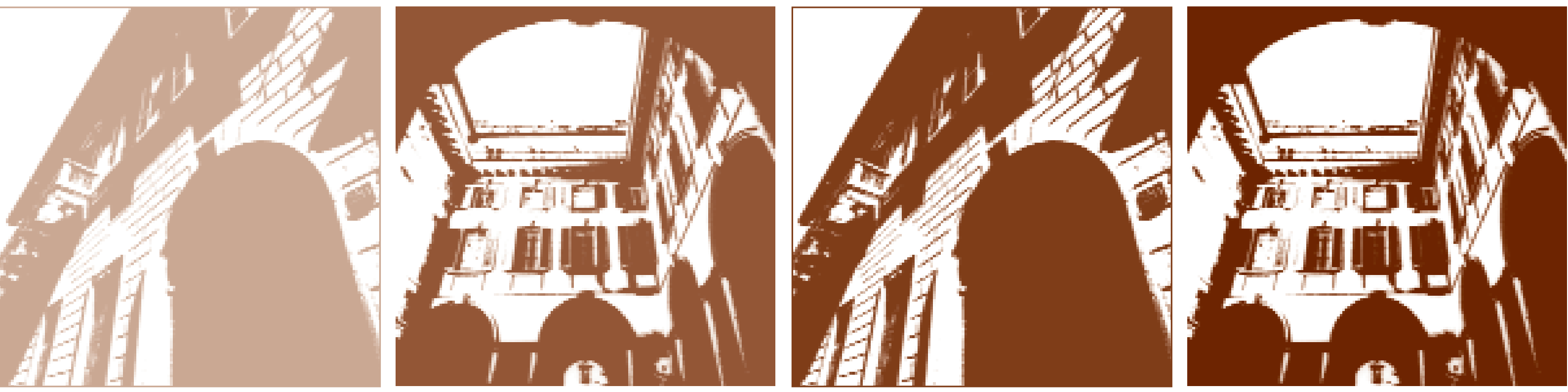
ITALMOBILIARE

Interim financial report as at June 30, 2009



Contents

Interim financial report

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The 2009 Interim financial report has been traslated from those issued in Italy, from the Italian into the English language solely for the convenience of international readers.

August 7, 2009

ITALMOBILIARE
Società per Azioni

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

Directors, Officers and Auditors

Board of Directors

(Term ends on approval of financial statements at 12.31.2010)

Giampiero Pesenti	1-2	Chairman - Chief Executive Officer CEO
Italo Lucchini	1-3	Deputy Chairman
Carlo Pesenti	1	Chief Operating Officer COO
Pier Giorgio Barlassina		
Mauro Bini	4-5-6-7	
Giorgio Bonomi	4	
Gabriele Galateri di Genola	3-5	
Jonella Ligresti	5	
Luca Minoli		
Giorgio Perolari	1-3-4-5	
Livio Strazzera	1	
Francesco Saverio Vinci		
Graziano Molinari	8	Secretary to the Board

Board of statutory auditors

(Term ends on approval of financial statements at 12.31.2010)

Acting auditors	
Mario Cera	Chairman
Luigi Guatri	
Eugenio Mercorio	
Substitute auditors	
Marco Confalonieri	
Leonardo Cossu	
Enrico Locatelli	
Angelo Maria Triulzi	Manager in charge of preparing the company's financial reports
Reconta Ernst & Young S.p.A.	Independent Auditors

1 Member of the Executive Committee
2 Executive director responsible for supervising the internal control system
3 Member of the Remuneration Committee
4 Member of the Internal Control Committee
5 Independent Director (in accordance with the Code of Conduct)
6 Lead independent director
7 Member of the Compliance Committee
8 Secretary to the Executive Committee

Company officers and delegation of powers

The current Board of Directors was appointed by the Shareholders' Meeting of April 30, 2008, for the three-year period 2008-2010, that is, until approval of the financial statements at December 31, 2010.

On the same date, the Board of Directors appointed the company officers and attributed their powers.

The company By-laws provide that the Board of Directors be invested with full powers for the management of the company's ordinary and extraordinary operations. Therefore, the Board may perform all acts and draw up all dispositions that it deems appropriate for the attainment of the corporate purpose, with the sole exception of those acts and dispositions that, by law, are expressly reserved for the Shareholders' Meeting.

The company By-laws attribute the legal representation of the company to the Chairman and also to the Deputy Chairman (or Deputy Chairmen) and to the Chief Executive Officer if appointed.

The powers delegated within the sphere of the Board of Directors are as follows:

- to the **Executive Committee**, consisting of five members, all the powers of the Board of Directors, with the exception of those powers that, under the Italian Civil Code and the company By-laws, may not be delegated. As specified at the time of the appointments, the resolutions adopted by the Executive Committee shall be reported to the Board of Directors at the following Board meeting;

- to the **Chairman – Chief Executive Officer**, Giampiero Pesenti, among other duties and in addition to the powers envisaged by the company by-laws and by the Voluntary Code of Conduct, the powers to undertake any administrative act, including the buying and selling of equity investments, to undertake security and loan operations, to accept guarantees, to provide collateral in favor of third parties provided that they are directly or indirectly controlled subsidiaries or associates of Italmobiliare S.p.A., up to a limit of 150 million euro for each individual transaction; to undertake real estate transactions, exchanges and real estate divisions, regulation of easements or property rights generally, up to a maximum limit of 25 million euro for each individual transaction; to recruit staff at all levels, set their pay, suspend them, change their employment terms and dismiss them;
- to the **Deputy Chairman**, Italo Lucchini, solely the powers of corporate representation, pursuant to the company by-laws, to be exercised separately from those of the Chairman - Chief Executive Officer;
- to the **Chief Operating Officer**, Carlo Pesenti, among other things, the duty of following the performance of subsidiaries and investee companies generally and the powers to formulate proposals on company organization to the Chief Executive Officer. The Chief Operating Officer is also empowered, among other things, to undertake any act concerning the management of the company, including undertaking security and loan transactions, accepting on behalf of the company obligations of any kind, including those backed by collateral security in favor of third parties provided that they are direct or indirect subsidiaries of Italmobiliare S.p.A., buying and selling government securities, debentures, mortgage bonds, equity securities, interests in companies, undertaking lending and borrowing transactions and repurchase transactions on securities up to a maximum of 75 million euro for each transaction; negotiating lines of credit with banks up to a maximum of 75 million euro, for higher amounts and up to a maximum limit of 100 million euro with the joint signature of the Joint Chief Administrative and Financial Officer.

Other delegated powers have been allocated to the Joint Chief Administrative and Financial Officer and to the Secretary to the Board within their respective competences.

The Chief Operating Officer has conferred specific and limited delegated powers to company employees for day to day operations.

Remuneration Committee and Internal Control Committee

The corporate governance structure, as set out in the binding articles of the company By-laws and in the non-binding provisions of the Code of Conduct (the «Code»), reflects Italmobiliare S.p.A.'s compliance with generally accepted best practice.

The «Code» provides, *inter alia,* for the Board of Directors to appoint, from among its members, a «Remuneration Committee» and an «Internal Control Committee», whose role is to provide assistance and submit proposals.

During the meeting at which the company officers were appointed, the Board of Directors also named the «Remuneration Committee» and the «Internal Control Committee», both consisting of three non-executive members, the majority of whom are independent. At the meeting on May 15, 2009 the Board of Directors arranged, at the request of the person concerned, to replace Jonella Ligresti, an independent member of the Internal Control Committee, with Giorgio Perolari, who is also an independent director. All the members of the Internal Control Committee have adequate experience in accounting and finance (as required by the «Code» of at least one committee member).

During the first half both the Remuneration Committee and the Internal Control Committee met once. All members attended the Remuneration Committee meeting, while two of the three members attended the Internal Control Committee meeting.

Compliance Committee

The Compliance Committee, established pursuant to the «Organization, management and control model» (the «Model») adopted by the Company in application of Legislative Decree 231/01, is responsible for on-going monitoring of the effectiveness and enforcement of the «Model» and for recommending updates.

In compliance with the provisions of the «Model» itself, the Compliance Committee consists of an independent director (subsequently appointed Chairman), the Company head of Internal auditing and an external professional.

During the half-year the Compliance Committee met 6 times to perform the functions attributed by the «Model».

Lead independent director

The most recent text of the «Code» as approved by the Board of Directors on February 8, 2007, provides, with reference to independent directors, that in cases where the Chairman of the Board of Directors is the principal officer responsible for the management of the company, the Board of Directors should designate a «Lead independent director», to provide a reference for and to coordinate the contributions and petitions of the non-executive directors, and in particular, those who are independent.
During the meeting at which the company officers were appointed, the Board of Directors confirmed Professor Mauro Bini, an independent director, as «Lead independent director».

Executive director responsible for supervising the internal control system

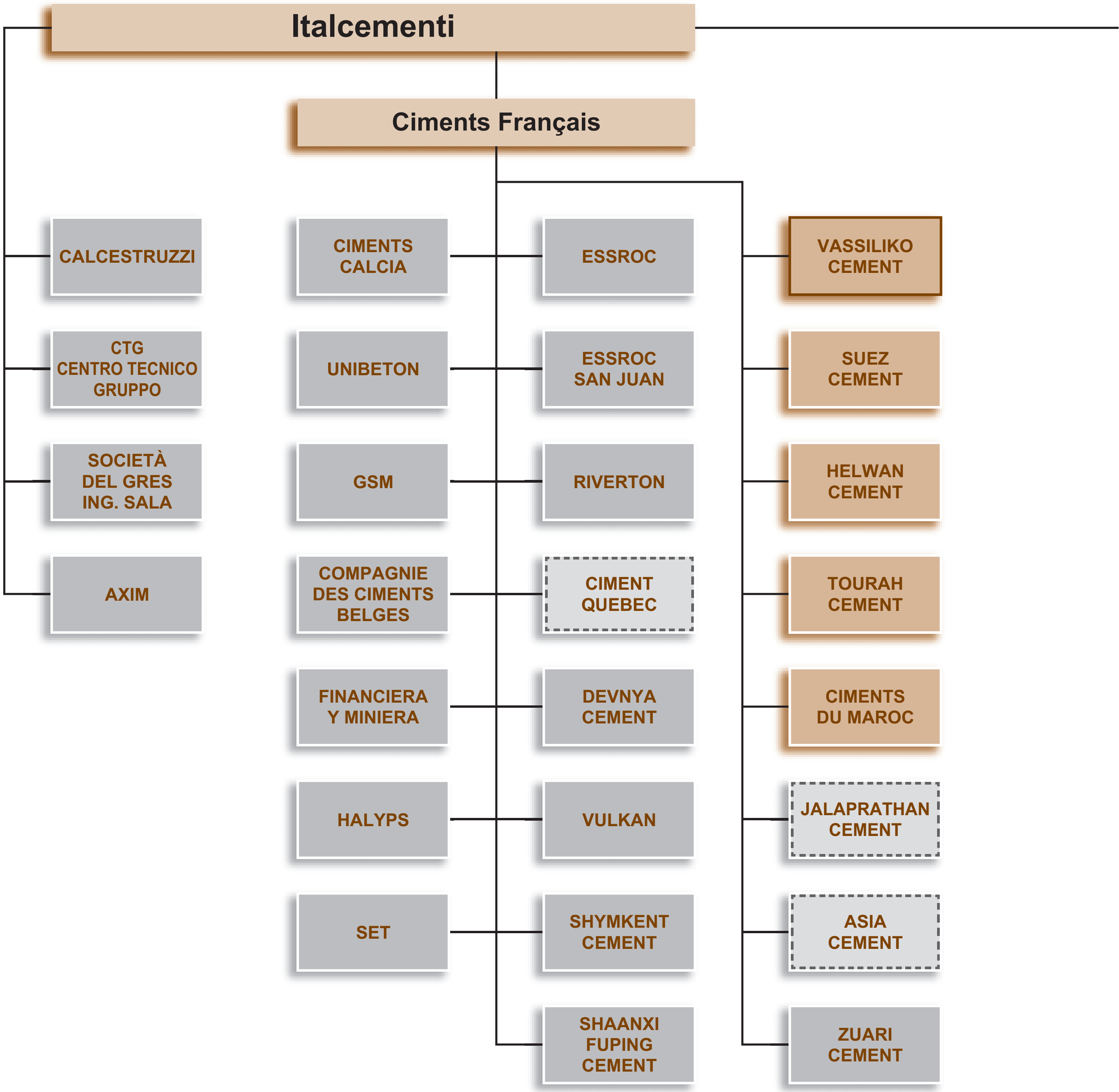
With regard to the system of controls, the «Code» provides for the Board of Directors to select, with the assistance of the Internal Control Committee, an executive director to supervise the internal control system.

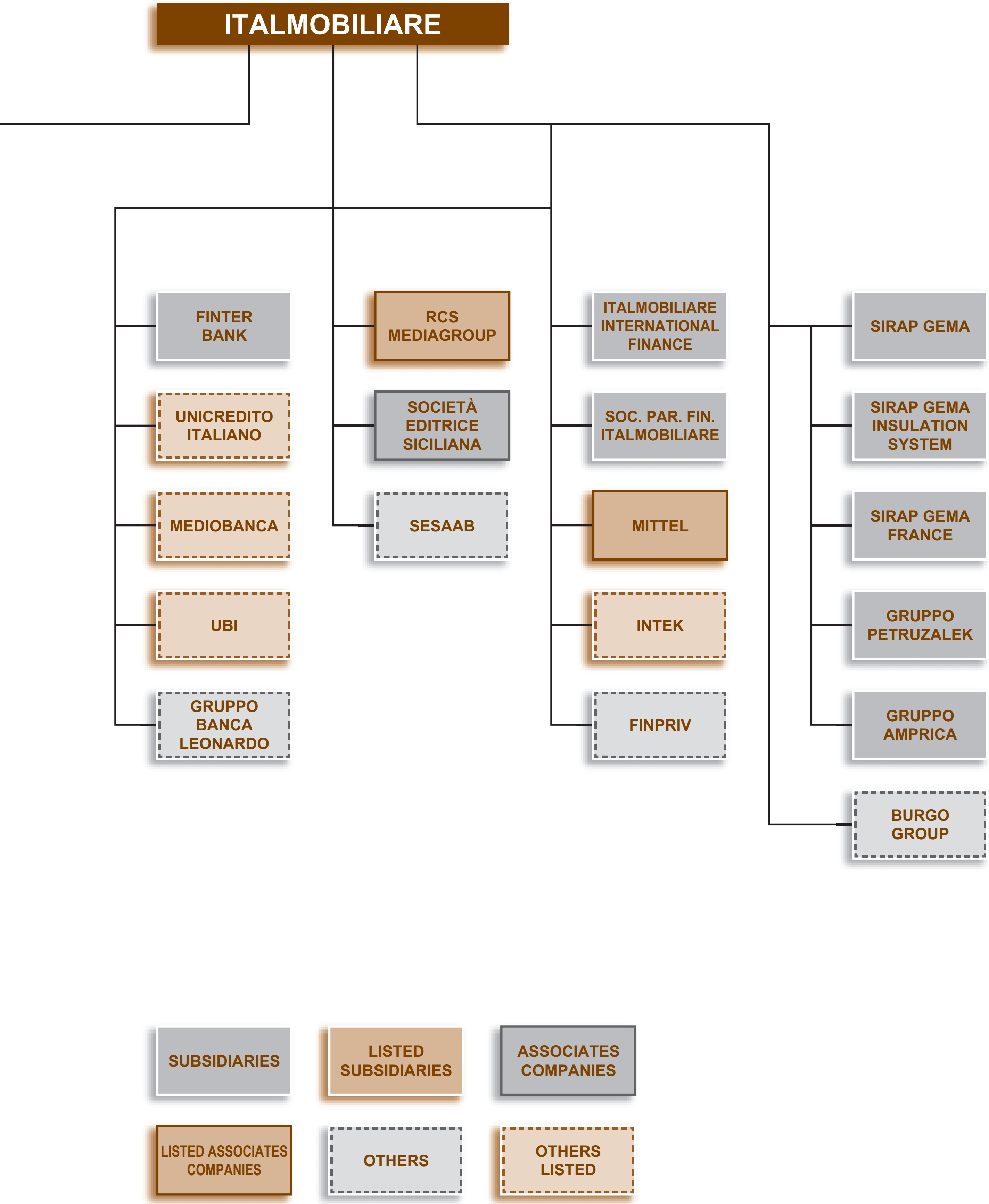
During the meeting at which the company officers were appointed, the Board of Directors, on the recommendation of the Internal Control Committee, confirmed the Chairman-Chief Executive Officer, Giampiero Pesenti, as the executive director responsible for supervising the internal control system.

Manager in charge of preparing the company financial reports

During the meeting at which the company officers were appointed, the Board of Directors confirmed Angelo Maria Triulzi, the Joint Chief Administrative and Financial Officer of Italmobiliare S.p.A., as the Manager in charge of preparing the company financial reports, pursuant to art. 154-bis of the Consolidated Law on Financial Intermediation and to art. 29 of the company By-laws.

Group structure
(at June 30, 2009)





ITALMOBILIARE
FINTER BANK
UNICREDITO ITALIANO
MEDIOBANCA
UBI
GRUPPO BANCA LEONARDO
RCS MEDIAGROUP
SOCIETÀ EDITRICE SICILIANA
SESAAB
ITALMOBILIARE INTERNATIONAL FINANCE
SOC. PAR. FIN. ITALMOBILIARE
MITTEL
INTEK
FINPRIV
SIRAP GEMA
SIRAP GEMA INSULATION SYSTEM
SIRAP GEMA FRANCE
GRUPPO PETRUZALEK
GRUPPO AMPRICA
BURGO GROUP
SUBSIDIARIES
LISTED SUBSIDIARIES
ASSOCIATES COMPANIES
LISTED ASSOCIATES COMPANIES
OTHERS
OTHERS LISTED

Group financial highlights

(in millions of euro)	June 30, 2009	June 30, 2008	June 30, 2008 published
Revenues	2,776.7	3,139.5	3,028.1
Recurring EBITDA	540.2	614.9	610.7
EBITDA	530.9	617.2	613.0
EBIT	273.8	393.5	396.7
Net result from continuing operations			238.0
Net result for the period	164.2	236.3	237.6
Group net result	58.7	67.5	67.8
Investments in fixed assets	401.8	504.1	490.7

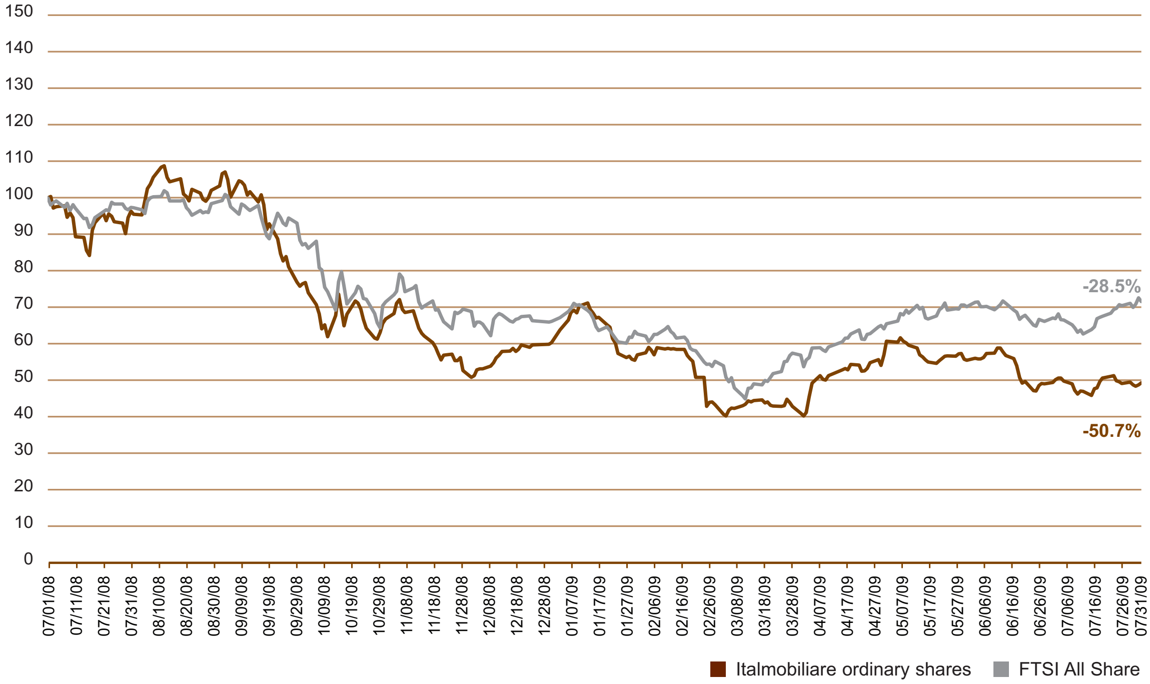
(in millions of euro)	June 30, 2009	December 31, 2008
Total shareholders' equity	5,542.9	5,488.2
Group shareholders' equity	2,269.8	2,179.5
Net debt	2,630.9	2,571.9
Net debt / Shareholders' equity	47.46%	46.86%
Net debt / Recurring EBITDA	2.78	2.52
(Diluted) earnings per ordinary share	1.543	(2.182)
(Diluted) earnings per savings share	1.582	(2.734)
Shareholders' equity per share[1]	60.326	57.926
Number of employees (heads)	23,363	23,864

