	3,215	10.3%
Electricty, water, gas	36,165	32,486	3,679	11.3%
Change in inventories of raw materials consumables and other	(479)	1,924	(2,403)	n.s.
Total	**130,052**	**131,811**	**(1,759)**	**-1.3%**

Services

Services amounted to 52,792 thousand euro, as follows:

(in thousands of euro)	9M ended 09.30.15	9M ended 09.30.14	Change	% change
External services and maintenance	8,474	8,253	221	2.7%
Transport	11,469	9,882	1,587	16.1%
Legal fees and consultancy	12,663	7,529	5,134	68.2%
Rents	7,433	6,744	689	10.2%
Insurance	2,028	1,850	178	9.6%
Other expense	10,725	10,355	370	3.6%
Total	**52,792**	**44,613**	**8,179**	**18.3%**

Personnel expense

Personnel expense totaled 97,872 thousand euro, as follows:

(in thousands of euro)	9M ended 09.30.15	9M ended 09.30.14	Change	% change
Wages and salaries	69,153	58,588	10,565	18.0%
Social security contributions and pension fund provisions	21,001	19,827	1,174	5.9%
Cost of stock option plans		83	(83)	-100.0%
Other expense	7,718	7,850	(132)	-1.7%
Total	**97,872**	**86,348**	**11,524**	**13.3%**

The number of employees is shown below:

(headcount)	9M ended 09.30.15	9M ended 09.30.14	Full year 2014
Employees at period end, continuing operations	1,912	1,944	1,905
Employees at period end, discontinued operations	*16,979*	*17,694*	*17,168*
Total employees at period end	**18,891**	**19,638**	**19,073**
Average number employees, continuing operations	2,035	1,877	1,951
Average number employees, discontinued operations	*17,047*	*18,022*	*17,785*
Total average number employees	**19,082**	**19,899**	**19,736**

Other operating expense (income)

Other operating expense net of other operating income amounted to 8,143 thousand euro, as follows:

(in thousands of euro)	9M ended 09.30.15	9M ended 09.30.14	Change	% change
Other taxes	2,823	3,018	(195)	-6.5%
Allowance for impairment	1,396	2,148	(752)	-35.0%
Provision for environmental restoration, quarries, other	2,007	2,490	(483)	-19.4%
Interest expense and other expense for companies in the financial and banking segments	11,144	8,621	2,523	29.3%
Miscellaneous income	(9,227)	(11,812)	2,585	-21.9%
Total	**8,143**	**4,465**	**3,678**	**82.4%**

“Interest expense and other expense for companies in the financial and banking segments” reflects interest expense and other finance costs of 2,163 thousand euro (7,850 thousand euro at September 30, 2014) and measurement losses of 8,981 thousand euro applied by the companies in the financial segment to trading instruments and shares (771 thousand euro at September 30, 2014).

Non-recurring income (expense)

(in thousands of euro)	9M ended 09.30.15	9M ended 09.30.14
Net gains from sale of non-current assets	10	1,301
Total personnel expense for re-organizations	(118)	(2,605)
Other non-recurring expense, net	(29,275)	(960)
Total	**(29,383)**	**(2,264)**

"Other non-recurring expense net" includes the provision recognized by the subsidiary Sirap Gema S.p.A. for the fine imposed by the European Commission on June 24, reflected in full in the provision for risk in the Group consolidated financial statements.

Amortization and depreciation

The overall amount of 14,624 thousand euro (14,445 thousand euro at September 30, 2014) reflects depreciation of property, plant and equipment and investment property for 9,521 thousand euro (9,722 thousand euro at September 30, 2014) and amortization of intangible assets for 5,103 thousand euro (4,723 thousand euro at September 30, 2014).

