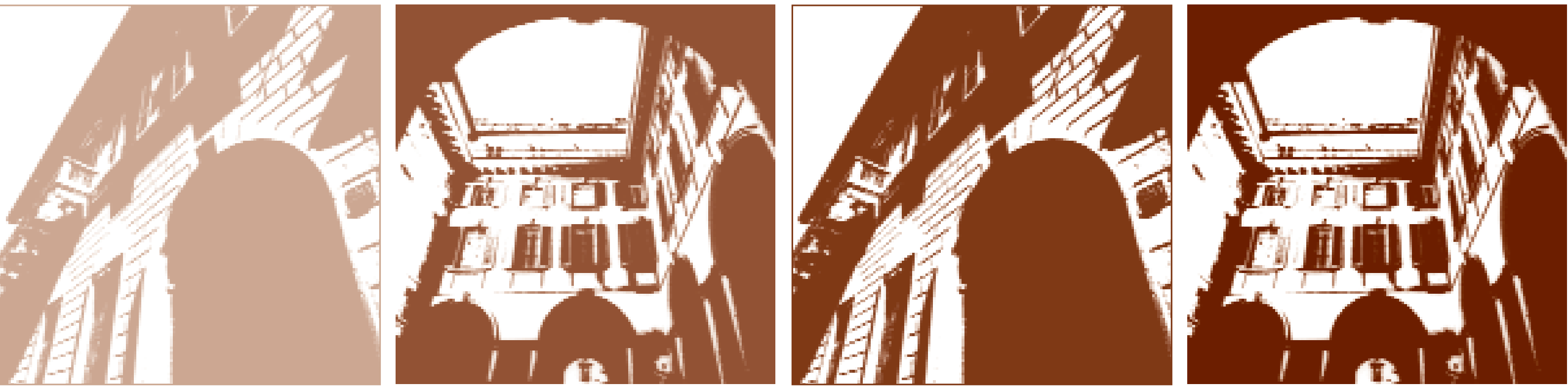
ITALMOBILIARE

Half-year financial report as at June 30, 2010



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Half-year financial report

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August 6, 2010

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
Italo Lucchini	1-3	Deputy Chairman
Carlo Pesenti	1	Chief Operating Officer
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	
Giorgio Moroni	Manager in charge of preparing the company's financial reports
KPMG 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, separately, 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 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 sureties, to provide collateral and sureties in favor of third parties provided that they are direct or indirect 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 investees 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 in favor of third parties provided that they are direct or indirect subsidiaries of Italmobiliare S.p.A., buying and selling government securities, bonds, 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 Financial Officer.

Other delegated powers have been allocated to the Joint Chief 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 practices.

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. 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 of the year the Remuneration Committee met twice and the Internal Control Committee once. All the members attended one meeting of the Remuneration Committee, while one member was not present at the other meeting; all members attended the Internal Control Committee meeting.

Compliance Committee

The Compliance Committee, established pursuant to the «Organizational, management and control model» (the «Model») adopted by the company in application of Legislative Decree 231/01, is responsible for ongoing 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 audit and an external professional.

During the half-year the Compliance Committee met 8 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 Mauro Bini, an independent director, as «Lead independent director».