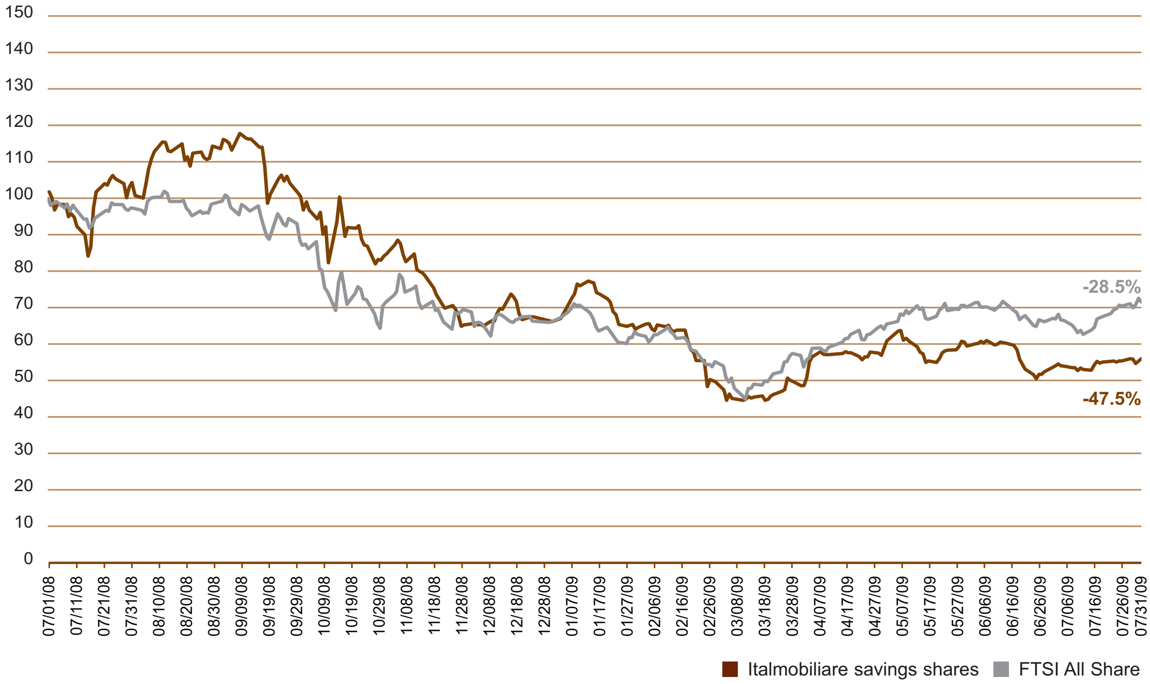
[1] Number of employees

On the Stock Exchange

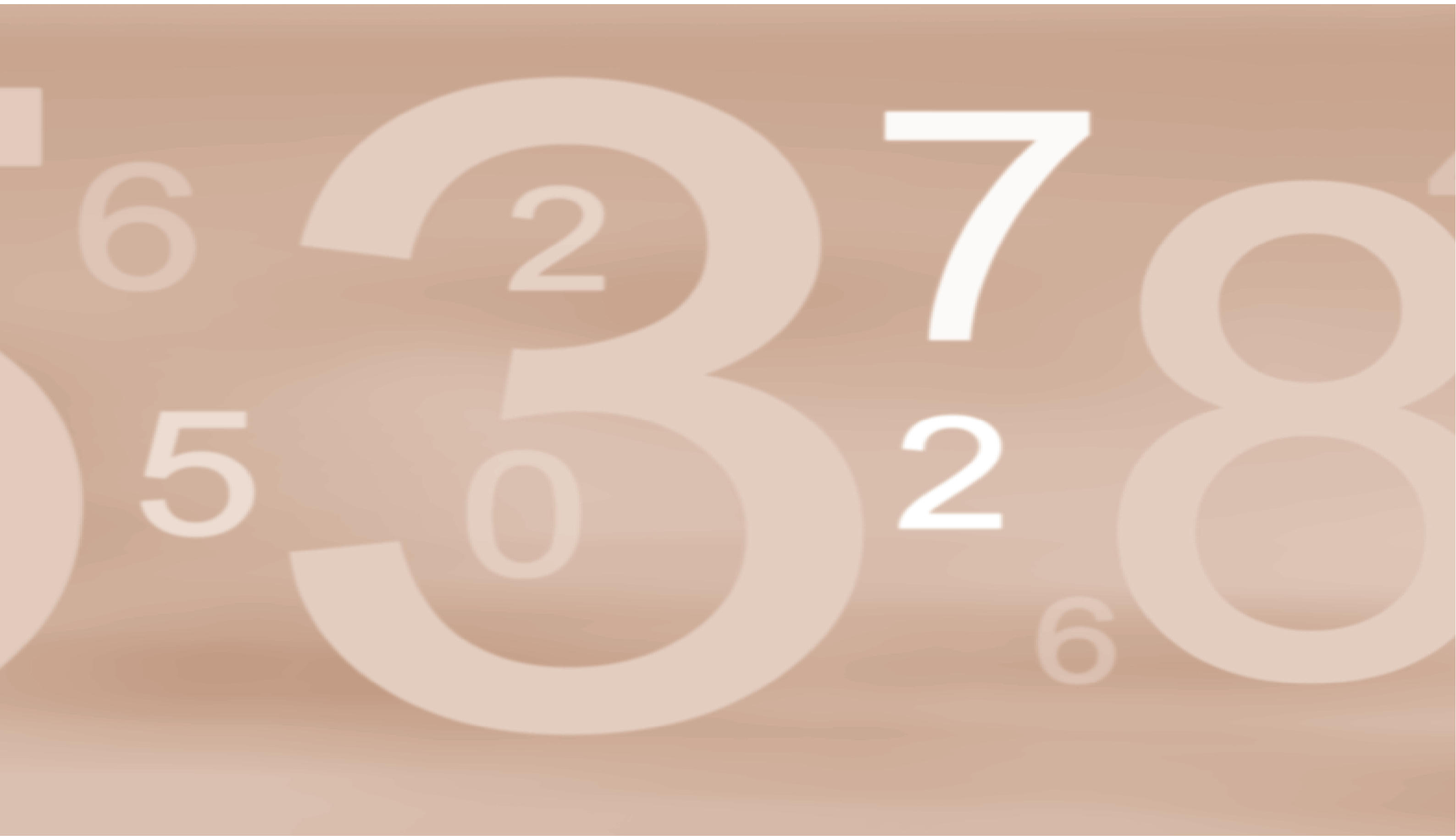
Prices from 07.01.2008 to 07.31.2009

(euro)	high		low		07.01.2008	07.31.2009	performance
Ordinary shares	51.74	08.12.2008	19.14	03.03.2009	47.59	23.44	-50.744%
Savings shares	36.52	09.08.2008	12.73	03.09.2009	31.33	16.44	-47.529%
FTSI All Share	30,131.42	08.12.2008	13,270.55	03.10.2009	29,569.52	21,146.45	-28.486%





Interim Director's report



Foreword

The interim financial report as at June 30, 2009, has been drawn up in compliance with article 154 ter, paragraphs 2, 3 and 4, of Legislative Decree no. 58 of February 24, 1998, and subsequent amendments.

As contemplated by the above-mentioned paragraph 3, the interim condensed report has been drawn up in consolidated form.

The main changes with respect to the financial statements as at December 31, 2008, illustrated in detail in the notes, arise from the adoption of the revised accounting standards IAS 1 “Presentation of Financial Statements” (new statements and definitions, disclosures) and IAS 23 “Borrowing Costs” (finance costs treated as part of the cost of an asset and therefore capitalized), which came into effect on January 1, 2009. Additionally, the accounting treatment of minority interests has changed for compliance with the new IFRS 3 and IAS 27, which are applicable as from 2010. Under the new treatment, purchases of interests after control has been obtained do not require revaluation of identifiable assets and liabilities, while transactions that determine a decrease in the percentage interest held, without loss of control, are treated as sales to minorities.

To permit comparison with the first half of 2009, the 2008 figures have been re-stated for compliance with revised version IAS 1 and IAS 23 described above, and with operations in Turkey, no more sold, which have been previously classified, in accordance with IFRS 5, as discontinued operations.

Apart from the three situations set out below, there were no significant changes in the scope of consolidation compared to 2008.

With regard to the significant influence exercised by the voting trust (which the Italmobiliare Group belongs through the subsidiaries Franco Tosi S.r.l. and Italcementi S.p.A.) on **RCS MediaGroup** (members of the trust contributed shares representing 63.5% of the capital) and in consideration of the fact that the majority of the trust members consolidate the investment with the equity method, it was deemed appropriate to classify RCS MediaGroup as an associate as from the end of 2008.

In the banking sector, it should be noted that Finter Bank Zürich acquired the Swiss bank **Hugo Kahn** (now Finanzgesellschaft Hugo Kahn & Co AG) which has been consolidated as from October 2008.

In the property sector, services and other, **Populonia Italica S.r.l.** was consolidated until June 10, 2009, when the whole equity investment in this company was sold.

The changes in the scope of consolidation compared to 2008 are detailed in the notes.

General overview

Given the extent and depth of the recession that developed at global level, the first half of 2009 was the most difficult period experienced by the world economy for many decades. The decline in growth rates was particularly severe in the first quarter of the year. The slowdown eased in the second quarter, but without signs of a reversal in the negative trend. After the initial impact of the financial crisis on investments and exports, more recently a significant weakening was reported in consumption as a reaction to the reduction in available income and worsening employment prospects. Incisive economic policy action has been taken: in part as a consequence of this action, the credit and financial markets have shown signs of improvement, while the effects of the huge stimulus packages introduced in many countries to combat recessionary repercussions have so far proved limited in most cases.

In this general context, in the first half of 2009 the Italmobiliare Group realized **total net profit** of 164.2 million euro and **Group net profit** of 58.7 million euro, while in the prior-year period the respective figures were 236.3 million euro and 67.5 million euro. The fall in net profit was across all sectors, with the sole exception of the financial sector.

The other main results of the semester ended at June 30, 2009 were:

- **Revenues**: 2,776.7 million euro compared to 3,139.5 million euro at June 30, 2008 (-11.6%);
- **Recurring EBITDA**: 540.2 million euro compared to 614.9 million euro at June 30, 2008 (-12,2%);
- **EBITDA**: 530.9 million euro compared to 617.2 million euro at June 30, 2008 (-14.0%);
- **EBIT**: 273.8 million euro compared to 393.5 million euro at June 30, 2008 (-30.4%);
- **Finance income (costs)** (including net exchange-rate differences and derivatives): net costs of 58.9 million euro compared to 70.8 million euro at June 30, 2008 (-16.8%);
- **Adjustments to financial asset values:** a cost of 2.4 million euro compared to 15.2 million euro at June 30, 2008 (-84.2%);
- **Share of results of associates:** income of 19.1 million euro compared to 14.1 million euro at June 30, 2008 (+35.8%);
- **Result before tax**: 231.6 million euro compared to 321.6 million euro at June 30, 2008 (-28.0%);

At the end of June 2009 **total shareholders' equity** totaled 5,542,9 million euro compared to 5,488.2 million euro at December 31, 2008.

Net debt at June 30, 2009 was 2,630.9 million euro, while at the end of December 2008 it was 2,571.9 million euro.

Following the changes in shareholders' equity and debt, gearing (the ratio of net debt to shareholders' equity) rose slightly from 46.86% at the end of December 2008 to 47.46% at the end of June 2009.

The Net Asset Value (NAV) of Italmobiliare at June 30, 2009 was 1,924.9 million euro (1,674.9 million euro at March 31, 2009 and 1,911.0 million euro at the end of 2008). The calculation was made as shown in the directors' report to Italmobiliare S.p.A.'s consolidated financial statements at December 31, 2008.

The performance of the individual sectors which make up the Italmobiliare Group may be summarized as follows:

- the **construction materials sector**, which comprises the Italcementi group (Italmobiliare's main industrial equity investment) in the first half of 2009, as in the first quarter, saw a fall in sale volumes which mainly involved mature markets. The trend in sale prices was positive overall, with however differing trends across the various markets and an overall slowdown in the last months of the semester. Revenues of 2,585.8 million euro, down by 11.6% compared to the first half of 2008, were negatively affected by the lower business levels. At constant exchange rates and size, revenues fell by 13.9%. The impact following the sharp fall in sales was largely offset by close control of operating expenses and overheads. Operating results, nonetheless, fell compared with the first half of 2008: recurring EBITDA of 497.4 million euro fell by 16.2%, while EBIT of 237.9 million euro fell by 37.1%. After net finance costs, share of results of associates and taxes, the profit for the semester was 127.3 million euro (-42.3%), while group net profit was 55.1 million euro (-58.0%);

- the **food packaging and thermal insulation sector**, comprising the Sirap Gema group, in the first semester saw revenues of 118.4 million euro, down by 9.0% compared with the figure at June 30, 2008; this fall mainly arose from lower volumes, in particular in the thermal insulation sector, and from negative exchange rate changes (-2.2%). EBIT stood at 7.6 million euro, significantly up on the first half of 2008 (+39%). Despite the difficult economic situation and fierce competition, the group managed to maintain a good sales price level overall, thus benefiting from the fall in the cost of raw materials and from the initiatives undertaken to improve efficiency. Profit before tax was 3.4 million euro, so sharply up on the prior year period (1.9 million euro), was only partially affected by finance costs (4.2 million euro) which rose by 17.5% due to negative exchange rate differences. Taxes rose sharply (3.9 million euro) since in 2008 the group's Italian companies could release reserves arising from the application of higher fiscal amortization rates. Since the cost of the operation was lower than ordinary taxation, it was possible to reverse the related deferred tax, thus creating lower taxes for a total of 3.3 million euro. The net profit for the period was thus 1 million euro, down on the first half of 2008 (3.4 million euro), due to the combined effect of the improvement in operating profits and the non-repetition of the reversal of deferred tax which occurred in 2008.
- the **financial sector**, which includes the parent company Italmobiliare and the wholly owned financial companies, saw net profit of 64.8 million euro compared to 51.3 million euro in the first half of 2008. The increase in the result for the sector, compared with the prior-year period, was mainly due to the revaluations of the bond portfolio (caused by the recovery in market prices), to lower finance costs linked to debt and to the very positive contribution from associates;
- the **banking sector** comprises Finter Bank Zürich and Crédit Mobilier de Monaco. The sector saw net profit of 2.5 million euro, down by 32.8% compared to 3.6 million euro in the prior-year period, due to the fall in net interest and trading income and the slight rise in administrative costs and deprecations;
- the **property sector, services and other** is not of great importance within the global context of the Group and its results are therefore not normally of material significance. In the first semester of the previous year, however, one of the Group's property companies transacted an important sale of some land and buildings, thus bringing the net profit of the sector to 4.3 million euro. In the first half of 2009 the result was markedly lower, since there were no sales, and so stood at 0.3 million euro.

The parent company Italmobiliare S.p.A. in its separate financial statements at June 30, 2009, recorded net profit for the period of 67.1 million euro, compared to 62.0 million euro in the prior-year period. This improvement was mainly due to the capital gain made on the disposal of Populonia Italica, (which more than offset the lower dividends paid by the participated companies), and the fall in net finance costs.

Consolidated figures at June 30, 2009

(in millions of euro)	H1 2009	H1 2008	% change	H1 2008 published
Revenues	**2,776.7**	**3,139.5**	***(11.6)***	**3,028.1**
Recurring EBITDA	**540.2**	**614.9**	***(12.2)***	**610.7**
% of revenues	*19.5*	*19.6*		*20.2*
Other income (expense)	(9.3)	2.3	*n.s.*	2.3
EBITDA	**530.9**	**617.2**	***(14.0)***	**613.0**
% of revenues	*19.1*	*19.7*		*20.2*
Amortization and depreciation	(232.9)	(223.7)	*4.1*	(216.3)
Impairment variation	(24.2)	-	*n.s.*	-
EBIT	**273.8**	**393.5**	***(30.4)***	**396.7**
% of revenues	*9.9*	*12.5*		*13.1*
Finance income (costs)	(58.9)	(70.8)	*(16.8)*	(74.4)
Adjustments to financial asset values	(2.4)	(15.2)	*(84.2)*	(15.2)
Share of results of associates	19.1	14.1	*35.8*	14.0
Result before tax	**231.6**	**321.6**	***(28.0)***	**321.1**
% of revenues	*8.3*	*10.2*		*10.6*
Income tax expense	(67.4)	(85.3)	*(21.0)*	(83.1)
Result from continuing operations	**164.2**	**236.3**	***(30.5)***	**238.0**
% of revenues	*5.9*	*7.5*		*7.9*
Result from discontinued operations	-	-		(0.3)
Net result for the period	**164.2**	**236.3**	***(30.5)***	**237.6**
% of revenues	*5.9*	*7.5*		*7.8*
Net result attributable to the Group	**58.7**	**67.5**	***(13.0)***	**67.8**
% of revenues	*2.1*	*2.1*		*2.2*
Minority interests	105.5	168.8	*(37.5)*	169.8
Cash flow from operating activities	442.7	239.1		250.7
Investments in fixed assets	401.8	504.1		490.7

n.s.: not significant

(in millions of euro)	June 30, 2009	December 31, 2008
Total shareholders' equity	5,542.9	5,488.2
Group shareholders' equity	2,269.8	2,179.5
Net debt	2,630.9	2,571.9
Number of employees at period end	23,363	23,864

Recurring EBITDA is the difference between revenues and costs excluding: other non-recurring income and expense, amortization and depreciation, impairment variation, finance income (costs), share of results of associates and income tax expense.

EBITDA is the sum of recurring EBITDA plus other income and expense (non-recurring).

EBIT is the sum of EBITDA plus amortization and depreciation and impairment variation.

Quarterly trend

(in millions of euro)	H1 2009	Q2 2009	Q1 2009
Revenues	**2,776.7**	**1,500.5**	**1,276.2**
% change vs. 2008	*(11.6)*	*(12.2)*	*(10.8)*
Recurring EBITDA	**540.2**	**374.9**	**165.2**
% change vs. 2008	*(12.2)*	*(3.4)*	*(27.1)*
% of revenues	*19.5*	*24.9*	*12.9*
EBITDA	**530.9**	**377.2**	**153.7**
% change vs. 2008	*(14.0)*	*(3.1)*	*(32.5)*
% of revenues	*19.1*	*25.1*	*12.0*
Amortization and depreciation	(232.9)	(116.7)	(116.2)
Impairment variation	(24.2)	(24.2)	-
EBIT	**273.8**	**236.3**	**37.5**
% change vs. 2008	*(30.4)*	*(14.7)*	*(67.9)*
% of revenues	*9.9*	*15.7*	*2.9*
Finance income (costs)	(58.9)	(27.9)	(31.0)
Adjustments to financial asset values	(2.4)	(2.4)	-
Share of results of associates	19.1	11.6	7.4
Result before tax	**231.6**	**217.6**	**13.9**
% of revenues	*8.3*	*14.5*	*1.1*
Income tax expense	(67.4)	(50.5)	(16.8)
Net result for the period	**164.2**	**167.1**	**(2.9)**
% of revenues	*5.9*	*11.1*	*(0.2)*
Net result attributable to the Group	**58.7**	**86.7**	**(28.0)**
% of revenues	*2.1*	*5.8*	*(2.2)*
Minority interests	105.5	80.4	25.1

The seasonal factors, typical of the Group's core business sector, normally produce stronger performance in the second quarter compared to the first. This trend was confirmed in 2009.

In fact, while the first quarter of 2009 recorded a net loss for the period of 2.9 million euro (with a Group loss of 28.0 million euro), the second quarter recorded net profit of 167.1 million euro (86.7 million euro for Group net profit).

Also in comparison with the corresponding quarters in 2008, there was an improving trend, albeit still with negative percentages. While net profit for the first quarter of 2009 fell by 106.0% compared with the first quarter of 2008, this change fell back to 11.2% in the second quarter.

In terms of dividing the profit for the period between the Group (+0.4%) and minority interests (-21.1%), there was a change in the second quarter compared to the first, which recorded the following percentage changes: -48.3% for Group profit and -62.5% for minority interests.

Revenues and operating results

Contribution to consolidated revenues

(net of intragroup eliminations)

(in millions of euro)	H1 2009		H1 2008		Change	
	H1 2009	%	H1 2008	%	%	%[1]
Business sector						
Construction materials	2,581.8	*93.0*	2,923.1	*93.1*	*(11.7)*	*(14.0)*
Packaging and insulation	118.4	*4.3*	130.1	*4.2*	*(9.0)*	*(6.8)*
Financial	56.1	*2.0*	57.0	*1.8*	*(1.6)*	*(2.0)*
Banking	19.6	*0.7*	22.8	*0.7*	*(14.1)*	*(19.8)*
Property, services and other	0.8	*n.s.*	6.5	*0.2*	*(87.9)*	*(87.9)*
Total	**2,776.7**	***100.0***	**3,139.5**	***100.0***	***(11.6)***	***(13.7)***
Geographical area						
European Union	1,596.6	*57.5*	1,959.7	*62.4*	*(18.5)*	*(17.9)*
Other European countries	89.5	*3.2*	144.5	*4.6*	*(38.1)*	*(30.1)*
North America	189.3	*6.8*	228.2	*7.3*	*(17.0)*	*(28.5)*
Asia	204.3	*7.4*	202.4	*6.4*	*0.9*	*0.5*
Africa	580.4	*20.9*	461.3	*14.7*	*25.8*	*15.7*
Trading	116.6	*4.2*	143.4	*4.6*	*(18.8)*	*(30.7)*
Total	**2,776.7**	***100.0***	**3,139.5**	***100.0***	***(11.6)***	***(13.7)***

' at constant size and exchange rates

n.s. not significant

Revenues and operating results by sector and geographical area

(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	H1 2009	% change vs. H1 2008	H1 2009	% change vs. H1 2008	H1 2009	% change vs. H1 2008	H1 2009	% change vs. H1 2008
Business sector								
Construction materials	2,585.8	*(11.6)*	497.4	*(16.2)*	488.2	*(18.0)*	237.9	*(37.1)*
Packaging and insulation	118.4	*(9.0)*	13.6	*18.2*	13.6	*18.2*	7.6	*39.0*
Financial	91.7	*(15.2)*	58.4	*21.7*	58.4	*20.4*	58.3	*20.4*
Banking	20.1	*(11.8)*	3.6	*(25.6)*	3.6	*(25.3)*	2.9	*(31.8)*
Property, services and other	1.4	*(80.5)*	0.1	*(99.6)*	-	*(99.5)*	-	*(100.3)*
Inter-sector eliminations	(40.7)	*(25.5)*	(32.9)	*(32.1)*	(32.9)	*(32.1)*	(32.9)	*(32.1)*
Total	**2,776.7**	***(11.6)***	**540.2**	***(12.2)***	**530.9**	***(14.0)***	**273.8**	***(30.4)***
Geographical area								
European Union	1,656.1	*(18.1)*	299.6	*(15.7)*	299.7	*(15.8)*	168.7	*(27.6)*
Other European countries	90.0	*(37.9)*	(1.0)	*(110.9)*	(1.0)	*(111.0)*	(9.2)	*n.s.*
North America	189.6	*(16.9)*	(10.3)	*(145.4)*	(10.6)	*(144.9)*	(33.2)	*n.s.*
Asia	211.5	*(1.7)*	52.5	*(6.7)*	48.5	*(14.3)*	7.8	*(78.4)*
Africa	584.0	*25.3*	203.8	*20.5*	203.8	*20.3*	154.1	*23.2*
Trading	124.6	*(33.0)*	6.3	*(58.5)*	6.5	*(57.3)*	3.5	*(73.9)*
Other and inter-area eliminations	(79.1)	*(35.9)*	(10.7)	*(17.0)*	(16.0)	*24.7*	(17.9)	*9.4*
Total	**2,776.7**	***(11.6)***	**540.2**	***(12.2)***	**530.9**	***(14.0)***	**273.8**	***(30.4)***

n.s. not significant

The fall in **revenues** of 11.6% compared with first half of 2008 was caused by:

- contraction in business -13,7%;
- a positive exchange-rate effect of 2.1%, following the appreciation of the Egyptian lira, the Swiss franc, and, to a lesser extent, the US dollar against the euro.

All the sectors contributed to the fall in business, but especially the construction materials sector and the property sector, services and other.

Recurring EBITDA and **EBITDA** fell respectively by 74.7 million euro (-12.2%) and 86.3 million euro (-14.0%) compared to the first half of 2008. This contraction affected all the sectors, except for the packaging and insulation sector and the financial sector, but the most significant falls in absolute terms occurred in the construction materials sector and the property sector, services and other.

EBIT, after higher amortization and depreciation (+4.1%) than that in the first half of 2008 (232.9 million euro compared to 223.7 million euro), fell by 30.4%, from 393.5 million euro to 273.8 million euro.

Revenues by geographical area show significant growth in Africa and a particularly sharp fall in the other European countries, North America and European Union countries, as well as in Trading. EBITDA and EBIT fell in all areas, except for Africa. In absolute terms, the countries of the European Union were overall the biggest contributor both in terms of revenues and EBIT.

Finance costs and other items

Net finance costs, including net exchange-rate differences and derivatives, totaled 58.9 million euro, down by 11.9 million euro compared with the first half of 2008 (70.8 million euro) owing largely to the fall in interest rates.

Adjustments to financial asset value at June 30, 2009 (-2.4 million euro) fell sharply on the prior-year period which totaled -15.2 million euro, linked to the impairment of Calcestruzzi

Share of results of associates of 19.1 million euro rose by 5.0 million euro compared to the prior-year period (14.1 million euro), owing to the improvement in the results of some associates in the financial sector.