Finance income (costs), exchange-rate differences and net gains (losses) on derivatives

Finance income net of finance costs and exchange-rate differences and net gains (losses) on derivatives amounted to 164 thousand euro, as follows:

	9M ended 09.30.15		9M ended 09.30.14	
(in thousands of euro)	Income	Costs	Income	Costs
Interest income	67		56	
Interest expense		(2,117)		(2,667)
Gains on sale of equity investments	4,137	(7)		(136)
Other finance income	11		31	
Other finance costs		(1,120)		(1,208)
Total finance income (costs)	**4,215**	**(3,244)**	**87**	**(4,011)**
Net exchange-rate differences		(807)		(395)
Net exchange-rate differences and derivatives		**(807)**		**(395)**
Total finance income (costs), exchange-rate differences and net gains (losses) on derivatives		**164**		**(4,319)**

"Other finance costs" includes net finance costs of 33 thousand euro on employee defined benefit plans (same amount at September 30, 2014).

Impairment losses on financial assets

Impairment losses on financial assets amounted to 220 thousand euro (132 thousand euro at September 30, 2014), as follows:

- 177,000 thousand euro relating to Draper;
- 43,000 thousand euro relating to RCS MediaGroup.

Share of profit (loss) of equity-accounted investees

The caption reflects a loss of 1,242 thousand euro, compared with a loss of 1,594 thousand euro at September 30, 2014, as follows:

(in thousands of euro)	9M ended 09.30.15	9M ended 09.30.14	Change	% change
SES (Italy)	(1,229)	(1,336)	107	-8.0%
Others	(13)	(258)	245	-95.0%
Total	**(1,242)**	**(1,594)**	**352**	**-22.1%**

Income tax expense

Income tax expense for the period was 8,088 thousand euro, as follows:

(in thousands of euro)	9M ended 09.30.15	9M ended 09.30.14	Change	% change
Current tax	6,834	8,265	(1,431)	-17.3%
Prior-year tax and other net non-recurring tax items	(230)	(83)	(147)	n.s.
Deferred tax	1,484	2,825	(1,341)	-47.5%
Total	**8,088**	**11,007**	**(2,919)**	**-26.5%**

Profit (loss) relating to assets held for sale and discontinued operations

The table below sets out a breakdown of this caption:

(in thousands of euro)	9M ended 09.30.15	9M ended 09.30.14	Change	% change
Profit (loss) assets held for sale, construction materials	(10,504)	(72,085)	61,581	-85.4%
Profit (loss) discontinued operations, banking	3,247	(2,397)	5,644	n.s.
Gain on discontinued operations, banking	47,777		47,777	n.s.
Total	**40,520**	**(74,482)**	**115,002**	**n.s.**

The income statements of the discontinued operations in the two segments concerned are set out below.

Assets held for sale, construction materials

(in thousands of euro)	9M ended 09.30.2015	%	9M ended 09.30.2014 IFRS5	%	Change	%
Revenue	**3,118,219**	**100.0%**	**3,021,907**	**100.0%**	**96,312**	**3.2%**
Other revenue	21,066		21,280		(214)	
Change in inventories	197		(4,957)		5,154	
Internal work capitalized	25,325		24,849		476	
Raw materials and supplies	(1,265,686)		(1,214,878)		(50,808)	
Services	(808,630)		(766,010)		(42,620)	
Personnel expense	(613,817)		(589,549)		(24,268)	
Other net operating expense	(7,596)		(45,357)		37,761	
Recurring gross operating profit	**469,078**	**15.0%**	**447,285**	**14.8%**	**21,793**	**4.9%**
Net gains on sale of non-current assets	6,699		2,695		4,004	
Non-recurring personnel expense for re-organizations	(22,915)		(919)		(21,996)	
Other non-recurring expense, net	(300)		(1,889)		1,589	
Gross operating profit	**452,562**	**14.5%**	**447,172**	**14.8%**	**5,390**	**1.2%**
Amortization and depreciation	(299,035)		(292,652)		(6,383)	
Impairment losses (reversals) on non-current assets	5,237		(9,003)		14,240	
Operating profit	**158,764**	**5.1%**	**145,517**	**4.8%**	**13,247**	**9.1%**
Finance income	35,189		18,118		17,071	
Finance costs	(119,275)		(117,396)		(1,879)	
Exchange-rate differences and net gains (losses) on derivatives	(26,095)		(3,023)		(23,072)	
Impairment losses on financial assets			(26,844)		26,844	
Share of profit (loss) of equity-accounted investees	6,997		9,903		(2,906)	
Profit before tax	**55,580**	**1.8%**	**26,275**	**0.9%**	**29,305**	**111.5%**
Income tax expense	(66,084)		(98,360)		32,276	
Loss for the period	**(10,504)**	**-0.3%**	**(72,085)**	**-2.4%**	**61,581**	**-85.4%**
Attributable to:						
owners of the parent	**(56,131)**	**-1.8%**	**(120,114)**	**-4.0%**	**63,983**	**-53.3%**
non-controlling interests	**45,627**	**1.5%**	**48,029**	**1.6%**	**(2,402)**	**-5.0%**