Executive director responsible for supervising the internal control system

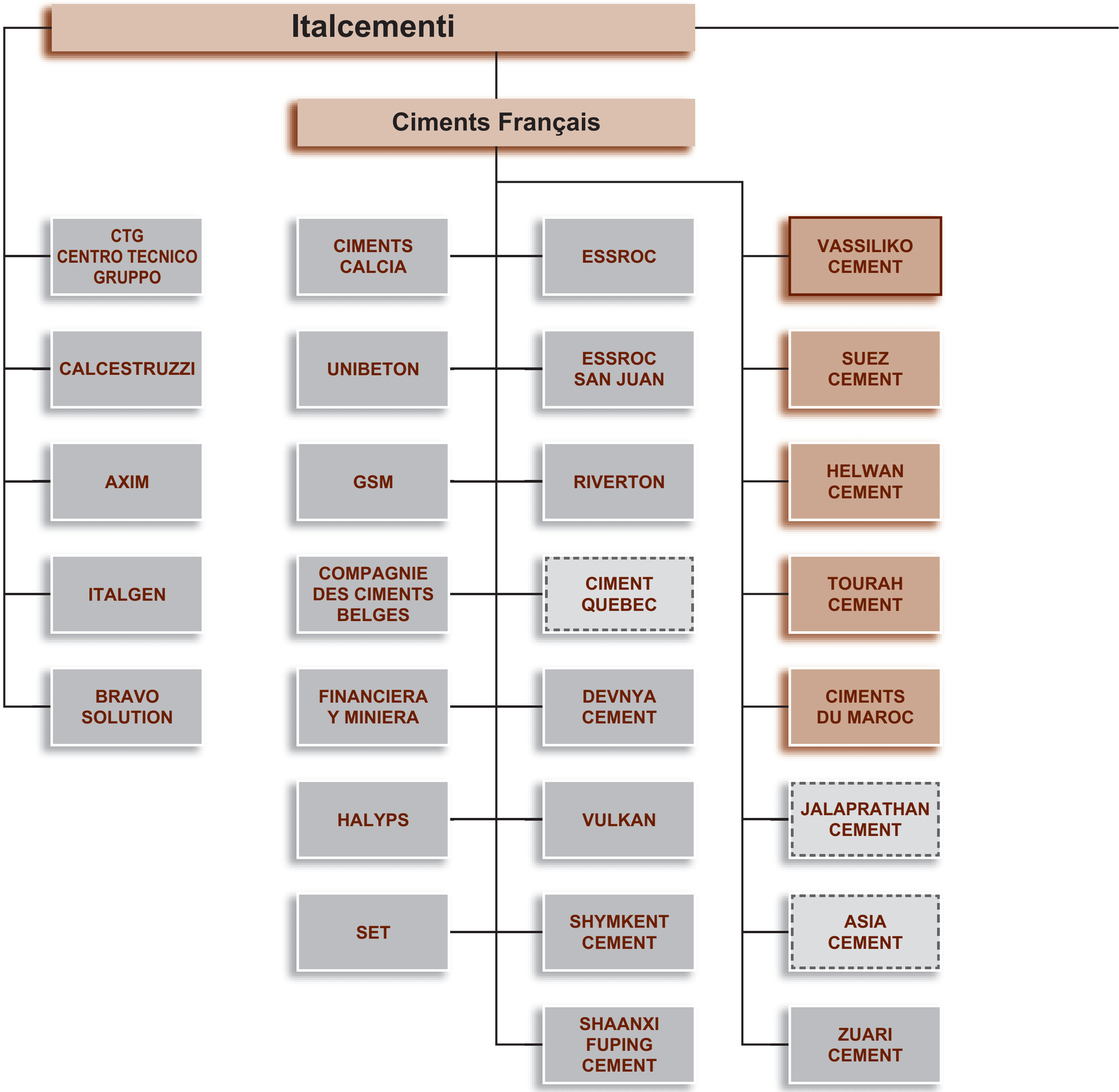
With regard to the system of controls, the «Code» provides for the Board of Directors to select, with the assistance of the Internal Control Committee, an executive director to supervise the internal control system.