Net result for the period

Result before tax in the semester was 231.6 million euro, down by 28.0% compared with June 30, 2008 (321.6 million euro).

Income tax expense for the period totaled 67.4 million euro, down by 21.0% compared with the first half of 2008, largely due to the fall in profit before tax, while the overall average tax rate rose from 26.5% to 29.1%.

Consequently the **net result for the period** totaled 164.2 million euro (-30.5% compared with the prior-year period).

The net result attributable to the Group, after minority interests of 105.5 million euro (-37.5%), was 58.7 million euro, compared to 67.5 million euro in the first half of 2008 (-13.0%). This trend was mainly due to the improvement in the results of the wholly owned companies.

Total comprehensive income

As mentioned above and explained in greater detail in the notes, in compliance with the revised version of IAS 1, the Group has decided to present its comprehensive income results using two schedules. The first schedule reflects traditional income statement components and the net result for the period, while the second schedule, beginning with the net result for the period, presents other components of comprehensive income previously reflected only in Changes in shareholders' equity: mainly fair value gains and losses on available-for-sale financial assets and financial derivatives, translation gains and losses.

In the first half of 2009 these components showed a negative balance of 0.4 million euro (a negative balance of 437.2 million euro in the first half of 2008, due above all to the change in fair value and translation gains and losses). Considering these components and the above-mentioned net profit for the period, total comprehensive income for the first half of 2009 was 163.8 million euro (a total of 99.3 million euro attributable to the Group and a total of 64.5 million euro attributable to minorities) compared to total comprehensive income of -437.2 million euro in the first half of 2008 (a total of -346.6 million euro attributable to the Group and a total of -90.6 million euro attributable to minorities).

Condensed balance sheet

(in millions of euro)	June 30, 2009	December 31, 2008
Property, plant and equipment	4,467.0	4,413.9
Intangible assets	2,170.8	2,172.9
Other non-current assets	1,248.4	1,189.7
Non-current assets	**7,886.2**	**7,776.5**
Current assets	**4,015.3**	**4,121.4**
Total assets	**11,901.5**	**11,897.9**
Group shareholders' equity	2,269.8	2,179.5
Minority interests	3,273.1	3,308.7
Total shareholders' equity	**5,542.9**	**5,488.2**
Non-current liabilities	3,891.1	3,769.0
Current liabilities	2,467.5	2,640.7
Total liabilities	**6,358.6**	**6,409.7**
Total shareholders' equity and liabilities	**11,901.5**	**11,897.9**

Shareholders' equity

Total shareholders' equity at June 30, 2009 of 5,542.9 million euro rose by 54.7 million euro compared with December 31, 2008, due for 90.3 million euro to the increase in Group shareholders' equity and -35.6 million euro to the fall in minority interests. The overall change was mainly caused, on the positive side, by the net profit for the semester (164.2 million euro) and by the change in the fair value reserve (52.8 million euro) and, on the negative, by the fall in dividends paid (103.5 million euro), and by the translation reserve and other changes (58.8 million euro). The changes in net shareholders' equity are shown in the "Changes in shareholders' equity" in the notes.

Net debt

At June 30, 2009 **net debt** was 2,630.9 million euro and, compared to the situation at December 31, 2008 (2,571.9 million euro), saw an increase of 59.0 million euro.

This rise was largely caused by the significant investments in financial and industrial fixed assets in the period (401.8 million euro), dividends paid (96.0 million euro, only partially offset by cash flow from operating activities (442.7 million euro).

The ratio of net debt to shareholders' equity at June 30, 2009 was 47.46%, slightly up compared to 46.86% at December 31, 2008.

Breakdown of net debt

(in millions of euro)	June 30, 2009	December 31, 2008
Cash, cash equivalents and current financial assets	(1,649.1)	(1,573.5)
Short-term financing	1,182.7	1,245.5
Medium/long-term financial assets	(88.1)	(111.1)
Medium/long-term financing	3,185.4	3,011.0
Net debt	**2,630.9**	**2,571.9**

Financial indicators

(absolute values in millions of euro)	June 30, 2009	December 31, 2008
Net debt	2,630.9	2,571.9
Consolidated shareholders' equity	5,542.9	5,488.2
Gearing	**47.46%**	**46.86%**
Net debt	2,630.9	2,571.9
EBITDA before other income and expense[1]	945.9	1,020.7
Leverage	**2.78**	**2.52**

[1] rolling year basis

Summary of cash flows

(in millions of euro)	H1 2009		H1 2008	
Net debt at beginning of period		**(2,571.9)**		**(2,149.6)**
Net debt of Calcestruzzi group		-		157.9
Adjusted net debt at beginning of period		**(2,571.9)**		**(1,991.6)**
Cash flow from operating activities		442.7		239.1
Investments:				
Tangible and intangible assets	*(378.0)*		*(328.5)*	
Financial assets	*(23.8)*		*(175.6)*	
Investments in fixed assets		**(401.8)**		**(504.1)**
Divestments in fixed assets		21.1		20.9
Dividends paid		(96.0)		(189.1)
Net debt of companies acquired/sold		0.1		(4.5)
Compensation for Turkey		-		50.0
Other		(25.1)		4.0
Change in net debt		(59.0)		(383.7)
Net debt at period end		**(2,630.9)**		**(2,375.3)**

Investments in fixed assets

(in millions of euro)	Investments in financial assets		Investments in PPE		Investments in intang.assets	
	H1 2009	H1 2008	H1 2009	H1 2008	H1 2009	H1 2008
Business sector						
Construction materials	32.6	174.8	352.4	262.3	9.5	3.0
Packaging and insulation	3.0	0.8	5.6	12.0	0.1	0.2
Financial	-	18.2	-	-	-	-
Banking	-	-	0.8	0.6	0.7	0.3
Property, services and other	-	-	0.2	0.1	-	-
Inter-sector eliminations	-	(12.6)	-	-	-	-
Total	**35.6**	**181.2**	**359.0**	**275.0**	**10.3**	**3.5**
Change in payables	(11.8)	(5.6)	8.7	50.0	-	-
Total investments in fixed assets	**23.8**	**175.6**	**367.7**	**325.0**	**10.3**	**3.5**
Geographical area						
European Union	23.2	112.6	93.9	112.8	9.2	2.6
Other European countries	-	2.2	5.8	6.7	0.7	0.3
North America	-	32.4	127.9	73.6	-	0.2
Asia	2.1	-	30.2	43.2	-	-
Africa	0.1	0.8	95.9	32.9	-	-
Trading	9.9	17.5	2.6	4.3	0.1	-
Other	0.3	15.7	2.7	1.5	0.3	0.4
Total	**35.6**	**181.2**	**359.0**	**275.0**	**10.3**	**3.5**
Change in payables	(11.8)	(5.6)	8.7	50.0	-	-
Total investments in fixed assets	**23.8**	**175.6**	**367.7**	**325.0**	**10.3**	**3.5**

In the first semester of the year the significant investments in fixed assets made by the Group of 401.8 million euro, down by 102.3 million euro compared with the first half of 2008, were aimed in particular at enhancing and rationalizing the existing industrial structure.

Capital expenditure, mainly for the construction materials sector and, to a lesser extent, the food packaging and thermal insulation sector, was 378.0 million euro, up by 49.5 million euro compared with the first half of 2008 (328.5 million euro).

Investments in financial fixed assets of 23.8 million euro (175.6 million euro in the first half of 2008) mainly concerned the construction materials sector.

Construction materials sector

This sector, which is the core industrial business of the Italmobiliare Group, includes the businesses in the cement, prepacked ready mixed concrete and aggregates sectors, which are under the Italcementi group.

(in millions of euro)	H1 2009	H1 2008	% change	H1 2008 published
Revenues	**2,585.8**	**2,926.1**	***(11.6)***	**2,814.7**
Recurring EBITDA	**497.4**	**593.3**	***(16.2)***	**589.1**
% of revenues	*19.2*	*20.3*		*20.9*
Other income (expense)	(9.2)	1.8	*n.s.*	1.7
EBITDA	**488.2**	**595.1**	***(18.0)***	**590.8**
% of revenues	*18.9*	*20.3*		*21.0*
Amortization and depreciation	(226.1)	(217.0)	*4.2*	(209.5)
Impairment variation	(24.2)	-	*n.s.*	-
EBIT	**237.9**	**378.1**	***(37.1)***	**381.3**
% of revenues	*9.2*	*12.9*		*13.5*
Finance income (costs)	(56.4)	(69.1)	*(18.3)*	(72.7)
Adjustments to financial asset values	-	(15.2)	*n.s.*	(15.2)
Share of results of associates	3.5	13.1	*(73.5)*	13.1
Result before tax	**185.0**	**306.8**	***(39.7)***	**306.4**
% of revenues	*7.2*	*10.5*		*10.9*
Income tax expense	(57.7)	(86.4)	*(33.3)*	(84.3)
Result from continuing operations	**127.3**	**220.4**	***(42.3)***	**222.1**
% of revenues	*4.9*	*7.5*		*7.9*
Result from discontinued operations				**(0.3)**
Net result for the period	**127.3**	**220.4**	***(42.3)***	**221.7**
% of revenues	*4.9*	*7.5*		*7.9*
Net result attributable to the Group	**55.1**	**131.0**	***(58.0)***	**132.0**
Minority interest	72.2	89.4	(19.2)	89.8
Cash flow from operating activities	408.8	236.8		248.5
Investments in fixed assets	394.3	484.5		471.2

n.s. not significant

(in millions of euro)	June 30, 2009	December 31, 2008
Total shareholders' equity	4,579.9	4,621.6
Group shareholders' equity	3,312.1	3,330.3
Net debt	2,784.8	2,679.3
Number of employees at period end	21,743	22,243

In this general context, construction markets all over the world were hit by the negative conditions, and activity levels dropped sharply; in some countries, particularly in Europe, the decline was accentuated by poor meteorological conditions in the early months of the year. The cyclical positions of the countries where the group operates tended to vary, depending on the specific initial conditions in the industry, the macroeconomic impact of the crisis on each country, and the intensity and speed of government response through support programs and renewed spending on housing and infrastructures. In the USA, the decline in construction activity was severe, despite the fact that the industry is now in its fourth year of recession. Construction demand also dropped heavily in the group’s Euro zone countries, especially in

Spain where the crisis in residential housing was mitigated only in part by stability in infrastructure construction. In the group's emerging countries, the situation polarized, with strong contractions in construction work in Bulgaria, Turkey and Thailand, and lively growth continuing in Egypt and China.

Performance in construction materials sector in the semester

	H1 2009[1]	% change on H1 2008	
		Historic	Constant size
Cement and clinker *(millions of metric tons)*	27.8	*(12.8)*	*(12.8)*
Aggregates [2] *(millions of metric tons)*	20.0	*(19.9)*	*(20.0)*
Ready mixed concrete *(millions of m^3)*	5.6	*(22.4)*	*(24.8)*

[1] amounts refer to companies consolidated on a line-by-line basis and, pro quota, to companies consolidated on a proportionate basis
[2] excluding outgoes on work-in-progress account

In the **cement** and **clinker** segment, the fall in sales volumes arose mainly in the mature countries, in particular Italy, North America and France. The negative trend in the emerging countries saw varying trends: growth in sale volumes in Egypt, China and Kazakhstan (which was affected by a halt in operations in 2008), broad stability in Morocco (an increase in the first quarter and a fall in the second) and a decrease in other countries (in particular Turkey, Thailand and Bulgaria) and in trading.

In the **aggregates** segment, at constant size, sales volumes were affected by the heavy decline in Central Western Europe (France and Spain in particular).

In the **ready mixed concrete** segment, at constant size, there was a general fall, with the most significant reductions in France, Turkey and Spain.

First-half **revenues** totaled 2,585.8 million euro, a reduction of 11.6% from the first half of 2008 caused by the sharp contraction in business performance (-13.9%), offset in part by the positive exchange-rate effect (2.3%); the consolidation effect was immaterial. Revenues grew in the emerging countries, thanks to favorable first-quarter trends in the Southern Med Rim produced by Egypt and Morocco. This increase, given stable values in Asia, was not sufficient to counterbalance the continuing heavy fall in Central Western Europe, North America and Trading. The positive exchange-rate effect arose largely from the appreciation of the Egyptian lira and, to a lesser extent, the US dollar, against the euro.

Operating results reflected the decline in sales volumes. Nevertheless, this situation was mitigated, if only in part, by the action already introduced in 2008 to contain fixed costs, which had a noticeable impact, estimated at approximately 48 million euro. The measures concerned the majority of countries, and Italy, North America, France and Spain in particular.

Recurring EBITDA (497.4 million euro) fell by 16.2%, mainly due to the sharp drop in Central Western Europe and North America, offset only in part by the positive contribution of Eastern Europe and Southern Med Rim; the contribution from Asia was slightly smaller.

EBIT, at 237.9 million euro, fell by 37.1%, as a result of net non-recurring expense of 9.2 million euro and impairment losses on industrial assets (24.2 million euro), of which the most significant were in Asia, where tests indicated the need to shorten the economic life of some production plants.

Finance costs, net of finance income, were 56.4 million euro, down 18.3% from the year-earlier first semester (69.1 million euro), as a result of a slight decrease in net borrowing costs and an increase in capitalized finance costs.

The **share of results of associates** decreased from 13.1 million euro to 3.5 million euro reflecting the falls at Vassiliko (Cyprus) and Ciment Quebec (Canada) and the negative result of RCS MediaGroup, despite growth at Asment.

Result before tax at 185.0 million euro (-39.7% from the first half of 2008), was penalized mainly by the fall in operating results, while tax had a significantly lighter impact compared with the first half of 2008 (-33.3%) due to the greater weight of the results of countries with lower tax charges and to tax income (deferred tax assets) in some mature countries.

Net result in the first half of 2009 was 127.3 million euro, down by 42.3% from the first half of 2008. The decrease in net profit in companies with low or no minority interests (in particular Italcementi S.p.A.) and the greater weight of the results of companies with significant minority interests (specifically the Egyptian companies) produced a larger reduction in net profit attributable to the group (-58.0%, from 131.0 million euro to 55.1 million euro) and a smaller decrease in net profit attributable to minority interests (-19.2%, from 89.4 million euro to 72.2 million euro).

In the first half of 2009 total **investments in fixed assets** were 394.3 million euro (484.5 million euro in the first half of 2008). Capital expenditure totaled 370.7 million euro (315.3 million euro in the first half of 2008) and investments in financial fixed assets totaled 23.6 million euro (169.2 million euro in the first half of 2008).

Net debt at June 30, 2009 was 2,784.8 million euro compared to 2,679.3 million euro at December 31, 2008. The rise in net debt was due to investments in fixed assets in the period (394.3 million euro) and dividends paid (115.9 million euro), which were not completely offset by cash flows from operating activities (408.8 million euro).

Total **shareholders' equity** at June 30, 2009, was 4,579.9 million euro, a decrease of 41.7 million euro from December 31, 2008 (4,621.6 million euro), of which 18.3 million euro was attributable to the group and 23.4 million euro to minorities.

Quarterly trend

(in millions of euro)	H1 2009	Q2 2009	Q1 2009
Revenues	**2,585.8**	**1,384.6**	**1,201.2**
% change on 2008	*(11.6)*	*(12.1)*	*(11.1)*
Recurring EBITDA	**497.4**	**308.5**	**188.9**
% change on 2008	*(16.2)*	*(7.8)*	*(27.0)*
% of revenues	*19.2*	*22.3*	*15.7*
EBITDA	**488.2**	**310.8**	**177.4**
% change on 2008	*(18.0)*	*(7.4)*	*(31.6)*
% of revenues	*18.9*	*22.4*	*14.8*
EBIT	**237.9**	**173.3**	**64.6**
% change on 2008	*(37.1)*	*(23.5)*	*(57.3)*
% of revenues	*9.2*	*12.5*	*5.4*
Net result for the period	**127.3**	**107.2**	**20.1**
% of revenues	*4.9*	*7.7*	*1.7*
Net result attributable to the Group	**55.1**	**67.7**	**(12.7)**
% of revenues	*2.1*	*4.9*	*(1.1)*
Net debt (at period end)	2,784.8	2,784.8	2,689.5

As noted in the previous interim reports, the group core businesses are subject to seasonal trends, whereby performance is normally stronger in the second quarter than the first.

In the comparison with 2008, the contraction in results eased significantly in the second quarter, even though the decline in revenues was substantially in line with the first-quarter reduction. This was largely due to action to contain costs and to the re-organization.

The decline in second-quarter **sales volumes** in the cement and ready mixed concrete segments as a whole was in line with the first-quarter trend. In aggregates, the negative performance of the first quarter eased in the second quarter.

2009 second-quarter **revenues**, at 1,384.6 million euro, were down 12.1% from the year-earlier period. The reduction arose largely as a result of performance on the mature markets, in Central Western Europe and North America, and in Trading. In Asia the decline was contained to Thailand and India, while there was growth in China and Kazakhstan. Performance in Eastern Europe and Southern Med Rim was substantially stable, with the small improvement in Morocco and, above all, the progress in Egypt absorbing the significant fall in the other countries.

Second-quarter **recurring EBITDA**, at 308.5 million euro, fell by 7.8% from the year-earlier period, while the decrease in **EBIT**, which totaled 173.3 million euro, was 23.5%. EBIT reflected impairment losses of 24.2 million euro (not present in the first half of 2008), referring mainly to operations in Thailand.

The decline in operating results was smaller than in the first quarter. In addition to the benefits for variable costs of the gradual reduction in energy prices, operating results reflected the effects of the action taken to improve efficiency.

Significant events in the period

On June 19, 2009 the Boards of Directors of **Italcementi and Ciments Français**, while confirming their favorable opinion of the plan for a **merger between the two companies**, decided to suspend their approval of the project until a subsequent meeting to be held by June 26, 2009, pending the outcome of the discussions with a number of US institutional investors, who hold notes issued by Ciments Français in 2002 and 2006 for a total of 500 million dollars. On June 27, after learning that the conditions set for the planned merger on June 26 by the respective Boards of Directors had not been met, Italcementi and Ciments Français announced that they had **called off the merger**.

It was felt that the requests presented by the American institutional investor group were excessive and unacceptable for the two companies and not consistent with the objectives of the merger.

In February, **Moody's Investor Services** confirmed its Baa2 rating for Italcementi and placed the Ciments Français Baa1 rating under review for possible downgrade. **Standard and Poor's**, which a few days earlier had confirmed its BBB long-term rating for Italcementi and for Ciments Français and reviewed the outlook from stable to negative, again confirmed the BBB long-term rating.

At the end of March, at the **European Coating Show in Nuremberg**, Italcementi presented **Alipre®**, its **new hi-tech range** of sulfoalluminate clinker-based environment-friendly products. Alipre® is a further extension to the group portfolio of sulfoalluminate cements as the ideal choice for the formulation of a variety of ready-to-use products, obtained with an environmentally sustainable production cycle.

In March and May, **Ciments Français** re-negotiated two revolving committed lines of credit for a total of 250 million euro, for a further year.

For the **World Expo in Shanghai** to be held from May 1 to October 31, 2010, the Italian Government presented the project for its pavilion entitled The *City of Man*, an urban model combining the city's need for renewal with conservation of history and a sustainable relationship with the community. The Italian exhibit will present the best of Italy under the theme *"Better city, Better Life",* the title of Expo 2010. The Italcementi group will be the official supplier of the pavilion, whose cornerstone was formally laid in May; the group will produce more than 3,700 **"transparent cement"** panels to cover 40% of the total pavilion surface, creating plays of light and shadow that will change continually over the course of the day.

At June 30, 2009, **Italcementi S.p.A.** held 3,793,029 ordinary treasury shares, representing 2.14% of ordinary share capital, and 105,500 savings treasury shares (0.1% of savings share capital). The number of treasury shares held compared to the end of 2008 was unchanged.

Performance by geographical area

(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	H1 2009	% change vs. H1 2008	H1 2009	% change vs. H1 2008	H1 2009	% change vs. H1 2008	H1 2009	% change vs. H1 2008
Geographical area								
Central Western Europe	1,425.4	*(18.6)*	241.3	*(22.5)*	241.4	*(22.4)*	121.5	*(38.6)*
North America	189.6	*(16.9)*	(10.3)	*n.s.*	(10.6)	*n.s.*	(33.2)	*n.s.*
Eastern Europe and Southern Med Rim	705.0	*6.8*	217.9	*8.3*	217.9	*7.9*	155.7	*8.3*
Asia	211.5	*(1.7)*	52.5	*(6.7)*	48.6	*(14.3)*	7.8	*(78.4)*
Cement and clinker trading	124.6	*(33.0)*	6.3	*(58.5)*	6.5	*(57.3)*	3.5	*(73.9)*
Other and inter-area eliminations	(70.3)	*n.s.*	(10.3)	*n.s.*	(15.6)	*n.s.*	(17.4)	*n.s.*
Total	**2,585.8**	***(11.6)***	**497.4**	***(16.2)***	**488.2**	***(18.0)***	**237.9**	***(37.1)***

n.s. not significant

Central Western Europe

In Central Western Europe first semester revenues in 2009 fell by 18.6%, due to the sharp fall in **Italy** and **Spain**, and the more limited fall in **France** and **Belgium**.

There was an even sharper fall (-38.6%) in operating results, above all due to the reduction in sales volumes, despite the positive price/cost trend. Costs were contained due to the initiatives undertaken to improve efficiency.

North America

In a worsening economic situation, the crisis in the residential sector continued in 2009 with cement consumption sharply down.

In the difficult situation set out above, group cement sales volumes fell by 28.8%, with average sale prices largely stable compared with the first half of 2008 thanks to a favorable local mix.

The poor performance of the construction sector also affected group ready mixed concrete sales, with volumes down by 21.7% (-26.3% at constant size) and prices which were on average lower than in the first half of 2008.

The sharp fall in sales volumes was the main cause of the fall in revenues and operating results compared to the prior-year period. Operating results did, however, benefit from the significant reduction in fixed costs and the increased industrial efficiency which were both achieved due to the stoppage of some underperforming plants in the cement segment.

Eastern Europe and Southern Med Rim

There were differing but overall positive performances in the countries which make up the area.

In **Egypt** there was solid growth in cement demand, driven by the residential and tourism sectors. Higher sales volumes and the sharp increase in prices offset the rise in costs. Operating results in euro benefited from a positive exchange-rate effect.

In the first half of 2009 in **Morocco,** following the slowdown in growth in the second half of 2008, group cement consumption and sales volumes grew slightly. The increase in EBITDA was caused largely by the increase in prices and by lower clinker purchases.

The global crisis which struck **Bulgaria** at the start of 2009 caused cement consumption to fall by a third in the first half of 2009, under the threat of Turkish imports. The increase in sale prices compared to the prior-year period of around 10% did not prevent a very significant fall in EBITDA.

After two years of slowdown, the economy in **Turkey** went into recession in the fourth quarter of 2008. Production over-capacity caused a marked fall in prices and a drop in revenues. Despite a very sharp drop in costs, in the first half of 2009 there was a significant fall in EBITDA due to the marked reduction in business.

Asia

In Asia too there were differing but overall negative performances in the countries which make up the area.

In a falling and very competitive market, operating results at June 30, 2009 in **Thailand** fell compared to the prior-year period, due to the fall in volumes and average sale prices, and the increase in the cost of fuel, which was only partially offset by savings from the restructuring plan.

In **India**, on the other hand, operating results improved thanks to the favorable price trend, albeit limited by the fall in volumes and by the devaluation of the rupee against the euro.

In **China** too operating results made good progress thanks to the rise in volumes and average sale prices. The positive effects of these two elements were only partially lessened by the increase in operating expenses (mainly the cost of coal).