Discontinued operations, banking

(in thousands of euro)	9M ended 09.30.2015	%	9M ended 09.30.2014 IFRS5	%	Change	%
Revenue	**10,249**	**100.0%**	**13,465**	**100.0%**	**(3,216)**	**-23.9%**
Other revenue	67		172		(105)	
Change in inventories						
Internal work capitalized						
Raw materials and supplies						
Services	(3,195)		(4,802)		1,607	
Personnel expense	(5,993)		(8,387)		2,394	
Other net operating expense	(1,460)		(2,119)		659	
Recurring gross operating loss	**(332)**	**-3.2%**	**(1,671)**	**-12.4%**	**1,339**	**-80.1%**
Net gains on sale of non-current assets	825		333		492	
Non-recurring personnel expense for re-organizations						
Other non-recurring income (expense)	2,822				2,822	
Gross operating profit (loss)	**3,315**	**32.3%**	**(1,338)**	**-9.9%**	**4,653**	**n.s**
Amortization and depreciation	(117)		(1,053)		936	
Impairment on non-current assets						
Operating profit (loss)	**3,198**	**31.2%**	**(2,391)**	**-17.8%**	**5,589**	**n.s**
Finance income						
Finance costs	(23)		(6)		(17)	
Exchange-rate differences and net gains (losses) on derivatives						
Impairment losses on financial assets						
Share of profit (loss) of equity-accounted investees						
Profit (loss) before tax	**3,175**	**31.0%**	**(2,397)**	**-17.8%**	**5,572**	**n.s**
Income tax (expense)	72				72	
Profit (loss) for the period	**3,247**	**31.7%**	**(2,397)**	**-17.8%**	**5,644**	**n.s**
Attributable to:						
owners of the parent	**3,247**	**31.7%**	**(2,397)**	**-17.8%**	**5,644**	**n.s**
non-controlling interests						

Non-recurring transactions

The following tables itemize the most significant non-recurring transactions and their impact on the Group's equity, net financial debt and profit (loss) for the period:

(in thousands of euro)	09.30.2015 Equity		Profit (loss) for the period		Net financial debt	
	amount	%	amount	%	amount	%
Carrying amounts	**4,228,651**		**6,704**		**(2,260,003)**	
Net gains from the sale of non-current assets	10	0.00%	10	0.15%		
Non-recurring personnel expense for re-organizations	(118)	0.00%	(118)	1.76%		
Other net non-recurring expense	(29,275)	0.69%	(29,275)	436.68%	(300)	0.01%
Tax on non-recurring transactions						
Total	**(29,383)**	**0.69%**	**(29,383)**	**438.29%**	**(300)**	**0.01%**
Figurative amount without non-recurring transactions	**4,258,034**		**36,087**		**(2,259,703)**	