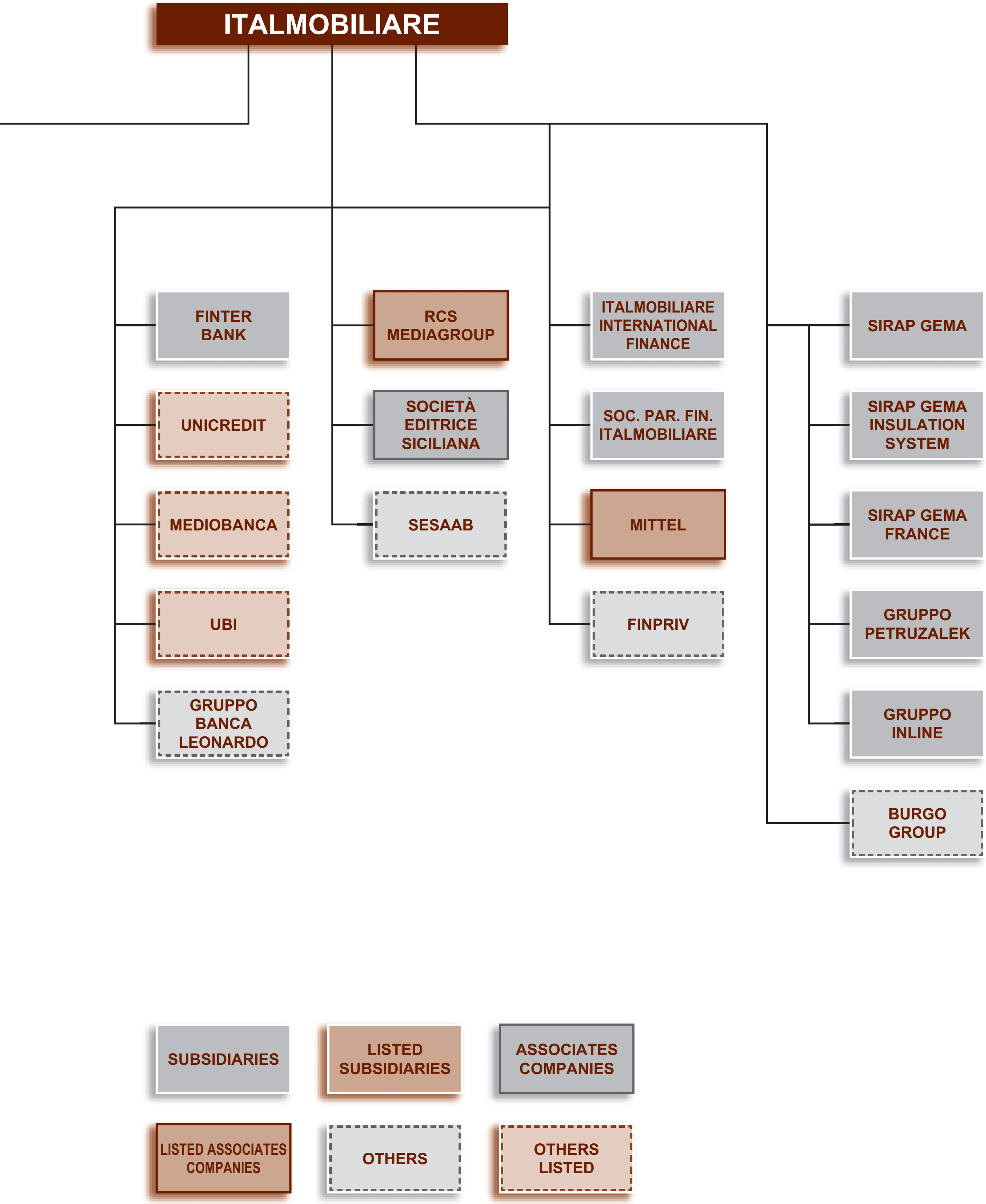
During the meeting at which the company officers were appointed, the Board of Directors, on the recommendation of the Internal Control Committee, confirmed the Chairman-Chief Executive Officer, Giampiero Pesenti, as the executive director responsible for supervising the internal control system.

Manager in charge of preparing the company's financial reports

At its meeting on November 13, 2009, the Board of Directors appointed Giorgio Moroni as the Manager in charge of preparing the company's financial reports, pursuant to art. 154-bis of the Consolidated Finance Act ("TUF") and to art. 29 of the company By-laws. Mr. Moroni replaced Angelo Maria Triulzi who retired from the company.

Group structure
(at June 30, 2010)





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

Group financial highlights

(in millions of euro)	June 30, 2010	June 30, 2009
Revenues	2,628.5	2,776.7
Recurring EBITDA	463.9	540.2
EBITDA	458.3	530.9
EBIT	219.3	273.8
Net profit for the period	84.3	164.2
Group net profit	2.7	58.7
Investments in fixed assets	284.7	401.8