The economic situation in **Kazakhstan** was still severely compromised, although in the second quarter of 2009, the fall in the market compared with the prior-year period was only -20%, compared to -48% in the first quarter. The significant fall in prices, which accompanied the market crisis, and the rise in production costs (+44% for gas) justified the fall in EBITDA.

Cement and clinker trading

2009 first-half intragroup and third-party **cement and clinker** sales volumes decreased by 33.7% compared with the first half of 2008.

The decline in volumes as a result of market slowdowns and sharper competitive pressures affected all group terminals with the exception of Albania, where operations were buoyed by public investments before the elections at the end of June.

Operating results dropped significantly due to the reduction in sales volumes and margins.

E-business

In the first half of 2009 the BravoSolution group reported appreciable business growth, despite the general national and international economic difficulties, and significant progress in operating results. Consolidated revenues amounted to 25.6 million euro, an improvement of 8.1% on the year-earlier period (23.7 million euro). EBITDA was 3.0 million euro (1.3 million euro in the first half of 2008), while EBIT was 1.4 million euro (0.7 million euro) and profit before tax was 1.0 million euro (0.6 million euro).

Energy

During the first half of 2009, work continued on various projects both in Italy and abroad.

In **Italy**, further progress was made toward obtaining approval for the revamping of the Villa di Serio power station in the province of Bergamo. After the environmental impact assessment decree in June for the variation to the gas pipeline route, now at the closing stages, Italgen will be required to file with the public authorities the preliminary documents for the restraint on alienation (Public Utility) on the areas affected by the project. Subsequently, the authorization will be issued by a final Services Conference, which could be held in November.

In **Morocco**, in June the regional authority assigned the land for the construction of the Laayoune wind farm and the procedure for national authorization was set in motion.

In **Turkey** expropriation procedures began for the Balikesir wind farm project (up to 142.5 MW), with the assignment of approximately 30 out of the total of 60 hectares of land and the purchase of land.

In **Egypt**, for the project for the possible construction of a 120 MW wind farm in the Gabal El Zeit district, the initial wind measurement survey was completed. The data is currently under analysis and the Environmental Impact Assessment is being drafted.

Disputes

Italy

With regard to the proceeding concerning the "Ready mixed concrete market in the province of Milan", begun in 2003 by the Competition & Market authority, on July 7, 2009, the Consiglio di Stato, Italy's supreme judicial-administrative review body, issued its ruling: the fine on Cemencal was overturned in full and the appeal filed by Calcestruzzi was upheld in part, reducing also the duration of the violation.

Egypt

In August 2008, Suez Cement Group of Companies (SCGC) was sentenced by the Cairo Court to pay jointly with some of its representatives a pecuniary fine totaling 30 million EGP for alleged violations of Egyptian competition laws.

SCGC, which made the payment, presented an appeal to the Appeal Court, which was overturned, and subsequently to the Egyptian Supreme Court, which issued a ruling on June 21, 2009, confirming the decision of the Appeal Court and thus closing the proceedings.

Spain

The Hormigones Y Minas company is currently involved in a proceeding begun in 2006 by the Spanish Antitrust authority into possible unfair trading practices by some ready mixed concrete producers in the Cantabria region. The investigation has been completed and a ruling on the case is due from the Competition Council by the end of 2009.

Europe

Italcementi S.p.A. and its subsidiaries Ciments Français S.A., Ciments Calcia S.A. and Compagnie des Ciments Belges S.A. are the object of an investigation begun in November 2008 by the European Commission to verify their alleged involvement in unfair trading practices violating community regulations. The case is currently in the preliminary investigation stage and no charges have been formally notified by the European Commission.

Ciments Français

In March 2009 Ciments Français was notified of a lawsuit brought in Russia by Financial and Industrial Union Sibkonkord (hereinafter, "SIBCONCORD"), the parent company of OJSC Holding Company Sibirskiy Cement (hereinafter, "SIBCEM"), with which Ciments Français had :

- concluded a preliminary agreement for the sale of its industrial assets in Turkey;
- received 50 million euro, corresponding to the advance payment made by Sibcem at the time of closure of the preliminary agreement, as compensation, in compliance with a specific contractual clause, for the non-closure of the final contract.

The complaint presented by Sibconcord concerns alleged irregularities at the Sibcem Shareholders' Meeting that ratified the preliminary agreement signed by the company's legal representative. After a Russian court ruled in February that the meeting was null and void, Sibconcord presented a petition to the Russian judicial authorities requesting that the contract be declared unenforceable and the compensation returned by Ciments Français. Ciments Français presented a defense to the Russian court and the proceeding began recently. Given the contractual clauses governing settlement of disputes, which recognize the Turkish arbitrators as the sole competent authority, Ciments Français has in turn begun arbitration proceedings in Turkey, holding that this is where the validity of the contract should be decided and in order to safeguard its interests. The arbitration proceeding has just begun.

Significant events after the end of the first semester

Besides the points already set out above, the following should be noted:

- in July, **Moody's Investor Services** confirmed its Baa2 long-term rating for Italcementi, downgrading the outlook from stable to negative; meanwhile **Moody's Investor Services** lowered its rating for Ciments Français from Baa1 to Baa2, with negative outlook. At the end of the month, **Standard and Poor's** confirmed its BBB long-term rating for Italcementi (negative outlook);
- in July **Italcementi S.p.A.** and **Ciments Français S.A.** arranged a 5-year medium-term line of credit for 400 million euro, of which 300 million for Italcementi S.p.A. and 100 million for Ciments Français S.A., replacing respectively a 275 million euro bilateral line of credit maturing in March 2011 and a 100 million euro bilateral line of credit maturing in July 2012. This enables the group to set the financial covenants for the line of credit cancelled by Italcementi S.p.A. at less restrictive levels consistent with group borrowings as a whole and to extend the average maturity of its available revolving lines of credit. Ciments Français S.A. also renewed a 364-day 150 million euro revolving line of credit;
- in July talks began regarding the disposal of production operations at the Petosino plant of the subsidiary **Società del Gres ing. Sala S.p.A.**, which employs 148 people. To limit the social impact, intensive talks have been underway with union representatives for some time, to identify possible employment alternatives as part of targeted recourse to social welfare procedures.

Calcestruzzi

On July 22, 2009, the Calcestruzzi S.p.A. Board of Directors approved the company balance sheet and income statement as at and for the year to June 30, 2009, and noted the results set out in the consolidated balance sheet and income statement at June 30, 2009. The Calcestruzzi S.p.A. balance sheet and income statement as at and for the year to June 30, 2009, and the corresponding consolidated financial statements were forwarded to Italcementi S.p.A. to permit valuation of the equity investment in Calcestruzzi for preparation of the Italcementi S.p.A. interim condensed consolidated financial statements.

The Calcestruzzi S.p.A. 2009 interim balance sheet and income statement reflect:

- revenues of 157.9 million euro (-24.0% from 207.9 million euro in the first half of 2008)
- negative recurring EBITDA of 11.3 million euro (negative recurring EBITDA of 3.3 million euro in the first half of 2008)
- negative EBIT of 15.2 million euro (negative EBIT of 8.2 million euro in the first half of 2008)
- a net loss for the period of 15.9 million euro (net loss of 11.3 million euro in the first half of 2008)
- shareholders' equity of 93.8 million euro (107.7 million euro at December 31, 2008)
- a negative net financial position of 166.2 million euro (159.8 million euro at December 31, 2008).

The Calcestruzzi S.p.A. 2009 interim consolidated balance sheet and income statement reflect:

- revenues of 200.1 million euro (-23.2% from 260.4 million euro in the first half of 2008)
- negative recurring EBITDA of 11.2 million euro (negative recurring EBITDA of 2.5 million euro in the first half of 2008)
- negative EBIT of 16.2 million euro (negative EBIT of 9.8 million euro in the first half of 2008)
- a net loss for the period of 17.6 million euro (net loss of 4.7 million euro in the first half of 2008)
- shareholders' equity of 95.6 million euro (111.1 million euro at December 31, 2008)
- a negative financial position of 197.6 million euro (189.5 million euro at December 31, 2008).

Outlook

Trends in the construction industry are expected to remain negative in the second semester of the year, in line with the situation in the first semester. The spending and fiscal stimulus measures introduced by various governments over the last few months are not expected to produce effects this year, while the growing volatility experienced by some emerging countries over recent months could generate further uncertainty.

The action plan already introduced with regard to fixed costs, employment and efficiency will have an obvious impact on the group cost structure over the short and medium term. Given the negative volume effect, operating results in the second semester are expected to be down on the second half of 2008, although margins will be comparable with those of the first half of 2009.

Food packaging and thermal insulation sector

The Italmobiliare Group is present in the food packaging and thermal insulation sector through Sirap Gema S.p.A. and its subsidiaries. The table below summarizes the income statement and the main balance sheet indicators.

(in millions of euro)	H1 2009	H1 2008	% change	Full year 2008
Revenues	**118.4**	**130.1**	***(9.0)***	**264.3**
Recurring EBITDA	**13.6**	**11.5**	***18.2***	**25.1**
% of revenues	*11.5*	*8.9*		*9.5*
Other income (expense)	-	-		-
EBITDA	**13.6**	**11.5**	***18.2***	**25.1**
% of revenues	*11.5*	*8.9*		*9.5*
Amortization and depreciation	(6.0)	(6.1)	*(0.6)*	(12.1)
Impairment variation	-	-		-
EBIT	**7.6**	**5.4**	***39.0***	**13.0**
% of revenues	*6.4*	*4.2*		*4.9*
Finance income (costs)	(4.2)	(3.5)	*17.5*	(10.7)
Result before tax	**3.4**	**1.9**	***78.3***	**2.3**
% of revenues	*2.9*	*1.5*		*0.9*
Income tax expense	(2.4)	1.5	*n.s.*	(0.1)
Net result for the period	**1.0**	**3.4**	***(71.4)***	**2.2**
% of revenues	*0.8*	*2.6*		*0.8*
Net result attributable to the Group	**1.0**	**3.5**	***(71.3)***	**2.1**
Minority interest	-	(0.1)	*n.s.*	0.1
Investments	5.6	12.2		19.9

n.s. not significant

(in millions of euro)	June 30, 2009	December 31, 2008
Total shareholders' equity	44.8	47.4
Group shareholders' equity	44.2	46.7
Net debt	134.6	140.9
Number of employees at period end	1,395	1,396

The first half of 2009 saw the continuation of the main phenomena which were already evident at the end of 2008:

- the economic crisis caused lower consumption in all the segments, thus leading to a reduction in volumes and, in some countries, a change in the mix in favor of cheaper products;
- the prices of polymers for the whole period were well below those in the prior-year period as a result of lower demand and the fall in oil prices;
- the currencies of European countries which are not in the euro zone depreciated significantly, although in some cases there were signs of recovery towards the end of the period.

Group revenues (118.4 million euro) fell by 9.0% compared with the prior-year period, mainly due to lower volumes, in particular in thermal insulation, and negative exchange-rate changes (-2.2%).

EBIT was 7.6 million euro, markedly up on the first half of 2008 (+39.0%). In fact, despite the difficult economic situation and the fierce competition which extended to all the key markets, the Sirap Gema group managed to overall maintain a strong sales price level, thus benefiting from the fall in the cost of raw materials and, in some areas, from the reduction in production and logistical costs.

Finance costs (4.2 million euro) saw a rise of 17.5% owing to negative exchange-rate differences, net of which the cost is 0.4 million euro less.

Tax expense increased significantly (3.9 million euro) since in 2008 the group's Italian companies arranged to release reserves arising from application of higher amortization rates for tax purposes. Since the cost of the operation was lower than ordinary taxation, it was arranged to cancel the related deferred taxes, thus giving rise to lower taxes for a total of 3.3 million euro.

Net result thus totaled 1 million euro with a fall on the prior-year period (3.4 million euro) as the combined effect of the improvement in operating profits, the non-repetition of the reversal of deferred tax assets, as happened in 2008, and other non-tax deductible items.

Net debt was 134.6 million euro, lower than at December 31, 2008 (140.9 million euro), following the cash flow from operations and limited investments in fixed assets.

Investments in fixed assets totaled 5.6 million euro (12.2 million euro in the first half of 2008) and were largely used for the construction of the new plant in Poland. The other main investment projects were suspended to await the outcome of the current crisis.

Significant events in the period

On April 2, 2009, an agreement was completed to establish usufruct over all the shares of the company established under Austrian law, **Dorner Pack G.m.b.H.,** in favor of the subsidiary Petruzalek G.m.b.H.

Dorner Pack operates in the field of the marketing of machinery for food packaging and holds several contracts for leading operators in the Austrian market.

The agreement transfers to Petruzalek G.m.b.H. all powers of management, control and voting rights, as well as the right to benefit exclusively from January 1, 2009 of the operating results. Petruzalek will pay an annual fee of 0.25 million euro to the grantor for those rights. The consolidated financial statements at June 30, 2009, therefore, include the income statement figures for all of the first half of 2009, as well as the balance sheet balances at the end of the semester. In addition, there is also a put held by the current owner of the shares and a corresponding call held by Petruzalek G.m.b.H. regarding the whole share capital, which are to be exercised between January 1, 2012 and December 31, 2013.

On April 30, 2009 the respective Boards of Directors of the parent company Sirap Gema S.p.A. and of **Amprica S.p.A.** approved the merger of the latter into the former. This operation is the completion of the broader reorganization of the Sirap Gema group, which was started in 2006, with the aims of simplifying the shareholding chain through the acquisition of direct control by the parent company Sirap Gema S.p.A., as well as improving the operating efficiency of production facilities and the logistics of both companies and developing commercial, strategic and control synergies. The completion of the operation is planned for October 1, 2009, with legal and tax effect as from January 1, 2009.

The liquidation of Inline Balkans o.o.d was completed with its cancellation from the local companies register on April 2, 2009. The production work of the Bulgarian subsidiary Inline Balkans o.o.d., together with its plant, equipment and stocks, was transferred to Petruzalek e.o.o.d. which has been operating for several years in Bulgaria with its own operating structure.

Quarterly performance

(in millions of euro)	H1 2009	Q2 2009	Q1 2009
Revenues	**118.4**	**63.6**	**54.8**
% change on 2008	*(9.0)*	*(8.8)*	*(9.1)*
Recurring EBITDA	**13.6**	**9.3**	**4.3**
% change on 2008	*18.2*	*28.9*	*0.2*
EBITDA	**13.6**	**9.3**	**4.3**
% change on 2008	*18.2*	*28.9*	*0.2*
EBIT	**7.6**	**6.3**	**1.3**
% change on 2008	*39.0*	*54.5*	*(6.2)*
Net result for the period	**1.0**	**3.2**	**(2.2)**
% change on 2008	*(71.4)*	*(30.1)*	*(101.5)*
Net result attributable to the Group	**1.0**	**3.1**	**(2.2)**
Net debt (at period end)	134.6	134.6	139.1

The trend in the 2nd quarter of 2009 saw a sharp recovery in profitability thanks to higher revenues and the improvement in the structure of operating expenses with the initiatives implemented and in keeping with the seasonal trend for the period.

Performance by sector and geographical area

(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	H1 2009	% change on H1 2008	H1 2009	% change on H1 2008	H1 2009	% change on H1 2008	H1 2009	% change on H1 2008
Food packaging								
- Italy	50.0	*(8.3)*	6.0	*(5.3)*	6.0	*(5.3)*	2.3	*(22.6)*
- France	13.5	*6.6*	2.0	*n.s.*	2.0	*n.s.*	1.6	*n.s.*
- Other European Union countries	30.9	*(8.5)*	1.7	*(2.4)*	1.7	*(2.4)*	0.9	*21.4*
- Other non-EU countries	9.8	*7.0*	0.2	*(47.7)*	0.2	*(47.7)*	0.1	*(78.7)*
Eliminations	(8.3)	-	-	-	-	-	-	-
Total	**95.9**	***8.2***	**9.9**	***19.4***	**9.9**	***19.4***	**4.9**	***59.5***
Thermal insulation - Italy	26.2	*(18.5)*	3.7	*15.2*	3.7	*15.2*	2.7	*13.7*
Eliminations	(3.7)		-		-		-	
Total	**118.4**	***(9.0)***	**13.6**	***18.2***	**13.6**	***18.2***	**7.6**	***39.0***

n.s. not significant

Food packaging

In Western Europe, in the first half of 2009, meat consumption and therefore the demand for expanded food packaging products was largely unchanged on the previous year, albeit with a slight fall. In Italy in particular the group had revenues from expanded products that fell slightly due largely to lower volumes, and largely unchanged EBIT, which was affected by the increase in overheads and by significant allocations to the provision for bad debts; in France, on the other hand, there was confirmation of the change in trend which emerged in 2008 and the company saw a stable and significant recovery in its margins thanks to a sales policy focusing on profits, the reduction in the costs of raw materials and the initiatives undertaken in 2008 which had a positive impact on the efficiency of production and logistical costs. EBIT in the period was 1.6 million euro compared with an operating loss of 0.8 million euro in the prior-year period.

Throughout Western Europe demand for rigid food packaging (fine foods and cakes) saw a significant fall on the prior-year period in relation to the difficult economic situation which influenced consumers towards cheaper product ranges. Consequently, there was a significant reduction in revenues due both to lower volumes and to lower prices and EBIT was negative. Initiatives are underway to reorganize the company and improve efficiency.

Demand in Central Eastern Europe was affected by the crisis, but with different implications depending on individual countries. In general for Petruzalek, the restriction on lending and uncertainty over the development of the economic situation put a stop to several investments in packaging machinery, while (on a constant exchange rate basis) container sales were steady, albeit directed to cheaper products. For Inline the main market (Poland) was steady both in terms of quantity and price.

Investments in fixed assets in the semester totaled 5.5 million euro, mainly for the rigid container sector to build the new Inline plant in Poland which was completed and started operations in July.

Thermal insulation

The Italian market was affected by the problems in the construction sector which, owing to the economic crisis, significantly restricted new initiatives.

Revenues in the sector were 26.2 million euro, down by 18.5% compared with the first half of 2008 owing to lower volumes. However, the company was able to benefit from the greater efficiency deriving from the new line launched in the second part of 2008 and the reduction in some costs.

EBIT (2.7 million euro) rose by 13.7% compared with the prior-year period.

Investments in fixed assets in the first half of 2009 were extremely limited (0.1 million euro) in line with the group's policy to block all non-essential projects.

Disputes

It should be recalled that, at the start of 2008, Sirap-Gema S.p.A. became aware of a hostile operation against its subsidiary **Inline Ucraine L.C.F.I.** Sirap-Gema S.p.A. promptly appointed a professional law firm in Kiev to take on the case and to establish what should be done in terms of civil and penal proceedings. On June 30, 2009, agreements were signed with the counterparty by which it will be possible to end the ongoing legal actions connected to this operation without starting bankruptcy proceedings.

With reference to the information in previous reports on the general tax audit of Sirap Gema S.p.A. by the Verolanuova tax agency during 2004, it should be noted that the settlement of the taxes should now be considered closed, since the company has paid the lower amount which was finally confirmed by the agency compared to the initial assessment (35,116 euro).

In regard to the information provided in previous reports regarding the inspection conducted in June 2008 by officers from the European Commission – General Division 4 ("Competition") at Sirap Gema S.p.A. offices in Verolanuova (Brescia), it should be noted that, following the above inspection, the Commission has taken no further investigative action against Sirap Gema S.p.A. and/or group companies.

Significant events after the end of the first semester

No significant events took place after the end of the semester.

Outlook

The 2009 full-year result is uncertain and depends on developments in the economic crisis currently affecting all the countries where the Sirap group operates: the impact on consumption and investments and the responsiveness of local economies are elements that are difficult to assess. The trend in the cost of raw materials, which was very favorable in the first semester, is showing the first signs of starting to rise again, even if prices should stay below those for 2008. However, it is considered that the situation is still very uncertain and that only as the year progresses, once indications of stable trends emerge, will duly weighted considerations be made.

Financial sector

The financial sector includes the parent company Italmobiliare and the wholly owned financial subsidiaries: Franco Tosi S.r.l., Sance S.r.l., Italmobiliare International Finance Limited (Dublin), Société de Participation Financière Italmobiliare S.A. (Luxembourg), SG Finance S.A. (Luxembourg), Soparfinter S.A. (Luxembourg), and Fincomind A.G. (Switzerland).

(in millions of euro)	H1 2009	H1 2008	% change	Full year 2008
Revenues	**91.7**	**108.1**	***(15.2)***	**130.9**
Recurring EBITDA	**58.4**	**48.0**	***21.7***	**(78.6)**
Other income (expense)	-	0.5	*n.s.*	0.2
EBITDA	**58.4**	**48.5**	***20.4***	**(78.4)**
Amortization and depreciation	(0.1)	(0.1)	-	(0.1)
EBIT	**58.3**	**48.4**	***20.4***	**(78.5)**
Finance income (costs)	-	(0.1)	*n.s.*	(0.3)
Adjustments to financial asset value	(2.4)	-	*n.s.*	(57.8)
Share of results of associates	15.6	1.0	*n.s.*	4.5
Result before tax	**71.5**	**49.3**	***45.0***	**(132.1)**
Income tax expense	(6.7)	2.0	*n.s.*	8.1
Net result for the period	**64.8**	**51.3**	***26.5***	**(124.0)**

n.s. not significant

(in millions of euro)	June 30, 2009	December 31, 2008
Net financial position	213.8	160.6
Shareholders' equity	1,295.5	1,187.9
Number of employees at period end	51	47

Quarterly performance

(in millions of euro)	H1 2009	Q2 2009	Q1 2009
Revenues	**91.7**	**72.9**	**18.8**
% change on 2008	*(15.2)*	*(25.0)*	*72.5*
EBIT	**58.3**	**82.9**	**(24.5)**
% change on 2008	*20.4*	*(3.3)*	*34.2*
Net result for the period	**64.8**	**82.6**	**(17.8)**
% change on 2008	*26.5*	*(3.9)*	*48.8*
Net financial position (at period end)	**213.8**	**213.8**	**135.3**

Results in accordance with the financial model

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

- "Net income on equity investments", which includes, with regard to available-for-sale investments, dividends received, capital gains and losses on divestments of equity investments, and impairment of these financial assets;
- "Net income (expense) from cash investments", which includes interest income on coupons and bank deposits, value adjustments to securities and trading equities, capital gains/losses on the sale of trading securities, income/expense on trading derivatives;
- "Net debt charges" which essentially reflect interest expense on financing, bank commissions and costs;
- "Other income and expense", which includes employee expenses and operating expenses for the financial structure, net of amounts recovered from other group companies, as well as changes in provisions for risks.

(in millions of euro)	H1 2009	H1 2008	% change	Full year 2008
Net income on equity investments	66.2	80.3	*(17.5)*	35.0
Net income (expense) from cash investments	19.3	(9.0)	*n.s.*	(122.8)
Net debt charges	(5.8)	(12.2)	*(52.1)*	(26.9)
Total financial income and expenses	**79.7**	**59.1**	***34.8***	**(114.7)**
Operating income and expense	(8.2)	(9.8)	*(16.3)*	(17.4)
Income tax expense	(6.7)	2.0	*n.s.*	8.1
Net result for the period	**64.8**	**51.3**	***26.5***	**(124.0)**

n.s. not significant

Net income on equity investments fell in the first semester from 80.3 million euro in 2008 to 66.2 million euro, due to lower dividends from equity investments, the negative results of an associate (RCS MediaGroup), and write-downs of some equity investments, only partially offset by the positive results of other associates and from some disposals.