(in thousands of euro)	09.30.2014 Equity		Profit (loss) for the period		Net financial debt	
	amount	%	amount	%	amount	%
Carrying amounts	**4,232,730**		**(55,927)**		**(2,135,730)**	
Net gains from the sale of non-current assets	1,301	0.03%	1,301	19.41%	1,300	0.06%
Non-recurring personnel expense for re-organizations	(2,605)	0.06%	(2,605)	38.86%		
Other net non-recurring expense	(960)	0.02%	(960)	14.32%	(300)	0.01%
Tax on non-recurring transactions						
Total	**(2,264)**	**0.05%**	**(2,264)**	**33.77%**	**1,000**	**0.04%**
Figurative amount without non-recurring transactions	**4,234,994**		**(53,663)**		**(2,136,730)**	

Capital expenditure

Capital expenditure for the nine months to September 30, 2015, amounted to 17,417 thousand euro, as follows:

(in thousands of euro)	9M ended 09.30.15	9M ended 09.30.14	Change Amount	%
Investments in intangible assets	4,702	3,799	903	23.8%
Investments in PPE and investment property	12,655	6,157	6,498	n.s.
Investments in non-current financial assets	420	14,016	(13,596)	-97.0%
Change in liabilities/receivables for purchases of non-current financial assets	150	130	20	15.4%
Change in liabilities/receivables for purchases of PPE and investment property	(510)	646	(1,156)	n.s.
Total	**17,417**	**24,748**	**(7,331)**	**-29.6%**

Investments in property, plant and equipment and investment property in the nine months to September 30, 2015 amounted to 12,655 thousand euro, more than double the expenditure of the first nine months of 2014. They related

to the European Union for 12,290 thousand euro (Italy 7,312 thousand euro, Poland 2,466 thousand euro, France 2,368 thousand euro).
Investments in non-current financial assets in the nine months to September 30, 2015, amounted to 420 thousand euro; in the third quarter, they amounted to 164 thousand euro.

Financial position

Net financial debt at September 30, 2015, amounted to 2,260,003 thousand euro (2,114,773 thousand euro at December 31, 2014), of which a positive amount of 8,671 thousand euro relating to continuing operations and debt of 2,268,674 thousand euro relating to discontinued operations.
The net financial position of continuing operations reflects gross financial liabilities of 291,056 thousand euro (3,389,490 thousand euro at December 31, 2014) and gross financial assets of 299,727 thousand euro (1,274,717 thousand euro at December 31, 2014).
Gross financial liabilities relating to continuing operations reflect current liabilities of 245,458 thousand euro (1,009,914 thousand euro at December 31, 2014) and non-current liabilities of 45,598 thousand euro (2,379,576 thousand euro at December 31, 2014).
Debt relating to discontinued operations includes the bonds issued by Italcementi Finance S.A. on the European market for an overall nominal amount of 1,250 million euro, of which a ten-year bond for 750 million euro issued in 2010, 350 million euro issued on February 14, 2013, and 150 million euro issued on May 14, 2013. The latter two issues mature on February 21, 2018.

The increase in net financial debt from December 31, 2014, was 145,230 thousand euro, as follows:

(in thousands of euro)	**Change vs. Dec. 31, 2014**
Current financial assets	868,689
Current financial liabilities	(764,456)
Change in current net financial debt	***104,233***
Non-current assets	106,301
Non-current liabilities	(2,333,978)
Change in non-current net financial debt	***(2,227,677)***
Change in net financial debt relating to assets held for sale	2,268,674
Change in total net financial debt	**145,230**

Events after the reporting date

No significant events have taken place since the reporting date that require amendments to or additional comments on the Group’s financial position and results of operations as at and for the nine months ended September 30, 2015.
Further details are provided in the report on operations.

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The manager in charge of preparing the financial reports, Giorgio Moroni, declares, pursuant to paragraph 2 article 154 bis of the Consolidated Law on Finance, that the accounting information in this document corresponds to the document results, books and accounting entries.