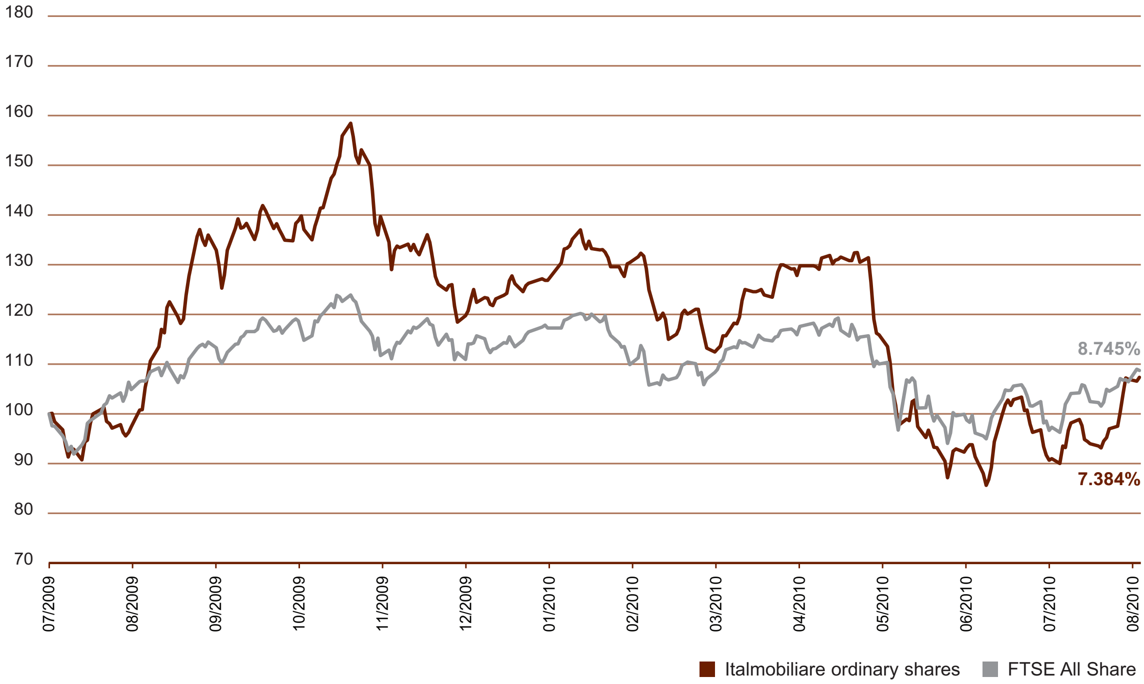
(in millions of euro)	June 30, 2010	December 31, 2009
Total shareholders' equity	6,066.9	5,767.1
Group shareholders' equity	2,396.3	2,397.6
Net debt	2,214.0	2,200.8
Net debt/Shareholders' equity	36.49%	38.16%
Net debt/Recurring EBITDA	2.26	2.08
(Diluted) earnings per ordinary share	0.056	2.517
(Diluted) earnings per savings share	0.095	2.673
Shareholders' equity per share1	63.687	63.723
Number of employees (heads)	22,549	22,758