Net income (expense) from cash investments in the first half of 2009 totaled 19.3 million euro, up by 28.3 million euro compared with the prior-year period, which saw net expense of 9.0 million euro. This improvement was largely due to the positive trend on debenture markets in the first half of 2009, which led to the adjustment of the trading assets held to current values; this saw a recovery from the unfavorable trend in 2008, above all in the second semester of the year.

The market was positively influenced by: public support for banks, the significant increase in liquidity in the system and the containment of costs for credit risk cover by most operators. All this had a positive impact on bond prices and also our portfolios experienced major revaluations, besides the positive results achieved on the disposal of some bonds. The bond portfolio in companies belonging to the financial sector totaled 256.0 million euro, with an average A+ rating.

It should also be noted that the performance in the second quarter of 2009 was better, with net income of 40.4 million euro, than the first quarter which saw net expense of 21.1 million euro.

Net debt charges (5.8 million euro) were markedly down by 6.4 million euro compared to the prior-year period thanks to lower interest rates and an average lower debt level. However, the fall was limited by the negative contribution of the interest rate swap taken out in the second half of 2006. In the second quarter net debt charges were lower than in the first quarter (1.6 million euro compared to 4.3 million euro)

The balance on **other income and expense** fell from 9.8 million euro to 8.2 million euro. This improvement was connected above all to higher income.

The tax posting went from +2.0 million euro to -6.7 million euro, due to the net profit for the period and to the capital gains on the sale of equity investments which were wholly taxed.

For the above reasons, **net profit** for the period therefore stood at 64.8 million euro, 13.5 million euro up on the prior-year period.

The companies which make up the financial sector hold significant equity investments, most of which are classified as ”Available for sale”. Changes in the fair value of these equity investments, with the exclusion of those consolidated at cost, are recorded under shareholders' equity in the “Fair value reserve”. At the end of June 2009 the consolidated size of the net reserve, of securities classified as ”Available for sale”, in the financial sector totaled 97.2 million euro, compared to 43.2 million euro at December 31, 2008. The significant increase is related to the positive performance of some stock market prices, above all for the Unicredit shares.

Significant events in the period

In the first six months of 2009 Italmobiliare collected 44 million euro from **Italmobiliare International Finance** as reimbursement of a capital contribution.

In February 2009 Italmobiliare underwrote **Unicredit Cashes** for a nominal value of 10 million euro, classified under ”Available-for-sale” securities.

At the end of March Italmobiliare sold **Italmobiliare International BV** for 19,500 euro, corresponding to the value of shareholders' equity.

In April 2009 the shareholders' meeting of **Franco Tosi S.r.l.** resolved to replenish the loss of 96.4 million euro at December 31, 2008 by:

- using total balance sheet reserves for 12.6 million euro;
- reducing share capital to 6.2 million euro to cover the remaining part (83.8 million euro).

At the same time it decided to increase the share capital up to 50 million euro through issue of a nominal 43.8 million euro, with a share premium of 56.2 million euro. The increase has been subscribed in full (100 million euro) by the sole shareholder Italmobiliare S.p.A. through use of non-interest-bearing financing due to Franco Tosi S.r.l. for the amount in question.

This transaction had no impact on the Group consolidated financial statements and the financial sector ones, nor on the interim situation of Italmobiliare S.p.A.

In May Unicredit, following the free share capital increase which was approved on April 29, 2009, allocated 29 new ordinary shares for every 159 ordinary shares held, for a total of 17,428,743 shares transferred to the financial sector companies.

In June 2009, Italmobiliare sold, together with Ava, all the shares in **Populonia Italica S.r.l.**, a company in the property sector which owns a property in Milan and some land in Tuscany. The gross capital gain in Italmobiliare was 19.9 million euro.

Information on some companies in the sector

Italmobiliare International Finance Limited

The company is the Italmobiliare Group's main financial center. It operates on the international capital markets and provides financial support for Group companies.

In the first half of 2009 it posted a net profit of 12.1 million euro, a marked improvement compared to -2.0 million euro at June 30, 2008. The return to profit was favorably affected by the financial markets and saw the recovery of some of the write-downs applied during 2008. There were also some capital gains as well as the accruing of interest on the bond portfolio.

At the end of June 2009 the trading portfolio totaled 226.6 million euro (to which may be added 1.4 million euro from the Available-for-sale bond portfolio, classified in the lower risk portfolio), as follows:

- a low-risk bond portfolio for 164.7 million euro, which largely includes bonds (with an average AA- rating, average outstanding maturity of 3.84 years) and bank deposits (for 1.8 million euro); the yield at the date was + 7.83% (compared to – 4.98% in the first quarter of 2009);
- a high-risk bond portfolio for 63.3 million euro, which largely includes bonds (with an average BBB+ rating, average outstanding maturity of 3.34 years) and bank deposits (for 0.8 million euro); the yield at the date was + 10.08% (compared to – 6.72% in the first quarter of 2009);

Overall the bond portfolio consists of fixed-rate instruments for 26.7% and floating-rate instruments for 73.3%. With the use of futures and interest rate swaps, the bond portfolio duration was kept close to zero, so as not to subject the portfolio to interest rate risk.

Other investments at the end of June 2009 were:

- mutual funds of 4.5 million euro; the yield at the date was -2.02% (compared to - 9.54% in the first quarter of 2009); it should be noted that most of the investments in mutual funds have been redeemed, so the only outstanding investments are in marginal mutual funds or for which it is not possible to activate a redemption;
- alternative funds of funds for 46.2 million euro; the yield at the date was -1.41% (compared to – 1.07% in the first quarter of 2009); where possible alternative funds of funds have been redeemed, while for others specific reserves have been created for the illiquid part of the investment.

The average overall yield on the bond portfolio and on the other investments was +6.57% at June 30, 2009 (-4.12% at March 31, 2009).

Société de Participation Financière S.A.

The company's net profit at June 30, 2009 was 28.3 thousand euro, up on the loss in the prior-year period (-10.7 million euro). In all sectors where the company operates there were improvements on the first half of 2008. The write-down of investments in private equity funds and equity investments in subsidiaries (following payment of the dividend) had, on the other hand, a negative impact on the net profit for the period of 6.1 million euro.

The share trading portfolio consisted of 2,071,530 RCS Media Group shares, 1,600,000 UBI shares, warrants and rights and 2,719,496 Unicredit shares. Their overall value at June 30, 2009 was 21.8 million euro.

The bond portfolio at the end of semester totaled 24.6 million euro (with an average rating of A- and a residual average life of 2.64 years). The yield at the date was + 17.36% (compared to – 5.55% in the first quarter of 2009). The bond portfolio was 9.2% invested at a fixed rate and 90.8% at a floating rate. The duration of this portfolio was 1.25 years.

Other investments at the end of June 2009 concerned:

- alternative funds of funds for 8.1 million euro; the yield at the date was -16.68% (compared to - 20.06% in the first quarter of 2009);
- loans to associates not belonging to the financial sector for 30 million euro; the yield at the date was +3.01% (compared to +1.87% in the first quarter of 2009).

The overall yield of the bond portfolio and the above investments was + 4.08% at June 30, 2009 (-4.34% at March 31, 2009).

Italmobiliare S.p.A.

In the first half of 2009 Italmobiliare S.p.A. recorded revenues of 87.6 million euro compared to 86.7 million euro in the prior-year period. The overall figure is due to lower dividends paid by subsidiaries, which were more than offset by the capital gain on the disposal of Populonia Italica.

Lower finance costs ensured that profit before tax stood at 71.8 million euro (compared to 60.3 million euro in the first half of 2008, which had been affected by higher finance costs).

A less favorable tax item (a negative balance of 4.7 million euro, while in the first semester of the prior year it was positive for 1.8 million euro) led to net profit in the period of 67.1 million euro (62.0 million euro net profit at June 30, 2008).

Italmobiliare's trading portfolio, in total 7.2 million euro, consists wholly of bonds.

The average rating of trading bonds is A, while the residual average life is 1.8 years. The yield at the date was +8.56% (compared to – 2.92% in the first quarter of 2009).

Equity investments in listed companies held by the financial sector

The following is a summary of the equity investments in listed companies held by the financial sector.

	Quantity	% [1]	Investing company
Available-for-sale equity investments			
Subsidiaries			
Italcementi ordinary shares	106,734,000	60.262	Italmobiliare S.p.A.
Italcementi savings shares	3,011,500	2.856	Italmobiliare S.p.A.
Ciments Français	11,277	0.031	Italmobiliare S.p.A.
Associates			
Mittel	8,522,756	12.088	Italmobiliare S.p.A.
Rcs MediaGroup ordinary shares [3]	37,606,889	5.133	Franco Tosi S.r.l.
Other			
Unicredito ordinary shares	101,243,921	0.604	Italmobiliare S.p.A.
Unicredito ordinary shares	8,549,984	0.051	Franco Tosi S.r.l.
Mediobanca [3]	9,971,282	1.216	Franco Tosi S.r.l.
Ubi Banca	1,718,500	0.269	Italmobiliare S.p.A.
Ubi Banca - warrants	1,718,500	0.269	Italmobiliare S.p.A.
Ubi Banca	743,500	0.116	Sance S.r.l.
Ubi Banca - warrants	743,500	0.116	Sance S.r.l.
Intek ordinary shares	9,821,000	2.824	Franco Tosi S.r.l.
Intek warrants	3,480,820	2.966	Franco Tosi S.r.l.
Other equity investments for trading [2]			
Unicredito ordinary shares	2,719,496	0.016	Soparfi S.A.
Unicredito ordinary shares	472,955	0.003	Soparfinter S.A.
Rcs MediaGroup ordinary shares	2,071,530	0.283	Soparfi S.A.
Ubi Banca	1,600,000	0.250	Soparfi S.A.
Ubi Banca warrants	1,600,000	0.250	Soparfi S.A.
Enel ordinary shares	76,000	n.s.	Sance S.r.l.
Eni ordinary shares	20,000	n.s.	Sance S.r.l.
Intesa SanPaolo ordinary shares	20,000	n.s.	Sance S.r.l.
Unipol preferred shares	80,003	n.s.	Sance S.r.l.

[1] The % refers to the total securities issued for the corresponding category

[2] Equity investments for trading form part of the net financial position

[3] A further 17,084,738 RCS MediaGroup shares are held through Italcementi S.p.A.
A further 11,522,996 Mediobanca shares are held through Italcementi S.p.A.

n.s. not significant

Net financial position of Italmobiliare and the financial sector

The table below provides an itemized description of the net financial positions of the parent company Italmobiliare S.p.A. and of the financial sector.

(in thousands of euro)	June 30, 2009		December 31, 2008	
	Italmobiliare	Financial sector[1]	Italmobiliare	Financial sector[1]
Cash, cash equivalents and current financial assets	111,936	468,825	120,414	525,717
Short-term financing	(66,655)	(70,164)	(166,936)	(166,252)
Short-term net financial position	**45,281**	**398,661**	**(46,522)**	**359,465**
Medium/long-term financial assets	10,031	63,868	9,231	66,902
Medium/long-term financing	(248,725)	(248,725)	(265,780)	(265,780)
Medium/long-term net financial position	**(238,694)**	**(184,857)**	**(256,549)**	**(198,878)**
Net financial position	**(193,413)**	**213,804**	**(303,071)**	**160,587**

1 consisting of: Italmobiliare S.p.A. - Italmobiliare International Finance Ltd. - Société de partecipation Financière S.A. - Fincomind A.G. - Soparfinter S.A. - Franco Tosi S.r.l. - Sance S.r.l. - SG Finance S.A.

Italmobiliare had net debt of 193.4 million euro (303.1 million euro at December 31, 2008), sharply up (109.7 million euro) due to the initiatives undertaken.

The consolidated financial position of the financial sector, which also includes the parent company Italmobiliare, was positive at 213.8 million euro (160.6 million euro at December 31, 2008), up by 53.2 million euro, as a consequence mainly of the revaluation of the trading portfolio and the dividends received.

The change in the net financial position of Italmobiliare and the financial sector is shown in the following table.

(in millions of euro)	Italmobiliare	Financial sector
Equity investments sold	3.6	3.6
Repayment of capital contribution	44.0	-
Equity investments acquired	(0.7)	(0.7)
Dividends paid	-	-
Dividends received	62.4	36.7
Finance income and costs	(0.2)	19.1
Current operations and extraordinary items	0.6	(5.5)
Total	**109.7**	**53.2**

Significant events after the end of the first semester

There were no significant events.

Outlook

As already noted in previous reports, results in the financial sector depend on dividend inflows and trends on the financial markets. The flow of dividends from companies outside the sector, except for a few cases which await confirmation, are in steady decline this year, while uncertainty is high with regard to future trends in interest rates, developments on the various financial markets (mainly the equities and bond markets) and the crisis in the real economy. For these reasons, it is extremely difficult at this time to provide any reliable forecast for full-year earnings in this sector.

Banking sector

The banking sector consists of two wholly owned banks: Finter Bank Zürich and Crédit Mobilier de Monaco.

(in millions of euro)	H1 2009	H1 2008	% change	Full year 2008
Revenues	**20.1**	**22.8**	***(11.8)***	**42.5**
Recurring EBITDA	**3.6**	**4.8**	***(25.6)***	**5.7**
EBITDA	**3.6**	**4.8**	***(25.3)***	**5.7**
Amortization and depreciation	(0.7)	(0.5)	*21.8*	(1.2)
EBIT	**2.9**	**4.3**	***(31.8)***	**4.5**
Result before tax	**2.9**	**4.3**	***(31.8)***	**4.5**
Income tax expense	(0.4)	(0.7)	*(26.2)*	(0.4)
Net result for the period	**2.5**	**3.6**	***(32.8)***	**4.1**

(in millions of euro)	June 30, 2009	December 31, 2008
Net financial position	73.1	79.5
Shareholders' equity	98.6	100.7
Group shareholders' equity	98.1	100.1
Number of employees at period end	161	165

Quarterly performance

(in millions of euro)	H1 2009	Q2 2009	Q1 2009
Revenues	**20.1**	**10.8**	**9.3**
% change on 2008	*(11.8)*	*(3.6)*	*(22.7)*
EBIT	**2.9**	**2.4**	**0.5**
% change on 2008	*(31.8)*	*32.4*	*(80.5)*
Net result for the period	**2.5**	**2.1**	**0.4**
% change on 2008	*(32.8)*	*30.1*	*(80.7)*
Net financial position at period end	**73.1**	**73.1**	**79.3**

Results in accordance with the banking model

Given the specific nature of the banking sector, to permit full understanding of performance, the table below sets out the results of the sector in the format normally used for banks. The table shows:

- "Net interest income", which reflects the balance on interest income and dividends received net of amounts paid to clients;
- "Intermediation margin", which includes commission income and expense on lending transactions, on securities trading, other financial services and income on trading transactions. It also includes insurance operations conducted through the Finter Life subsidiary;
- "Gross operating profit" which includes employee expenses and overheads for the banking organization;
- "Profit from operations", which includes amortization and depreciation, impairment and provisions.

(in millions of euro)	H1 2009	H1 2008	% change	Full year 2008
Net interest income	3.0	3.3	*(8.6)*	7.0
Intermediation margin	20.1	20.9	*(4.0)*	38.8
Gross operating profit	3.8	4.9	*(22.0)*	6.5
Result from operations	2.9	4.3	*(31.8)*	4.5
Net result for the period	**2.5**	**3.6**	***(32.8)***	**4.1**

The results for this sector consist almost entirely of the results of Finter Bank Zürich.

Finter Bank Zürich

In the first half of 2009 the Finter Bank Zürich group recorded a fall in consolidated revenues from 35.6 to 29.3 million Swiss francs (-17.7% compared with the first half of 2008). This result was the consequence of lower commission income (22.2 million Swiss francs compared to 25.2 million Swiss franc) linked to client transactions, lower interest income (4.3 million Swiss francs compared to 5.5 million Swiss francs) partly offset by lower interest charges, and by other minor items. Trading on the portfolio saw a net profit of 2.0 million Swiss francs, compared to net profit of 4.1 million Swiss francs in the prior-year period.

Costs for services and other operating income (expense) totaling 10.0 million Swiss francs (compared to 12.3 million Swiss francs in the first half of 2008), falling employee expense (14.2 million Swiss francs compared to 15.8 million Swiss francs) and amortization and deprecation rising from 0.9 to 1.1 million Swiss francs ensured that EBIT stood at 4.1 million Swiss francs, down by 2.5 million Swiss francs compared with the prior-year period.

The consolidated net profit, after tax, was 3.5 million Swiss francs compared to 5.7 million Swiss francs at June 30, 2008.

The insurance company Finter Life (90% owned by Finter Bank Zürich and consolidated on a line-by-line basis) started operating during 2007. In the first half of 2009 it made a loss of 0.6 million Swiss francs, higher than the forecast loss, but worse than the loss in the prior-year period (-0.7 million Swiss francs).

Consolidated shareholders' equity of Finter Bank Zürich rose from 140.9 million Swiss francs at December 31, 2008 to 141.8 million Swiss francs at the end of June 2009 after the distribution of dividends totaling 4.5 million Swiss francs. Finter Bank Zürich benefited not only from the profit for the period but also from the positive effect linked to the conversion into Swiss francs of the subsidiary in the Bahamas which is expressed in dollars.

Assets under management at the end of the first half of 2009 totaled 5.9 billion Swiss francs. The situation compared to the end of 2008 was practically unchanged. The movements linked to the entry and exit of clients more or less cancelled each other out, with a slight net loss.

Crédit Mobilier de Monaco

Crédit Mobilier de Monaco is a bank in Monaco whose main activity is guarantee-backed loans. In the first semester net profit rose slightly to 106.9 thousand euro compared with June 30, 2008 (88.6 thousand euro). The increase in net interest income and intermediation margin was only partially offset by greater administrative expenses, while other positive components contributed to the rest of the improvement.

Significant events in the period

As already noted in the interim report at March 31, 2009, during the **Bank Hugo Kahn** extraordinary shareholders' meeting on March 6, 2009, all assets relating to banking operations were transferred to Finter Bank Zürich with retroactive effect from January 1, 2009. Bank Hugo Kahn & Co Ltd. has changed its name to Finanzgesellschaft Hugo Kahn & Co AG.

The banking license was returned to the Swiss Federal Bank Commission (FBC) during the second quarter of 2009, since all the legal procedures had been completed. This was required by the Swiss FBC as a condition for approval of the acquisition of Bank Hugo Kahn and is the reason why the word "bank" does not appear in the new name. As from January 1, 2009 all reports to be made to the Swiss National Bank and the FBC have been drafted by Finter Bank Zürich.

Outlook

The uncertainty on the markets in general and on the financial markets in particular makes it difficult to draw up a reliable full-year forecast for the banking sector. Management is nonetheless intent on continuing current programs with a significant reduction in personnel and on planning other initiatives, that may be needed, to achieve a stable reduction in costs and boost revenues. Subject to currently unforeseeable events, it is in any case expected that the full-year result will be at the levels of the previous year which experienced a particularly difficult second semester.

Property sector, services and other

This sector includes a number of real estate companies and services companies. The latter essentially provide services within the Group. It should be noted that **Populonia Italica S.r.l.** was consolidated only until June 10, 2009, when the whole equity investment in the company was sold.

At June 30, 2009 revenues for the sector totaled 1.4 million euro, down sharply on the prior-year period (7.0 million euro), which benefited from the sale of some real estate assets by Populonia Italica.

As a consequence of the earnings made with this sale, EBIT was 5.7 million euro and the overall profit was 4.3 million euro, while in the first half of 2009 EBIT was practically zero and the overall profit was 0.3 million euro.

Despite the problems generally affecting the property sector, no particular risks and uncertainties in this area of the Group's business are expected in the second part of the year.

For the above reasons it may be forecast that the full-year result for 2009 in this sector will be well below that realized in the previous year.

Human resources

The number of employees at June 30, 2009 was 23,363 heads, compared with 23,864 at December 31, 2008 and 24,471 at June 30, 2008.

The following table provides a breakdown of employees by business sector and geographical area.

(number of employees*)	June 30, 2009		December 31, 2008		June 30, 2008	
		%		%		%
Business sector						
Construction materials	21,743	*93.1*	22,243	*93.2*	22,902	*93.5*
Packaging and insulation	1,395	*6.0*	1,396	*5.8*	1,368	*5.6*
Financial	51	*0.2*	47	*0.2*	44	*0.2*
Banking	161	*0.7*	165	*0.7*	144	*0.6*
Property, services and other	13	-	13	*0.1*	13	*0.1*
Total	**23,363**	***100.0***	**23,864**	***100.0***	**24,471**	***100.0***
Geographical area						
European Union	11,278	*48.3*	11,373	*47.7*	11,780	*48.1*
Other European countries	1,081	*4.6*	1,111	*4.7*	1,135	*4.7*
North America	2,025	*8.7*	2,155	*9.0*	2,235	*9.1*
Asia	2,452	*10.5*	2,795	*11.7*	2,867	*11.7*
Africa	5,743	*24.6*	5,713	*23.9*	5,943	*24.3*
Other countries	784	*3.3*	717	*3.0*	511	*2.1*
Total	**23,363**	***100.0***	**23,864**	***100.0***	**24,471**	***100.0***

(*) including employees of companies consolidated on a line-by-line or proportionate basis. The number of employees for companies consolidated on a proportionate basis is in line with the consolidation proportion.

Dealings with related parties

For the purposes of the consolidated financial statements, dealings with related parties were with:

- subsidiaries that are not consolidated on a line-byline basis;
- associates;
- other related parties.

All dealings with related parties – exchange of goods, services and financial relations – were conducted at normal market conditions.

The summarized figures of dealings with related parties at June 30, 2009 are shown in the explanatory notes.

No atypical or unusual transactions took place during the semester.

Dealings with subsidiaries and associates

Dealings with subsidiaries not consolidated on a line-by-line basis and with associates are of a commercial nature (exchange of goods and/or services) and financial nature.

Italmobiliare also provides administration services for some associates, regulated on the basis of the costs of providing the service.

Calcestruzzi

After the deconsolidation of the Calcestruzzi subgroup, all economic and financial transactions with the subgroup are included under dealings with related parties. Italcementi S.p.A. and subsidiaries sold goods and services to Calcestruzzi S.p.A. and its subsidiaries for 66.0 million euro and charged net finance costs for 1.7 million euro.

Dealings with other related parties

Dealings with other related parties in the semester concerned:

- administrative, financial, contractual and fiscal consultancy services for the Italmobiliare Group provided by Finsise S.p.A., a company whose majority shareholder is Italo Lucchini, Deputy Chairman of Italmobiliare, for considerations totaling 146.8 thousand euro;
- consultancy services for the senior management of Italmobiliare in relation to the rationalization and development of Group activities, provided by Piergiorgio Barlassina, a director of Italmobiliare, for considerations and consequent expenses of 125 thousand euro;
- legal consultancy, judicial and extrajudicial assistance provided to Italmobiliare Group by the associate professional studio Dewey LeBoeuf, of which Italmobiliare director Luca Minoli is a partner, for considerations totaling 229.9 thousand euro.

During the first semester Italmobiliare provided the Italcementi Cav. Lav. Carlo Pesenti foundation with 100 thousand euro for the donation made for the earthquake victims in Abruzzo. In relation to the contract for the supply of corporate administration services, the Italcementi group charged the Foundation approximately 121.8 thousand euro.

Disputes

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

Details of the main disputes have been provided above in the sections related to the individual sectors.

Adjustment for compliance with CONSOB market regulation

In reference to the *Conditions for the listing of particular companies*, as set out in the CONSOB market regulation, it should be noted that, on the basis of the «2008 Review Plan», two more non-EU companies fall within the «relevant» consolidation, as defined in art. 36, para. 2, compared to the scope of consolidation which had been previously identified.

The procedure has been applied to them which was established during compliance with the regulation in question and all the conditions have been respected which are envisaged for the maintenance of the company's listing as "*Company controlling non-EU companies set up and governed by the law of states which do not belong to the European Union*".

Therefore, currently the provision is applied to 44 subsidiaries which are located in 12 countries which do not belong to the European Union.

Outlook

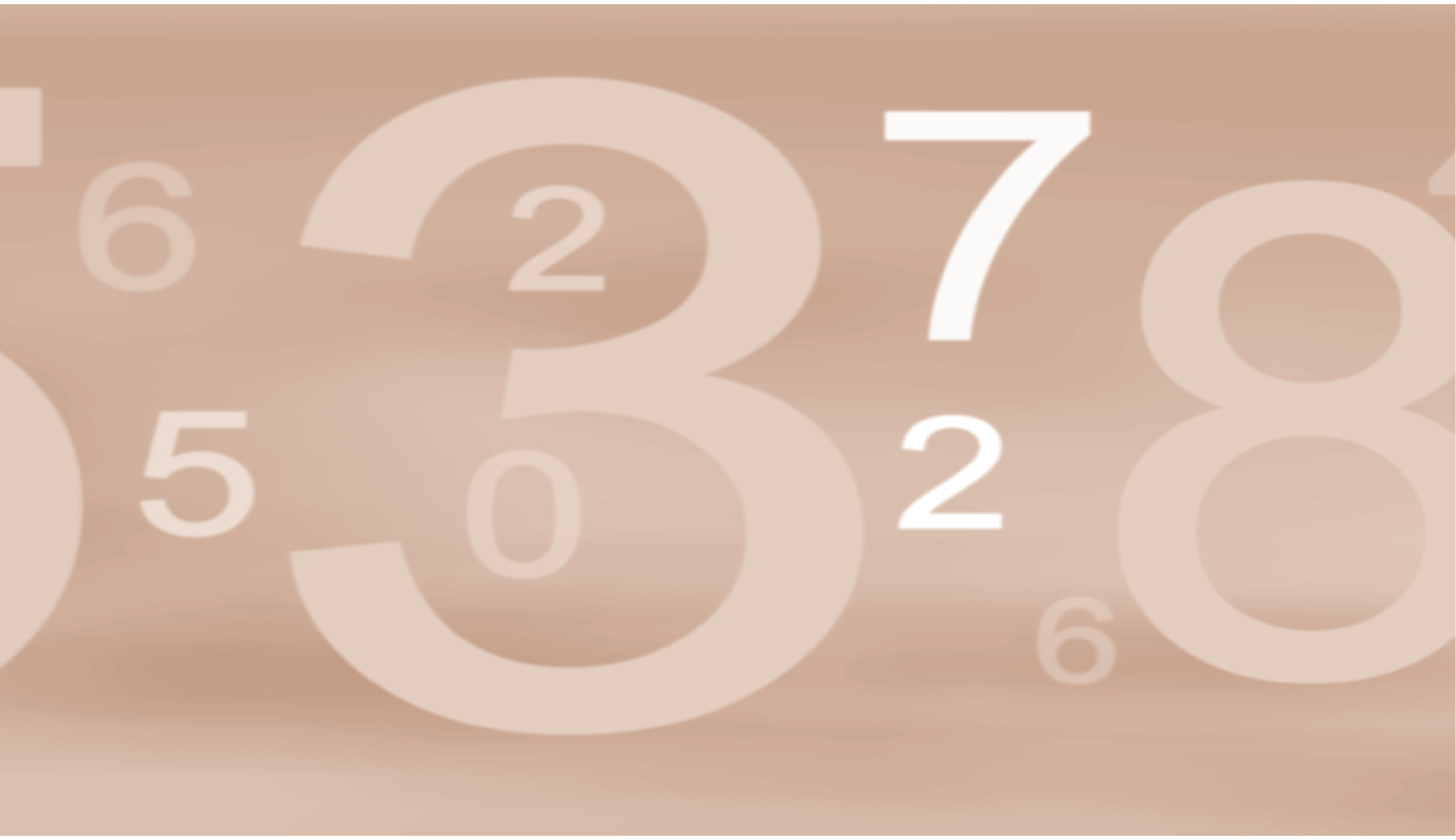
The general economic situation, although showing some signs of improvement, is still in a critical state and will affect the results of the sectors in which the Group operates. While there is a slowdown in the crisis and a recovery in some markets, there is still uncertainty to the real and final passing of the worst stage, making it currently impossible to predict developments after the summer.

In this situation, given the continuing uncertainties for the remaining six months of the year which have been identified and described for the individual sectors, to which reference should be made, and taking account of the varying weights of each sector, it is very difficult currently to make a reliable forecast of the Group's consolidated result for the full year.

Milan, August 7, 2009

for The Board of Directors
The Chairman
Giampiero Pesenti

Interim condensed consolidated financial statements



Financial statements

Balance sheet

(in thousands of euro)	Notes	06.30.2009	12.31.2008 re-stated	Change
Non-current assets				
Property, plant and equipment	1	4,427,873	4,384,588	43,285
Investment property		39,145	29,344	9,801
Goodwill	2	2,036,273	2,035,059	1,214
Intangible assets		134,502	137,805	(3,303)
Investments in associates	3	357,300	342,971	14,329
Other equity investments	4	705,277	634,736	70,541
Non-current trade and other receivables		132,237	165,369	(33,132)
Deferred tax assets		51,969	46,371	5,598
Non-current receivables due from employees		1,657	205	1,452
Total non-current assets		**7,886,233**	**7,776,448**	**109,785**
Current assets				
Inventories		821,534	984,189	(162,655)
Trade receivables	5	1,180,064	1,176,744	3,320
Other assets		420,453	454,036	(33,583)
Income tax assets		68,521	105,628	(37,107)
Equity investments and financial receivables	6	858,512	810,292	48,220
Cash and cash equivalents	7	666,178	590,535	75,643
Total current assets		**4,015,262**	**4,121,424**	**(106,162)**
Total assets		**11,901,495**	**11,897,872**	**3,623**
Shareholders' equity				
Share capital	8	100,167	100,167	
Reserves	9	354,825	300,057	54,768
Treasury shares, at cost	10	(21,226)	(21,226)	
Retained earnings	9	1,836,036	1,800,521	35,515
Group shareholders' equity		**2,269,802**	**2,179,519**	**90,283**
Minority interests		3,273,101	3,308,715	(35,614)
Total shareholders' equity		**5,542,903**	**5,488,234**	**54,669**
Non-current liabilities				
Interest-bearing loans and long-term borrowings	12	3,128,779	2,970,766	158,013
Employee benefit liabilities		176,478	176,557	(79)
Non-current provisions	11	264,164	287,446	(23,282)
Other non-current liabilities		58,670	43,083	15,587
Deferred tax liabilities		263,038	291,095	(28,057)
Total non-current liabilities		**3,891,129**	**3,768,947**	**122,182**
Current liabilities				
Bank overdrafts and short-term borrowings	12	332,458	560,446	(227,988)
Interest-bearing loans and short-term borrowings	12	317,532	269,618	47,914
Trade payables	13	613,114	738,399	(125,285)
Current provisions	11	1,956	1,989	(33)
Income tax liabilities		51,064	64,575	(13,511)
Other current liabilities	14	1,151,339	1,005,664	145,675
Total current liabilities		**2,467,463**	**2,640,691**	**(173,228)**
Total liabilities		**6,358,592**	**6,409,638**	**(51,046)**
Total shareholders' equity and liabilities		**11,901,495**	**11,897,872**	**3,623**

Pursuant to Consob resolution no. 155519 of July 27, 2006, the effects of dealings with related parties on balance sheet, income statement and financial items are shown in the specific explanatory annexes.

Income statement

(in thousands of euro)	Notes	H1 2009	%	H1 2008 re-stated	%	Change	%
Revenues	15	**2,776,679**	**100.0**	**3,139,501**	**100.0**	**(362,822)**	**-11.6**
Other revenues		25,775		29,837		(4,062)	
Change in inventories		(71,669)		831		(72,500)	
Internal work capitalized		22,504		15,712		6,792	
Goods and utilities expenses	16	(1,023,368)		(1,209,140)		185,772	
Services expenses	17	(586,753)		(705,560)		118,807	
Employee expenses	18	(506,895)		(519,808)		12,913	
Other operating income (expense)	19	(96,121)		(136,456)		40,335	
Recurring EBITDA		**540,152**	**19.5**	**614,917**	**19.6**	**(74,765)**	**-12.2**
Net capital gains on sale of fixed assets	20	4,731		6,041		(1,310)	
Non-recurring employee expenses for reorganizations	20	(12,848)		(4,340)		(8,508)	
Other non-recurring income (expense)	20	(1,102)		622		(1,724)	
EBITDA		**530,933**	**19.1**	**617,240**	**19.7**	**(86,307)**	**-14.0**
Amortization and depreciation	1	(232,926)		(223,728)		(9,198)	
Impairment variation	1	(24,242)		(23)		(24,219)	
EBIT		**273,765**	**9.9**	**393,489**	**12.5**	**(119,724)**	**-30.4**
Finance income	21	16,352		24,612		(8,260)	
Finance costs	21	(68,758)		(89,148)		20,390	
Net exchange rate differences and net derivatives	21	(6,491)		(6,218)		(273)	
Impairment on financial assets		(2,412)		(15,235)		12,823	
Share of results of associates	3	19,098		14,061		5,037	
Profit before tax		**231,554**	**8.3**	**321,561**	**10.2**	**(90,007)**	**-28.0**
Income tax expense	22	(67,322)		(85,250)		17,928	
Net profit (loss) from discontinued operations							
Net profit for the period		**164,232**	**5.9**	**236,311**	**7.5**	**(72,079)**	**-30.5**
Attributable to:							
Group		58,682	2.1	67,451	2.1	(8,769)	-13.0
Minority interests		105,550	3.8	168,860	5.4	(63,310)	-37.5
Earnings per share							
- Basic							
ordinary shares	23	1.543 €		1.776 €			
savings shares	23	1.582 €		1.815 €			
- Diluted							
ordinary shares	23	1.543 €		1.773 €			
savings shares	23	1.582 €		1.812 €			

Comprehensive income

(in thousands of euro)	H1 2009	%	H1 2008 re-stated	%	Change	%
Net profit for the period	**164,232**	**12.9**	**236,311**	**16.5**	**(72,079)**	**-30.5**
Fair value adjustments to:						
Available-for-sale financial assets	79,952		(492,864)		572,816	
Derivative financial instruments	(36,656)		18,323		(54,979)	
Translation differences	(53,257)		(212,481)		159,224	
Tax relating to components of other comprehensive income	9,534		13,462		(3,928)	
Components of other comprehensive income	**(427)**		**(673,560)**		**673,133**	
Total comprehensive income	**163,805**	**12.8**	**(437,249)**	**-30.6**	**601,054**	**-137.5**
Attributable to:						
Group	99,292		(346,626)		445,918	
Minority interests	64,513		(90,623)		155,136	

Changes in shareholders' equity

(in thousands of euro)	Attributable to equity holders of the parent										Minority interests	Total shareholders' equity
		Reserves										
	Share capital	Share premium reserve	Reserve for general banking risks	Fair value reserve for AFS	Fair value reserve for derivatives	Other reserves	Treasury shares	Translation reserves	Retained earnings	Total capital and reserves		
Balances at December 31, 2007	**100,167**	**177,191**	**15,713**	**613,875**	**5,862**	**45,538**	**-21,226**	**-21,615**	**1,994,107**	**2,909,612**	**3,390,564**	**6,300,176**
Net profit for the period									67,451	67,451	168,860	236,311
Income			480	-367,466	6,871			-53,962		-414,077	-259,483	-673,560
Totale comprehensive income			**480**	**-367,466**	**6,871**			**-53,962**	**67,451**	**-346,626**	**-90,623**	**-437,249**
Stock options						3.421				3,421	4,285	7,706
Dividends									-61,474	-61,474	-127,660	-189,134
% change in control and consolidation area						332		480	8,413	9,225	-14,412	-5,187
Balances at June 30, 2008	**100,167**	**177,191**	**16,193**	**246,409**	**12,733**	**49,291**	**-21,226**	**-75,097**	**2,008,497**	**2,514,158**	**3,162,154**	**5,676,312**
Net profit for the period									-172,051	-172,051	51,936	-120,115
Income			1,341	-196,392	-11,772			36.548		-170.275	121.814	-48.461
Totale comprehensive income			**1,341**	**-196,392**	**-11,772**			**36,548**	**-172,051**	**-342,326**	**173,750**	**-168,576**
Stock options						3,865				3,865	4,455	8,320
Dividends											-4,243	-4,243
% change in control and consolidation area						786		1,341	1,283	3,410	-27,401	-23,991
Other			412							412		412
Balances at December 31, 2008	**100,167**	**177,191**	**17,946**	**50,017**	**961**	**53,942**	**-21,226**	**-37,208**	**1,837,729**	**2,179,519**	**3,308,715**	**5,488,234**
Net profit for the period									58,682	58,682	105,550	164,232
Income			-488	63,022	-8,849			-13,075		40,610	-41,037	-427
Totale comprehensive income			**-488**	**63,022**	**-8,849**			**-13,075**	**58,682**	**99,292**	**64,513**	**163,805**
Stock options						3,210				3,210	3,919	7,129
Dividends											-103,531	-103,531
% change in control and consolidation area						-2,127		-488	-9,604	-12,219	-515	-12,734
Balances at June 30, 2009	**100,167**	**177,191**	**17,458**	**113,039**	**-7,888**	**55,025**	**-21,226**	**-50,771**	**1,886,807**	**2,269,802**	**3,273,101**	**5,542,903**

Cash flow statement

(in thousands of euro)			H1 2009	H1 2008 re-stated
A) Cash flow from operating activities				
Profit before tax			231,554	321,561
Adjustments for:				
	Amortization, depreciation and impairment		261,199	239,637
	Reversal of undistributed results of associates		(14,873)	(9,725)
	Capital (gains) losses on sale of fixed assets		(24,909)	(9,406)
	Change in employee benefit liabilities and other provisions		(12,585)	(3,090)
	Stock options		7,129	7,656
	Reversal of finance costs		33,839	22,196
Cash flow from operating activities before tax, finance income/costs and change in working capital			**481,354**	**568,829**
Change in working capital:				
	Inventories		153,166	(32,560)
	Trade receivables		15,865	(183,491)
	Trade payables		(129,529)	8,990
	Other receivables/payables, accruals and deferrals		33,149	3,239
Change in working capital			72,651	(203,822)
Cash flow from operating activities before tax, finance income/costs:			**554,005**	**365,007**
	Net finance costs paid		(36,622)	(59,179)
	received		1,649	32,851
	Taxes paid		(76,627)	(100,120)
	Income from derivatives		248	515
			(111,352)	**(125,933)**
	Total A)		**442,653**	**239,074**
B) Cash flow from investing activities:				
Investments in fixed assets:				
	Property, plant and equipment and investment property		(367,750)	(325,051)
	Intangible assets		(10,252)	(3,450)
	Financial assets (equity investments) net of cash acquired (*)		(17,621)	(173,952)
	Other		(8,053)	(805)
	Total investments		**(403,676)**	**(503,258)**
	Proceeds from divestments of fixed assets and repayment of loans		22,744	80,413
	Total divestments		**22,744**	**80,413**
	Total B)		**(380,932)**	**(422,845)**
C) Cash flow from financing activities:				
	New interest-bearing loans and long-term borrowings		103,045	348,719
	Change in financial receivables		11,637	11,873
	Change in current equity investments		1,791	15,343
	Expenses from derivatives		(625)	
	Dividends paid		(96,050)	(189,134)
	Other movements		3,266	241
	Total C)		**23,064**	**187,042**
	Currency translation differences and other changes		**(9,142)**	**(16,927)**
D) Currency translation differences and other changes	**Total D)**		**(9,142)**	**(16,927)**
E) Cash and cash equivalents of Calcestruzzi				**(2,991)**
E) Change in cash and cash equivalents	**(A+B+C+D)**		**75,643**	**(16,647)**
F) Opening cash and cash equivalents			**590,535**	**501,527**
Closing cash and cash equivalents (E+F)	**(E+F)**	**7**	**666,178**	**484,880**

(*) cash and cash equivalents of companies purchased and subsidiaries			6,139	1,655

Notes to the Interim condensed consolidated financial statements

The Italmobiliare S.p.A. condensed consolidated financial statements as at and for the half-year to June 30, 2009, were approved by the Board of Directors on August 7, 2009. At the meeting, the Board authorized publication of a press release dated August 7, 2009, containing key information from the interim financial statements.

Declaration of compliance with the IFRS – Accounting policies

The interim condensed consolidated financial statements have been drawn up in compliance with the International Financial Reporting Standards (IFRS) applicable at June 30, 2009, adopted by the EC Commission; specifically, these interim condensed consolidated financial statements have been drawn up in compliance with International Accounting Standard 34 governing interim financial reporting.
The interim condensed consolidated financial statements do not present all the information and notes published in the annual report and should therefore be read in conjunction with the Italmobiliare S.p.A. consolidated financial statements as at and for the year to December 31, 2008.

The accounting policies used to draw up the interim condensed consolidated financial statements are consistent with those used to draw up the Group annual report at December 31, 2008, with the exception of the adoption of the following standards and interpretations approved by the European Union and applicable as from January 1, 2009:

- IAS 1 revised "Presentation of financial statements": approved by the European Commission in December 2008. This standard requires presentation of a "statement of comprehensive income" including, in addition to the usual income statement items, components previously included directly in shareholders' equity. In applying this standard, the Group has elected to present its comprehensive income using two statements: the first statement reflects traditional income statement components and the net result for the period, while the second statement, beginning with the net result for the period, presents other components of comprehensive income, previously reflected only in the statement of movements in consolidated shareholders' equity: fair value gains and losses on available-for-sale financial assets and financial derivatives, translation gains and losses and the related tax effect.
- IAS 23 revised "Borrowing costs": approved by the European Commission in December 2008. This standard requires capitalization of finance costs that are directly attributable to the acquisition, construction or production of "qualifying assets". In compliance with paragraph 28 of IAS 23, the Group has established January 1, 2006, as the commencement date for capitalization of finance costs. As a result of the change in accounting treatment, the value of property, plant and equipment has increased and the value of net finance costs has decreased.
- IFRS 8 "Operating segments": approved by the European Commission in November 2008. This standard replaces IAS 14 "Segment reporting" and governs disclosures on business segments. This standard requires disclosure regarding the Group's operating sectors and replaces the need to determine the Group's primary (business) and secondary (geographical) reporting segments. The adoption of this change has no impact on the Group's financial position or performance.

IFRS2 revision "Share-based payments" and IFRIC 14 "The limit on a defined benefit asset, minimum funding requirements and their interaction" approved by the European Commission in December 2008 and applicable as from January 1, 2009, did not have an impact on the Group consolidated accounts.

With regard to the criterion governing "Accounting treatment of interests held by minorities", the Group has decided to change the criterion applied until December 31, 2008, and to adopt the accounting treatment indicated by the new IFRS 3 and IAS 27, approved by the European Commission in June 2009, but which will be applicable for the period starting after June 30, 2009 (2010 for the Italmobiliare Group).

The new criterion is as follows:

- purchases of interests after control has been obtained do not require revaluation of identifiable assets and liabilities. The difference between the cost and the equity interest acquired is recognized as Group shareholders' equity;
- transactions that reduce the percentage interest held, without loss of control, are treated as sales to minorities and the difference between the interest sold and the price paid is recognized as Group shareholders' equity.

The preparation of the consolidated financial statements and the notes in conformity with the international accounting standards requires management to make estimates that affect the values of assets, liabilities, income and expense, such as amortization, depreciation and provisions, and the disclosures on contingent assets and liabilities in the notes.

Presentation of 2008 comparatives

To permit a right comparison, the 2008 figures have been re-stated for compliance with IAS 1 revised and IAS 23 revised as illustrated above, and with operations in Turkey consolidated on a line-by-line basis rather than in compliance with IFRS 5.

The main effects on the balance sheet and income statement arising from the re-statement of the figures published in 2008 are set out below:

(in thousands of euro)	06.30.2008 re-stated	06.30.2008 published	Change
Non-current assets	7,608,616	7,398,104	210,512
Current assets	4,262,783	4,143,353	119,430
Assets in respect of discontinued operations		327,693	(327,693)
Total assets	**11,871,399**	**11,869,150**	**2,249**
Group shareholders' equity	2,514,158	2,513,931	227
Minority interests	3,162,154	3,161,826	328
Total shareholders' equity	**5,676,312**	**5,675,757**	**555**
Non-current liabilities	3,770,694	3,748,402	22,292
Current liabilities	2,424,393	2,364,596	59,797
Liabilities directly relating to discontinued operations		80,395	(80,395)
Total shareholders' equity and liabilities	**11,871,399**	**11,869,150**	**2,249**

(in thousands of euro)	H1 re-stated	H1 published	Change
Revenues	3,139,501	3,028,140	111,361
Recurring EBITDA	614,917	610,719	4,198
EBITDA	617,240	612,985	4,255
EBIT	393,489	396,677	(3,188)
Profit before tax	321,561	321,120	441
Net profit from continuing operations	236,311	237,957	(1,646)
Net profit (loss) from discontinued operations		(336)	336
Net profit for the period	**236,311**	**237,621**	**(1,310)**
Attributable to:			
Group	**67,451**	**67,826**	**(375)**
Minority interests	**168,860**	**169,795**	**(935)**

Finance costs capitalized in the first half of 2008 totaled 2,876 thousand euro.

(in thousands of euro)	12.31.2008 re-stated	12.31.2008 published	Change
Non-current assets	7,776,448	7,765,368	11,080
Current assets	4,121,424	4,121,424	
Assets in respect of discontinued operations			
Total assets	**11,897,872**	**11,886,792**	**11,080**
Group shareholders' equity	2,179,519	2,177,322	2,197
Minority interests	3,308,715	3,304,253	4,462
Total shareholders' equity	**5,488,234**	**5,481,575**	**6,659**
Non-current liabilities	3,768,947	3,764,525	4,422
Current liabilities	2,640,691	2,640,692	(1)
Total shareholders' equity and liabilities	**11,897,872**	**11,886,792**	**11,080**

The changes in the balance sheet line items at December 31, 2008, reflect the cumulative effect of capitalization of finance costs as from January 1, 2006, in compliance with IAS 23 revised.

Principal exchange rates used to translate the financial statements of foreign entities

Exchange rates for 1 euro:

Currency	Average			Period end		
	H1 2009	Full year 2008	H1 2008	June 30, 2009	December 31, 2008	June 30, 2008
Thai baht	46.66850	48.47535	48.48030	48.14000	48.28500	52.73800
Czech crown	27.13016	24.94600	25.19066	25.88200	26.87500	23.89300
Slovak crown	-	31.26170	32.22270	-	30.12600	30.20500
Serbian dinar	93.99750	81.43250	81.84440	93.99540	89.39120	78.61810
Kuwaiti dinar	0.38648	0.39526	0.41122	0.40608	0.38449	0.41740
Moroccan dirham	11.15267	11.34752	11.42994	11.32590	11.19130	11.47530
Canadian dollar	1.60563	1.55942	1.54013	1.62750	1.69980	1.59420
US dollar	1.33266	1.47076	1.53042	1.41340	1.39170	1.57640
Hungarian florin	289.97900	251.51200	253.58400	271.55000	266.70000	235.43000
Swiss franc	1.50600	1.58739	1.64264	1.52650	1.48500	1.60560
Ukranian hrivna	10.50360	7.68728	7.57240	10.91830	10.95960	7.42106
Croatian kuna	7.38286	7.22389	7.27016	7.27300	7.35550	7.23650
Albanian lek	129.70008	122.71747	122.89602	131.32400	123.18400	122.01000
Moldavian leu	14.55077	15.23560	16.30920	15.89160	14.47400	15.58460
Bulgarian lev	1.95583	1.95583	1.95583	1.95583	1.95583	1.95583
Egyptian lira	7.46292	7.99545	8.31824	7.91091	7.67609	8.41127
Bosnian mark	1.95583	1.95583	1.95583	1.95583	1.95583	1.95583
New Turkish lira	2.14112	1.89525	1.87808	2.14690	2.14080	1.92710
New Romanian leu	4.23085	3.68264	3.67011	4.20720	4.02250	3.64150
Mauritanian ougulyia	350.18198	354.12828	371.77089	373.19400	363.93000	267.28500
Chinese renmimbi	9.10609	10.22361	10.79888	9.65450	9.49560	10.80510
Russian ruble	44.10120	36.42070	36.61500	43.88100	41.28300	36.94770
Indian rupee	65.60713	63.73427	62.39002	67.51800	67.63600	67.79740
Sri Lankan rupee	153.59456	159.24368	165.06927	162.44700	157.20600	169.79800
Pound sterling	0.89408	0.79628	1.77521	0.85210	0.95250	0.79225
Kazakh tange	193.17595	176.96299	184.46973	212.62000	168.22700	190.36000
Polish zloty	4.47441	3.51210	3.49011	4.45200	4.15350	3.35130

The exchange rates used to translate the financial statements of the foreign entities are those published by the Bank of Italy, with the exception of the "New Turkish lira", published by the Turkish Central Bank.

Scope of consolidation

Changes in the scope of consolidation

The main changes in the scope of consolidation compared to 2008 are as follows:

- line-by-line consolidation as from January 25, 2008, of the Verticalnet group (USA), which is part of the BravoSolution e-business group;
- line-by-line consolidation as from March 1, 2008, of Crider & Shockey (USA) in the ready mixed concrete sector;
- line-by-line consolidation as from May 1, 2008, of Kuwait German Ready Mix (Kuwait) and from July 1, 2008 of Al Mahaliya (Kuwait), both in the ready mixed concrete sector;
- line-by-line consolidation as from the second half of 2008 of the companies Italgen Misr for Energy SAE (Egypt), Italgen Elektrik Uretim AS and Bares Elektrik Uretimi AS (Turkey), active in the energy sector and part of the Italgen group;
- line-by-line consolidation as from April 2009 of Masoni Sas and Beton Masoni Sas (France), active in ready mixed concrete;
- line-by-line consolidation as from May 2009 of Gulf Ready Mix (Kuwait), active in ready mixed concrete;
- line-by-line consolidation of Dorner Pack (Austria) as from the second quarter of 2009, active in food packaging;
- line-by-line consolidation of Banca Hugo Kahn (now Finanzgesellschaft Hugo Kahn & Co AG), consolidated as from October 2008.

- The valuation of RCS MediaGroup (Italy) on an equity basis as from December 31, 2008.

- The deconsolidation of the Italmobiliare International BV and Populonia Italica S.r.l. (Italy).

Seasonal nature of interim business

The Group’s core businesses are subject to seasonal trends and this must be taken into account when examining and assessing performance in interim periods. Specifically, operations are affected by meteorological conditions, which usually are less favorable in the winter months (in Europe and North America), although obviously they vary from year to year. Consequently, performance in the first semester of the year is not necessarily a reliable indicator of a full-year trend.

Segment reporting

The sectors in which the Group operates and which are reported by segment as required by IFRS 8 are: construction materials sector, other industrial sectors (packaging and insulation), financial sector, banking sector, property sector, services and other.
The managerial and organizational structure of the Group basically reflects the segment reporting by business sector as described above. In addition to the segment reporting required by IFRS 8, the information below is also divided by geographical area.
The Group's geographical areas for segment reporting are: the European Union, other European countries, North America, Asia, Africa, Trading and others.

IFRS 8 reporting by business sector

The following table sets out the revenues and results for the segment at June 30, 2009:

(in thousands of euro)	Revenues	Intragroup sales	Contributive revenues	Recurring EBITDA	EBITDA	EBIT	Finance income (costs)	Impairment on financial assets	Share of results of associates	Profit before tax	Income tax expense
Construction materials	2,585,771	(3,946)	2,581,825	497,383	488,206	237,897			3,473		
Packaging and insulation	118,422		118,422	13,627	13,627	7,564					
Finance	91,671	(35,611)	56,060	58,430	58,371	58,340		(2,412)	15,629		
Banking	20,100	(515)	19,585	3,601	3,614	2,899					
Property, services, others	1,370	(583)	787	25	29	(20)			(4)		
Unallocated items and adjustments	(40,655)	40,655		(32,914)	(32,914)	(32,915)	(58,897)			231,554	(67,322)
Total	**2,776,679**		**2,776,679**	**540,152**	**530,933**	**273,765**	**(58,897)**	**(2,412)**	**19,098**	**231,554**	**(67,322)**

The following table sets out the revenues and results for the segment at June 30, 2008:

(in thousands of euro)	Revenues	Intragroup sales	Contributive revenues	Recurring EBITDA	EBITDA	EBIT	Finance income (costs)	Impairment on financial assets	Share of results of associates	Profit before tax	Income tax expense
Construction materials	2,926,055	(2,926)	2,923,129	593,257	595,053	378,068		(15,235)	13,089		
Packaging and insulation	130,101		130,101	11,528	11,528	5,443					
Finance	108,093	(51,101)	56,992	48,020	48,471	48,445			971		
Banking	22,795		22,795	4,843	4,840	4,252					
Property, services, others	7,011	(527)	6,484	5,724	5,802	5,741			1		
Unallocated items and adjustments	(54,554)	54,554		(48,455)	(48,454)	(48,460)	(70,754)			321,561	(85,250)
Total	**3,139,501**		**3,139,501**	**614,917**	**617,240**	**393,489**	**(70,754)**	**(15,235)**	**14,061**	**321,561**	**(85,250)**

The following table sets out further figures for the segment at June 30, 2009:

(in thousands of euro)	June 30, 2009 Total assets	June 30, 2009 Total liabilities	June 30, 2009 Capital expenditure	Financial investments	Amortization/ depreciation of fixed assets	Impairment variation
Construction materials	9,902,427	5,322,505	361,892	32,584	226,080	24,229
Packaging and insulation	262,277	217,434	5,614	2,975	6,051	13
Finance	1,664,588	373,249	2	9	31	
Banking	633,479	534,908	1,531		715	
Property, services, others	16,136	9,821	164		49	
Inter-sector eliminations	(577,412)	(99,325)				
Total	**11,901,495**	**6,358,592**	**369,203**	**35,568**	**232,926**	**24,242**

The following table sets out further figures for the segment at December 31, 2008 and June 30, 2008:

(in thousands of euro)	December 31, 2008 Total assets	December 31, 2008 Total liabilities	June 30, 2008 Capital expenditure	Financial investments	Amortization/ depreciation of fixed assets	Impairment variation
Construction materials	9,997,451	5,375,819	268,313	174,808	216,971	14
Packaging and insulation	271,242	223,814	12,204	830	6,088	
Finance	1,675,064	490,615	22	18,216	26	
Banking	519,015	418,344	880		589	
Property, services, others	27,076	12,243	60		54	9
Inter-sector eliminations	(591,976)	(111,197)		(12,600)		
Total	**11,897,872**	**6,409,638**	**281,479**	**181,254**	**223,728**	**23**

Additional reporting by geographical area

	Contributive revenues		Capital expenditure		Financial investments		Total assets		Total liabilities	
(in thousands of euro)	**06/30/09**	**06/30/08**	**06/30/09**	**06/30/08**	**06/30/09**	**06/30/08**	**06/30/09**	**12/31/08**	**06/30/09**	**12/31/08**
European Union	1,596,639	1,959,661	103,170	115,396	23,176	112,620	9,365,864	9,051,594	3,178,573	3,384,073
Other European	89,463	144,536	6,450	6,917		2,231	896,192	792,037	609,909	493,241
North America	189,315	228,216	127,841	73,851		32,367	1,207,348	1,112,102	662,341	542,863
Asia	204,305	202,402	30,206	43,267	2,061		879,227	853,834	240,881	196,321
Africa	580,433	461,249	95,937	32,877	100	822	2,211,970	2,268,790	528,706	574,841
Trading and other	116,524	143,437	5,599	6,171	10,231	33,214	4,147,133	4,106,862	2,315,676	2,287,337
Intragroup eliminations							(6,806,239)	(6,287,347)	(1,177,494)	(1,069,038)
Total	**2,776,679**	**3,139,501**	**369,203**	**278,479**	**35,568**	**181,254**	**11,901,495**	**11,897,872**	**6,358,592**	**6,409,638**

Assets

Non-current assets

1) Property, plant and equipment

Property, plant and equipment totaled 4,427,873 thousand euro. Additions arising from investments totaled 358,924 thousand euro and referred mainly to North America for 127,841 thousand euro, Morocco for 78,665 thousand euro, Italy for 48,046 thousand euro, France for 28,438 thousand euro and India for 23,213 thousand euro.

Depreciation charges for the period totaled 232,926 thousand euro (223,728 thousand euro in the first half of 2008), impairment variations were 24,242 thousand euro (23 thousand euro in the first half of 2008) and referred to impairment losses on industrial plant in Thailand for 19.2 million euro, in Italy for 3.8 million euro and in Spain for 1.2 million euro. The impairment loss in Thailand concerned the cement plant at Cha-am for 7.2 million euro and the grinding center at Takli for 12 million euro; it was necessary to write down these assets due to the low probability of a recovery in operations on the market where they operate and owing to their inability to compete on costs with the cement plant at Pukhran; this led to the total impairment of the two plants.
The impairment in Italy was necessary following the termination of production at the subsidiary Società del Gres Ing. Sala S.p.A..

Fixed assets pledged as security for bank loans were carried at a net amount of 187.0 million euro at June 30, 2009 (156 million euro at December 31, 2008). The increase refers to buildings pledged as security for increased drawings on lines of credit by the Indian subsidiary Zuari Cement in connection with current investments.

The commitments for purchases of property, plant and equipment are shown in the following table:

(in millions of euro)	June 30, 2009			
		less than 1 year	1 to 5 years	over 5 years
Commtiments for purchases of PPE	374.6	315.9	58.7	

2) Goodwill

Goodwill on the balance sheet at June 30, 2009 totaled 2,036,273 thousand euro as follows:

- construction materials sector for 1,990,134 thousand euro, of which 34,753 thousand euro recorded in Italmobiliare S.p.A.;
- packaging and insulation sector for 40,884 thousand euro;
- banking sector for 5,255 thousand euro.

In view of the unfavorable economic results posted in the first half of 2009 with respect to the budget projections, the Group conducted tests on the recoverable amount of goodwill attributed to some cash-generating units (CGUs).
No losses in value were found on any of these CGUs with respect to the values at December 2008.

3) Investments in associates

This caption reflects equity interests, including goodwill, in associates, which are consolidated with the equity method. The main associates are listed below:

(in thousands of euro)	Value of investments June 30, 2009	Value of investments December 31, 2008	Share of result H1 2009	Share of result H1 2008
Ciment Québec (Canada)	63,100	60,500	702	3,663
Vassiliko Cement Works (Cyprus)	63,100	66,100	(695)	5,691
Asment Cement (Morocco)	45,700	41,700	4,552	2,317
RCS Mediagroup (Italy)	83,900	88,600	(4,701)	
Mittel (Italy)	47,591	45,516	7,078	305
S.E.S. (Italy)	27,494	16,382	11,783	666
Techno Gravel (Egypt)	5,000	4,600	517	280
Acquitaine de transformation (France)	3,800	3,800		
Other	17,615	15,773	(138)	1,139
Total	**357,300**	**342,971**	**19,098**	**14,061**

4) Other equity investments

Other equity investments at June 30, 2009, were as follows:

(in thousands of euro)		Number of shares	June 30, 2009
Investments in listed companies			
Mediobanca		21,494,278	182,186
Unicredito		109,793,905	199,002
UBI		2,462,000	22,856
UBI Warrant		2,462,000	132
Intek		9,821,000	2,827
Intek Warrant		3,480,820	151
Goltas (Turkey)			43,106
Others			2,184
	Total		**452,444**
Investments in non-listed companies			
Gruppo Calcestruzzi			113,129
Fin Priv			17,188
Burgo Group			38,900
Banca Leonardo group			24,722
Sesaab			10,990
Others			47,904
	Total		**252,833**
At June 30, 2009			**705,277**

The fair value of listed companies was determined on the basis of the official share price on the last accounting day. For unlisted securities various assessment methods were used depending on their features and the available data, in accordance with IAS 39.

The net increase in fair value taken to equity for equity investments classified as available for sale was 79,952 thousand euro at June 30, 2009 and referred mainly to shares in Unicredito for 35,542 thousand euro, Mediobanca for 26,057 thousand euro, Goltas for 13,700 thousand euro, S.E.S. for 11,112 thousand euro and Burgo for -12,960 thousand euro.

The Calcestruzzi group was carried at 113.1 million euro at June 30, 2009 (111.1 million euro at December 31, 2008); the increase reflected the payment of 2 million euro for future share capital increases underwritten by the shareholders; Italcementi S.p.A. received no information and found no indications of a permanent impairment in the value recognized on the face of the balance sheet.

Current assets

5) Trade receivables

(in thousands of euro)	June 30, 2009	December 31, 2008	Change
Gross amount	1,264,339	1,247,964	16,375
Writedowns	(84,275)	(71,220)	(13,055)
Total	**1,180,064**	**1,176,744**	**3,320**

Trade receivables factored under the factoring programs stipulated by Ciments Calcia and Unibeton in December 2006, amounted to 144.9 million euro at June 30, 2009 (145.2 million euro at December 31, 2008).
Risk equivalent to approximately 90% of the factored amount is transferred with the receivables.

After this operation, the balance sheet continued to reflect:

- additional subordinate deposits for 25.0 million euro reflected under other current assets;
- non-transferred receivables, in the form of arranged guarantees, for 12.1 million euro reflected under trade receivables with balancing entries of 10.0 million euro in loans and borrowings and 2.1 million euro against miscellaneous receivables.

6) Equity investments and financial receivables

“Equity investments and financial receivables” were as follows:

(in thousands of euro)	June 30, 2009	December 31, 2009	Change
Securities and debentures	311,648	348,886	(37,238)
Equity investments for trading	50,819	54,703	(3,884)
Bank receivables	280,671	188,816	91,855
Other financial assets	215,374	217,887	(2,513)
Net amount	**858,512**	**810,292**	**48,220**

7) Cash and cash equivalents

(in thousands of euro)	June 30, 2009	December 31, 2008	Change
Cash and checks	66,126	8,967	57,159
Bank and postal accounts	497,651	486,121	11,530
Short-term deposits	102,401	95,447	6,954
Net amount	**666,178**	**590,535**	**75,643**

Short-term deposits have varying maturities within three months, in relation to the Group’s financial requirements; interest matures at the respective short-term rates.

Cash and cash equivalents are also shown under “Closing cash and cash equivalents” on the cash flow statement.

Shareholders' equity and liabilities

Share capital, reserves and retained earnings

8) Share capital

At June 30, 2009 the parent company's fully paid-up share capital totaled 100,166,937 euro divided into 38,525,745 shares with a par value of 2.6 euro each, as follows:

(number of shares)	June 30, 2009	December 31, 2008	Change
Ordinary shares	22,182,583	22,182,583	
Savings shares	16,343,162	16,343,162	
Total	**38,525,745**	**38,525,745**	

9) Reserves and retained earnings

Share premium reserve
This totaled 177,191 thousand euro and was unchanged on December 31, 2008.

Fair value reserve for available-for-sale financial assets
The increase of 64,076 thousand euro was mainly due to the application of the official stock market prices at June 30, 2009 for the evaluation of listed, available-for-sale companies, and, to a lesser extent, to the fair value assessment of other non-listed, available-for-sale equity investments.

Taxes for other income statement items
Taxes for other income statement items at June 30, 2009 totaled 9,534 thousand euro (13,462 thousand euro at June 30, 2008) and are due to deferred taxes on available-for-sale financial assets for -1,170 thousand euro (+13,462 thousand euro at June 30, 2008) and to deferred taxes on derivatives for 10,704 thousand euro.

Translation reserve
This reserve reflects exchange rate differences on the translation of the financial statements of consolidated foreign entities. At June 30, 2009 it stood at 50,771 thousand euro, referring to the following currencies:

(in millions of euro)	June 30, 2009	December 31, 2009	Change
Egypt (Lira)	(15.7)	(9.2)	(6.5)
US and Canada (Dollar)	(16.2)	(16.6)	0.4
Thailand (Baht)	2.5	2.1	0.4
Morocco (Dirham)	(2.2)	(0.6)	(1.6)
India (Rupee)	(9.6)	(9.4)	(0.2)
Turkey (Lira)	(7.5)	(7.3)	(0.2)
Switzerland (Franc)	(0.3)	1.6	(1.9)
Other countries	(1.8)	2.2	(4.0)
Net amount	**(50.8)**	**(37.2)**	**(13.6)**

Dividends paid
Dividends declared and paid by the parent company Italmobiliare S.p.A in 2009 and 2008 are detailed below:

	2009 (euro per share)	2008 (euro per share)	2009 (in thousands of euro)	2008 (in thousands of euro)
Ordinary shares		1.600		34,098
Savings shares		1.678		27,376
Total dividends				**61,474**

10) Treasury shares

At June 30, 2009 the value of treasury shares held was 21,226 thousand euro, unchanged on December 31, 2008, and was deducted against equity. Their breakdown was as follows:

	No. Ordinary shares	Carrying value (in thousands of euro)	No. Savings shares	Carrying value (in thousands of euro)	Total carrying value
At December 31, 2008	**871,411**	**20,830**	**28,500**	**396**	**21,226**
increases					
decreases					
At June 30, 2009	**871,411**	**20,830**	**28,500**	**396**	**21,226**

Ordinary treasury shares held at June 30, 2009 will service stock option plans for directors and managers.

Non-current liabilities

11) Provisions

Non-current and current provisions totaled 266,120 thousand euro at June 30, 2009 (289,435 thousand euro at December 31, 2008). They mainly include liabilities for environmental restoration of quarries, provisions for industrial re-organizations and provisions for tax and legal disputes.
During the first half of 2009 the fall of 23.3 million euro was mainly due to the use of funds for 35.1 million euro (of which 16.2 million euro were for the reorganization plans in Egypt and 11.9 million euro for tax disputes) and the allocation to provisions of 8.4 million euro (of which 1.7 million euro was for the fund for the contribution to company set-up in Egypt).

12) Loans and borrowings

Loans and borrowings are shown below by category, sub-divided by non-current and current liabilities:

(in thousands of euro)	June 30, 2009	December 31, 2008	Change
Amounts due to banks	1,800,426	1,659,781	140,645
Debentures	887,855	954,017	(66,162)
Financing entities	418,689	335,121	83,568
Finance lease payables	21,809	21,847	(38)
Interest-bearing loans and long-term borrowings	**3,128,779**	**2,970,766**	**158,013**
Fair value non-current hedging derivatives	56,611	40,188	16,423
Total interest-bearing loans and long-term borrowings	**3,185,390**	**3,010,954**	**174,436**
Amounts due to banks	332,458	560,446	(227,988)
Current portion loans and borrowings	83,004	83,448	(444)
Debentures	209,306	159,322	49,984
Financing entities	539,550	406,115	133,435
Finance lease payables	2,916	4,747	(1,831)
Financial accruals and deferred income	4,633	4,354	279
Short-term loans and borrowings	**1,171,867**	**1,218,432**	**(46,565)**
Fair value current hedging derivatives	10,824	27,090	(16,266)
Total short-term loans and borrowings	**1,182,691**	**1,245,522**	**(62,831)**
Total loans and borrowings	**4,368,081**	**4,256,476**	**111,605**

The Indian subsidiary Zuari Cement Limited, as part of the industrial investment for Yerraguntla and Chennai, on June 25, 2008, arranged a six-billion Indian rupee amortizable syndicated line of credit; in April 2009 the line of credit was reduced to 4.2 billion rupees.
At June 30, 2009 the line of credit was fully used; the value in euro is 62.2 million euro.

Medium/long-term "financing entities" at June 30, 2009 included "Billets de tesorerie" for 385 million euro (284 million euro at December 31, 2008).

Medium/long-term loans and borrowings were as follows by currency:

(in thousands of euro)	June 30, 2009	December 31, 2008	Change
Euro	2,582,661	2,499,295	83,366
US and Canadian dollar	362,217	384,427	(22,210)
Indian rupee	83,500	32,000	51,500
Moroccan dirham	44,100	11,400	32,700
Egyptian lira	33,100	35,100	(2,000)
Saudi Arabian rial	9,400		9,400
Chinese renmimbi		7,900	(7,900)
Polish zloty	3,388	41	3,347
Hungarian florin	544	579	(35)
Other	9,869	24	9,845
Total	**3,128,779**	**2,970,766**	**158,013**

The increase in loans in Indian rupees and Moroccan dirhams is due to the progress on industrial projects in India (Yerraguntla and Chennai) and in Morocco (Ait Baha).

Medium/long-term loans and borrowings were as follows by maturity:

(in thousands of euro)	June 30, 2009	December 31, 2008	Change
2009		25,294	(25,294)
2010	4,544	364,185	(359,641)
2011	593,264	485,395	107,869
2012	365,016	640,680	(275,664)
2013	654,490	441,971	212,519
2014	399,867	146,775	253,092
Beyond	1,111,598	866,466	245,132
Total	**3,128,779**	**2,970,766**	**158,013**

Guarantees on assets securing loans at June 30, 2009, amounted to 91.4 million euro, of which 77.9 million euro referred to the Indian subsidiaries.

During the first half of 2009 Ciment Français SA renewed lines of credit for 364 days for a total of 250 million euro. At the end of June these lines were not used.
At June 30, 2009, in addition to the loans and borrowings on the face of the balance sheet, the Group had confirmed and undrawn lines of credit for 6,016.1 million euro (7,322.5 million euro at December 31, 2008).

Net financial position

The net financial position at June 30, 2009 is set out in the following balance sheet items:

(in thousands of euro)	Balance sheet item	Non NFP	NFP	Short-term assets	Short-term financing	Long-term assets	Long-term financing
Non-current trade and other receivables	132,237	44,033	88,204	81		88,123	
Other current financial assets	420,453	295,850	124,603	124,603			
Financial receivables and equity investments for trading	858,512	290	858,222	858,222			
Cash and cash equivalents	666,178		666,178	666,178			
Interest-bearing loans and long-term borrowings	(3,128,779)		(3,128,779)				(3,128,779)
Other non-current liabilities	(58,670)	(2,059)	(56,611)				(56,611)
Bank overdrafts and short-term borrowings	(332,458)		(332,458)		(332,458)		
Interest-bearing loans and short-term borrowings	(317,532)		(317,532)		(317,532)		
Other current liabilities	(1,151,339)	(618,638)	(532,701)		(532,701)		
Total	**(2,911,398)**	**(280,524)**	**(2,630,874)**	**1,649,084**	**(1,182,691)**	**88,123**	**(3,185,390)**

Net debt at June 30, 2009 of 2,630,874 thousand euro was made up as follows:

(in thousands of euro)	June 30, 2009		December 31, 2008		Change	
Cash, cash equivalents and current financial assets	**1,649,084**		**1,573,543**		**75,541**	
Cash and cash equivalents		666,178		590,535		75,643
Derivative assets		18,786		35,503		(16,717)
Other current financial assets		964,120		947,505		16,615
Short-term financing	**(1,182,691)**		**(1,245,522)**		**62,831**	
Bank overdrafts		(332,458)		(560,446)		227,988
Interest-bearing loans and short-term borrowings		(839,409)		(657,986)		(181,423)
Derivative liabilities		(10,824)		(27,090)		16,266
Medium/long-term financial assets	**88,123**		**111,050**		**(22,927)**	
Long-term financial assets		62,137		52,666		9,471
Long-term derivative assets		25,986		58,384		(32,398)
Medium/long-term financing	**(3,185,390)**		**(3,010,954)**		**(174,436)**	
Interest-bearing loans and long-term borrowings		(3,128,779)		(2,970,766)		(158,013)
Long-term derivative liabilities		(56,611)		(40,188)		(16,423)
Net debt	**(2,630,874)**		**(2,571,883)**		**(58,991)**	

With the exclusion from the scope of consolidation of the Calcestruzzi group, consolidated net debt at June 30, 2009 continues to reflect the current account financial relationship between the subsidiary Italcementi S.p.A. and the Calcestruzzi group companies for 189.7 million euro (175.4 million euro at December 31, 2008).

The net financial position at June 30, 2009, calculated as envisaged in the CONSOB communication no. DEM 6064293/2006 of July 28, 2006 (excluding medium/long-term financial assets), totaled 2,718,997 thousand euro (2,682,933 thousand euro at December 31, 2008).

Derivatives

Here below is the fair value of financial derivatives recorded on the balance sheet broken down by the type of cover:

	June 30, 2009		December 31, 2008	
(in thousands of euro)	Assets	Liabilites	Assets	Liabilities
Interest-rate derivatives hedging cash flows		(2,449)	11	(307)
Interest-rate derivatives hedging fair value				
Trading interest-rate derivatives	1,692	(3,407)	1,503	(2,047)
Interest-rate derivatives	**1,692**	**(5,856)**	**1,514**	**(2,354)**
Exchange-rate derivatives hedging cash flows	220	(1,030)	1,798	(2,972)
Exchange-rate derivatives hedging fair value	14,281	(931)	15,192	(4,878)
Trading exchange-rate derivatives	260	(793)	182	(1,216)
Exchange-rate derivatives	**14,761**	**(2,754)**	**17,172**	**(9,066)**
Total current instruments	**16,453**	**(8,610)**	**18,686**	**(11,420)**
Interest-rate derivatives hedging cash flows	7,044	(26,277)	27,843	(13,715)
Interest-rate derivatives hedging fair value	18,942		30,541	
Interest-rate derivatives	**25,986**	**(26,277)**	**58,384**	**(13,715)**
Exchange-rate derivatives hedging cash flows				
Exchange-rate derivatives hedging fair value		(30,334)		(26,473)
Exchange-rate derivatives		**(30,334)**		**(26,473)**
Total non-current instruments	**25,986**	**(56,611)**	**58,384**	**(40,188)**
Banking derivatives - forwards	2,333	(2,214)	16,719	(15,572)
Banking derivatives - options			98	(98)
Banking derivatives	**2,333**	**(2,214)**	**16,817**	**(15,670)**
Total	**44,772**	**(67,435)**	**93,887**	**(67,278)**

Medium/long-term derivatives on interest rates reflected under assets for 25,986 thousand euro (58,384 thousand euro at December 31, 2008), referred mainly to:

- a cross currency swap, for 14.2 million euro, hedging a fixed-rate debenture for private investors issued in US dollars; at December 31, 2008, the derivative was carried under assets for 51.4 million euro;
- a floating-rate to fixed-rate interest-rate swap linked to the EURIBOR rate covering part of the fixed-rate 500 million euro debenture issued as part of the EMTN program; with an impact on assets of 10.3 million euro (7.2 million euro at December 31, 2008).

Medium/long-term interest-rate derivatives hedging fair value reflected under liabilities at June 30, 2009 for 30,334 thousand euro (26,473 thousand euro at December 31, 2008) referred to the cross currency swap hedging the fixed-rate debenture for private investors issued in US dollars.

13) Trade payables

"Trade payables" were as follows:

(in thousands of euro)	June 30, 2009	December 31, 2008	Change
Amounts due to suppliers	558,317	684,381	(126,064)
Bills payable	44,802	42,671	2,131
Other trade payables	9,995	11,347	(1,352)
Total	**613,114**	**738,399**	**(125,285)**

14) Other liabilities

"Other liabilities" were as follows:

(in thousands of euro)	June 30, 2009	December 31, 2008	Change
Due to employees	159,662	179,492	(19,830)
Due to tax authorities	62,521	41,688	20,833
Accruals and deferred income	56,906	29,592	27,314
Derivative instruments	8,610	11,420	(2,810)
Banking and insurance amounts due	524,091	404,045	120,046
Other amounts due	339,549	339,434	115
Total	**1,151,339**	**1,005,671**	**145,668**

Covenants

In addition to the customary clauses, some of the Group's financing contracts include covenants requiring compliance with financial ratios.
At June 30, 2009, the ratios in question were within the limits stipulated by the covenants.

Income statement

15) Revenues

Revenues from sales and services totaled 2,776,679 thousand euro, as follows:

(in thousands of euro)	H1 2009	H1 2008	Change	% change
Industrial revenues				
Product sales	2,628,429	2,959,213	(330,784)	-11.2%
Revenues from services	56,793	92,423	(35,630)	-38.6%
Other revenues	15,146	1,712	13,434	784.7%
Total	**2,700,368**	**3,053,348**	**(352,980)**	**-11.6%**
Financial revenues				
Interest	6,413	16,062	(9,649)	-60.1%
Dividends	3,077	34,919	(31,842)	-91.2%
Capital gains and other revenues	46,728	6,051	40,677	672.2%
Total	**56,218**	**57,032**	**(814)**	**-1.4%**
Banking revenues				
Interest	3,279	3,988	(709)	-17.8%
Commissions	14,528	15,964	(1,436)	-9.0%
Other revenues	1,501	2,693	(1,192)	-44.3%
Total	**19,308**	**22,645**	**(3,337)**	**-14.7%**
Property and services revenues	**785**	**6,476**	**(5,691)**	**-87.9%**
Grand total	**2,776,679**	**3,139,501**	**(362,822)**	**-11.6%**

16) Good and utilities expenses

Goods and utilities expenses amounted to 1,023,368 thousand euro, as follows:

(in thousands of euro)	H1 2009	H1 2008	Change	% change
Raw materials and semifinished goods	249,081	371,893	(122,812)	-33.0%
Fuel	198,595	295,624	(97,029)	-32.8%
Packaging, materials, machinery, other	163,962	190,627	(26,665)	-14.0%
Finished goods	98,789	132,506	(33,717)	-25.4%
Electricity, water, gas	220,767	230,707	(9,940)	-4.3%
Change in inventories of raw materials, consumables, other	92,174	(12,217)	104,391	-854.5%
Total	**1,023,368**	**1,209,140**	**(185,772)**	**-15.4%**

17) Services expenses

Services expenses amounted to 586,753 thousand euro, as follows:

(in thousands of euro)	H1 2009	H1 2008	Change	% change
External services and maintenance	219,145	280,454	(61,309)	-21.9%
Transport	223,074	270,428	(47,354)	-17.5%
Legal fees and consultancy	40,633	38,098	2,535	6.7%
Rents	41,166	45,909	(4,743)	-10.3%
Insurance	23,505	22,391	1,114	5.0%
Subscriptions	5,465	5,351	114	2.1%
Other	33,765	42,929	(9,164)	-21.3%
Total	**586,753**	**705,560**	**(118,807)**	**-16.8%**

The item “Other” mainly arises from the subsidiaries in the construction materials sector.

18) Employee expenses

Employee expenses totaled 506,895 thousand euro, as follows:

(in thousands of euro)	H1 2009	H1 2008	Change	% change
Wages and salaries	331,547	325,115	6,432	2.0%
Social security contributions	87,695	108,286	(20,591)	-19.0%
Provisions and pension funds	21,868	20,502	1,366	6.7%
Cost of stock option plans	7,129	7,706	(577)	-7.5%
Other expenses	58,656	58,199	457	0.8%
Total	**506,895**	**519,808**	**(12,913)**	**-2.5%**

“Other expenses” related mainly to costs of temporary personnel, canteen costs, employee insurance costs and personnel training and recruitment.

The number of employees is shown below:

(heads)	H1 2009	H1 2008	Change
Number of employees at period end	23,363	24,471	(1,108)
Average number of employees	23,528	24,392	(864)

Stock options

Based on the results posted in 2008, on March 25, 2009 the Italmobiliare Board of Directors granted a total of 19,350 options to managers, vesting from March 25, 2012.
The following table sets out the assumptions used and results obtained in measuring the above stock option plan:

	2008 plan
Value of option on grant date	3.78
Value of share	21.59
Exercise price	20.526
Volatility as %	25.0%
Length of option (in years)	10.00
Dividends %	7.41%
BTP 10-year risk-free rate	4.485%

The terms and conditions of the Italmobiliare S.p.A. stock option plans at June 30, 2009 were as follows:

Grant date	No. Options granted	Exercise period	Options exercised	Options cancelled	Unexercised options		Underwriting price per option
March 24, 2003	49,283	3/24/2006 - 3/23/2013	39,720		9,563	€	31.2800
March 30, 2004	96,080	3/30/2007 - 3/29/2014			96,080	€	35.1990
March 30, 2005	108,437	3/30/2008 - 3/29/2015			108,437	€	54.5355
March 21, 2006	109,880	3/21/2009 - 3/20/2016			109,880	€	65.7010
March 21, 2007	122,479	3/21/2010 - 3/20/2017			122,479	€	86.0685
March 28, 2008	124,200	3/28/2011 - 3/27/2018			124,200	€	59.9080
March 25, 2009	19,350	3/25/2012 - 3/24/2019			19,350	€	20.5260
Totale	**629,709**		**39,720**	**-**	**589,989**		

19) Other operating income (expense)

Other operating expense net of other operating income amounted to 96,121 thousand euro, as follows:

(in thousands of euro)	H1 2009	H1 2008	Change	% change
Other taxes	61,394	42,776	18,618	43.5%
Provision for bad debts	17,355	5,681	11,674	205.5%
Provision for environmental restoration - quarries	29,453	40,243	(10,790)	-26.8%
Interest expense and other charges of companies in financial and banking sectors	24,083	49,487	(25,404)	-51.3%
Miscellaneous income	(36,164)	(1,731)	(34,433)	1989.2%
Total	**96,121**	**136,456**	**(40,335)**	**-29.6%**

The change in “Other taxes” refers mainly to the higher taxes recorded in Egypt.
“Miscellaneous income” in the first half of 2009 includes capital gains from the trading of CO^2 emission rights for 18.8 million euro.

20) Non-recurring income (expense)

Non-recurring expense, net of income, totaled 9,219 thousand euro, as follows:

(in thousands of euro)	H1 2009		H1 2008	
Net capital gains on sale of fixed assets		**4,731**		**6,041**
Non-recurring employee expenses for re-organizations in Italy	(8,775)		(4,340)	
Non-recurring employee expenses for re-organizations in Thailand	(4,073)			
Total employee expenses for re-organizations		**(12,848)**		**(4,340)**
Other non-recurring income (expense)		**(1,102)**		**622**
Totale		**(9,219)**		**2,323**

21) Finance income (costs), net exchange-rate differences and derivatives

Finance costs, net of finance income, exchange-rate differences and derivatives, amounted to 58,897 thousand euro, as follows:

	H1 2009		H1 2008	
(in thousands of euro)	**Income**	**Costs**	**Income**	**Costs**
Interest income	9,890		15,585	
Interest expense		(69,291)		(77,943)
Subtotal	9,890	(69,291)	**15,585**	**(77,943)**
Net interest in respect of NFP		**(59,401)**		**(62,358)**
Net dividends	**1,765**		4,512	
Capital gains from disposal of equity investments	2,449		2,591	
Other finance income	2,248		1,924	
Capitalized interest expense		7,869		2,876
Other finance costs		(7,336)		(14,081)
Subtotal	6,462	533	**9,027**	**(11,205)**
Total finance income (costs)	**16,352**	**(68,758)**	**24,612**	**(89,148)**
Gains (losses) from interest-rate derivative contracts		(337)	393	
Gains (losses) from exchange-rate derivative contracts	3,546		2,038	
Net exchange rate differences		(9,700)		(8,649)
Net exchange rate differences and net derivatives		(6,491)		**(6,218)**
Total finance income (costs), exchange-rate differences and net derivatives		**(58,897)**		**(70,754)**

22) Income tax expense

Income tax expense for the period was 67,322 thousand euro, as follows:

(in thousands of euro)	H1 2009	H1 2008	Change	% change
Current tax	90,834	93,660	(2,826)	-3.0%
Prior-year tax and other prior-year fiscally driven items, net	1,410	7,873	(6,463)	-82.1%
Deferred tax liabilities	(24,922)	(16,283)	(8,639)	53.1%
Total	**67,322**	**85,250**	**(17,928)**	**-21.0%**

23) Earnings per share

Earnings per share at June 30, 2009 and 2008 is computed separately for ordinary shares and for savings shares, on the basis of the net profit for the period attributable to the parent company.

Basic earnings per share

The weighted average number of shares and attributable net profit are shown below:

	June 30, 2009		June 30, 2008	
(in thousands of shares)	Ordinary shares	Savings shares	Ordinary shares	Savings shares
No. shares at January 1	22,183	16,343	22,183	16,343
Treasury shares at January 1	(871)	(29)	(871)	(29)
Weighted average number of treasury shares sold during the period				
Total	**21,312**	**16,314**	**21,312**	**16,314**
Attributable net profit in thousands of euro	32,877	25,805	37,844	29,607
Basic earnings per share in euro	1.543	1.582	1.776	1.815

Net profit attributable to share categories was determined as shown below:

	June 30, 2009		June 30, 2008	
(in thousands of euro)	Ordinary shares	Savings shares	Ordinary shares	Savings shares
Net profit reserved for savings shareholders (0.078 euro per share)		636		636
Residual net profit apportioned to all shares	32,877	25,169	37,844	28,971
Total	**32,877**	**25,805**	**37,844**	**29,607**

Diluted earnings per share

Diluted earnings per share is computed in the same manner as basic earnings per share, taking account of the dilution effect of stock options.
The weighted average number of shares and attributable net profit are shown below:

	June 30, 2009		June 30, 2008	
(in thousands of shares)	Ordinary shares	Savings shares	Ordinary shares	Savings shares
Weighted average no. of shares at December 31	21,311	16,315	21,311	16,315
Dilution effect of stock options	1		55	
Total	**21,312**	**16,315**	**21,366**	**16,315**
Attributable net profit for diluted earnings per share in thousands of euro	32,878	25,804	37,886	29,565
Diluted earnings per share in euro	1.543	1.582	1.773	1.812

Net profit attributable to share categories was determined as shown below:

	June 30, 2009		June 30, 2008	
(in thousands of euro)	Ordinary shares	Savings shares	Ordinary shares	Savings shares
Net profit reserved for savings shareholders (0.078 euro per share)		636		636
Residual net profit apportioned to all shares	32,878	25,168	37,886	28,929
Total	**32,878**	**25,804**	**37,886**	**29,565**

24) Dealings with related parties

The following table sets out data on dealings with related parties at June 30, 2009:

(in thousands of euro)	Revenues (costs)	Trade receivables (payables)	Financial receivables (payables)	Finance income (costs)	Other operating income (expense)
Italmobiliare Group					
Subsidiaries and associates not consolidated on a line-by-line basis	17,504	10,441	18,108	195	414
	(12,262)	(2,200)	(612)	(6)	(652)
Companies in Calcestruzzi group	65,877	44,721	194,389	1,747	113
	(54)	(46)	(4,698)	(42)	(16)
Other related parties	92	95			29
	(621)	(210)			
Total	**83,473**	**55,257**	**212,497**	**1,942**	**556**
	(12,937)	**(2,456)**	**(5,310)**	**(48)**	**(668)**
% of financial statement items	3.0%	4.7%	12.2%	11.9%	0.6%
	0.6%	0.4%	0.1%	0.1%	0.7%

The corresponding figures at June 30, 2008 were:

(in thousands of euro)	Revenues (costs)	Trade receivables (payables)	Financial receivables (payables)	Finance income (costs)	Other operating income (expense)
Italmobiliare Group					
Subsidiaries and associates not consolidated on a line-by-line basis	12,129	8,946	7,218	77	318
	(16,546)	(3,249)	(1,323)	(27)	(8)
Companies in Calcestruzzi group	83,953	55,055	148,894	3,162	122
	(7)	(9)	(3,898)	(90)	(8)
Other related parties	97	66			478
	(482)	(10,104)			(16)
Total	**96,179**	**64,067**	**156,112**	**3,239**	**918**
	(17,035)	**(13,362)**	**(5,221)**	**(117)**	**(32)**
% of financial statement items	3.1%	4.6%	9.1%	13.2%	0.4%
	0.7%	1.8%	0.1%	0.1%	

Following the deconsolidation of the Calcestruzzi group, all business and financial transactions in the first half of 2008 with Calcestruzzi S.p.A. and the companies in its group are treated as dealings with related parties.

Revenues from and purchases of goods and services in respect of subsidiaries and associates related in the main to transactions with companies consolidated on a proportionate basis, of which the most significant are Société des Carrieres du Tournaisis, Medcem S.r.l. Atlantica de Graneles and Les Calcaires Girondins S.a.s. and with associates, including the Ciments Quebec Inc. group, Vassiliko Cement Ltd and Beton Ata LLP.

25) Non-recurring transactions

The following table itemizes the most significant non-recurring transactions and their impact on Group shareholders' equity, financial position and net profit:

(in thousands of euro)	2009					
	Shareholders' equity		Net profit for the period		Net debt	
	amount	%	amount	%	amount	%
Book values	**5,542,903**		**164,232**		**(2,630,874)**	
Net capital gains on sale of fixed assets	4,731	0.09%	4,731	2.88%	13,771	0.52%
Non-recurring employee expenses for reorganizations	(12,848)	0.23%	(12,848)	7.82%		
Other non-recurring income (expense)	(1,102)	0.02%	(1,102)	0.67%	(100)	0.00%
Tax on non-recurring transactions	2,339	0.04%	2,339	1.42%		
Non-recurring tax						
Total	**(6,880)**	**0.12%**	**(6,880)**	**4.19%**	**13,671**	**0.52%**
Figurative value without non-recurring transactions	**5,549,783**		**171,112**		**(2,644,545)**	

(in thousands of euro)	2008					
	Shareholders' equity		Net profit for the period		Net debt	
	amount	%	amount	%	amount	%
Book values	**5,676,313**		**236,311**		**(2,375,284)**	
Net capital gains on sale of fixed assets	6,041	0.11%	6,041	2.56%	19,565	0.82%
Non-recurring employee expenses for reorganizations	(4,340)	0.08%	(4,340)	1.84%		
Other non-recurring income (expense)	622	0.01%	622	0.26%	(2,012)	0.08%
Tax on non-recurring transactions	(931)	0.02%	(931)	0.39%		
Non-recurring tax						
Total	**1,392**	**0.02%**	**1,392**	**0.59%**	**17,553**	**0.74%**
Figurative value without non-recurring transactions	**5,674,921**		**234,919**		**(2,392,837)**	

Post balance-sheet events

No significant events have taken place since closure of the half-year that require amendments to or additional comments on the Group balance sheet, income statement and financial position at June 30, 2009.
For further details reference should be made to the half-year directors' report.

Milan, August 7, 2009

for The Board of Directors
The Chairman
Giampiero Pesenti

ITALMOBILIARE

(Translation from the original Italian text)

Certification of the Interim condensed consolidated financial statements pursuant to art. 81-ter of CONSOB Regulation no. 11971 of May 14, 1999 and subsequent changes and additions

1. The undersigned Giampiero Pesenti, Chief Executive Officer and Angelo Maria Triulzi, Manager in Charge of preparing the company financial reports of Italmobiliare S.p.A., also taking into consideration art. 154-*bis*, paragraphs 3 and 4, of Legislative Decree no. 58 of February 24, 1998, do hereby certify:

   - the adequacy in relation to the company structure and
   - the actual application

   of the administrative and accounting procedures adopted for the preparation of the interim condensed consolidated financial statements, in the period from January 1, 2009 to June 30, 2009.

2. The assessment of the adequacy of the administrative and accounting procedures adopted for the preparation of the condensed half-year financial statements at June 30, 2009 is based on a pattern identified by Italmobiliare according to the CoSO framework (illustrated in the *CoSO Report*) and also takes into account the document "*Internal Control over Financial Reporting – Guidance for Smaller Public Companies*", both issued by the Committee of Sponsoring Organizations of the Treadway Commission, representing a generally accepted international framework.

3. It is also certified that:

   3.1 the interim condensed consolidated financial statements:

   a) were prepared in compliance with applicable international financial reporting standards recognized by the European Community pursuant to European Parliament and Council Regulation no. 1606/2002 of July 19, 2002;

   b) correspond to the accounting books and entries;

   c) are suitable to provide a true and fair presentation of the equity, income and financial situation of the issuer and of the companies included in the consolidation area.

   3.2 The interim directors' report includes a reliable analysis of the important events which occurred in the first six months of the year and their impact on the interim condensed consolidated financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The interim directors' report also includes a reliable analysis of the information on significant dealings with related parties.

August 7, 2009

Signed by: Giampiero Pesenti, Chief Executive Officer
Signed by: Angelo Maria Triulzi, Manager in Charge

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Auditors' review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

To the Shareholders of
Italmobiliare S.p.A.

1. We have reviewed the interim condensed consolidated financial statements, comprising the balance sheet, the statement of income, comprehensive income, changes in shareholders' equity and cash flows and the related explanatory notes, of Itamobiliare S.p.A. and its subsidiaries (the "Italmobiliare Group") as of June 30, 2009. Management of Italmobiliare S.p.A. is responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to issue this review report based on our review.

2. We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July 31, 1997. Our review consisted mainly of obtaining information on the accounts included in the interim condensed consolidated financial statements and the consistency of the accounting principles applied, through discussions with management, and of applying analytical procedures to the financial data presented in these consolidated financial statements. Our review did not include the application of audit procedures such as tests of compliance and substantive procedures on assets and liabilities and was substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements as we expressed on the annual consolidated financial statements.

   With respect to the consolidated financial statements of the prior year and the interim condensed consolidated financial statements of the corresponding period of the prior year, presented for comparative purposes, which have been restated to apply IAS 1 (2007) and certain other new standards, as reported in the explanatory notes, reference should be made to our reports issued on April 8, 2009 and on August 8, 2008, respectively. We have examined the methods adopted to restate the comparative financial data and the information presented in the explanatory notes in this respect, for the purpose of this review report.

3. Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Italmobiliare Group as of June 30, 2009 are not prepared, in all material respects, in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, August 10, 2009

Reconta Ernst & Young S.p.A.
Signed by: Felice Persico, partner

This report has been translated into the English language solely for the convenience of international readers

September 2009
Project of LSVmultimedia
Olginate - Lecco

Printed on ecological paper