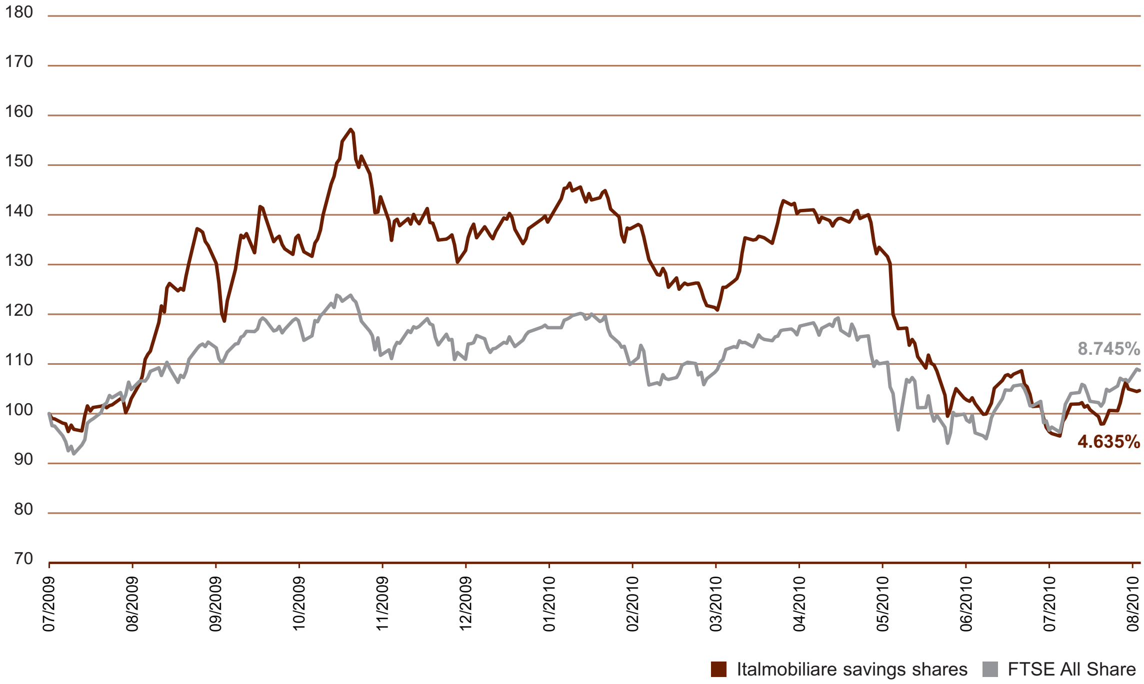
[1] net of treasury shares

On the stock exchange

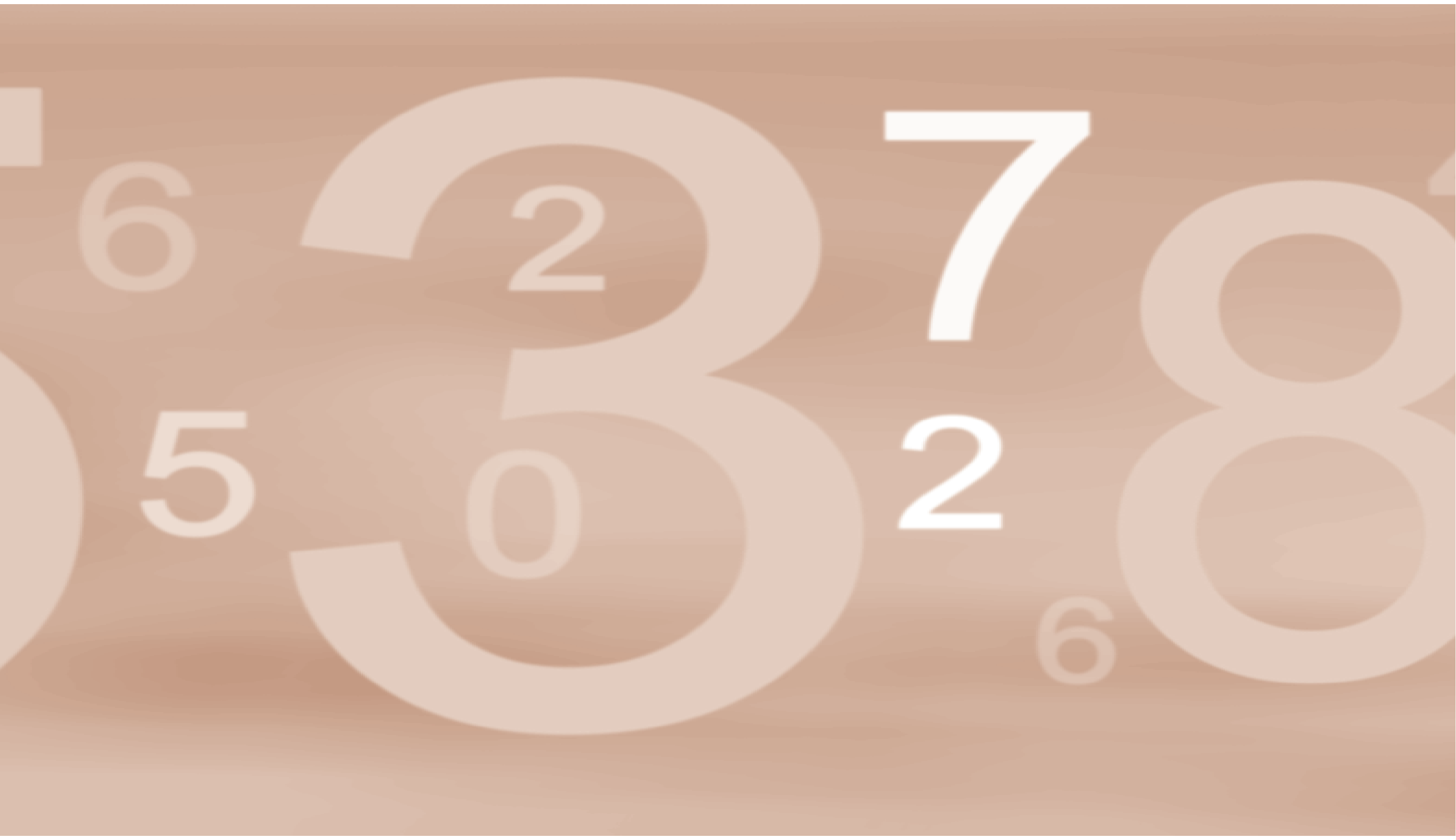
Prices from 07.01.2009 to 08.03.2010

(euro)	high		low		07.01.2009	08.03.2010	performance
Ordinary shares	38.15	10.19.2009	20.61	06.08.2010	24.07	25.85	7.384%
Savings shares	25.09	10.19.2009	15.24	07.05.2010	15.96	16.70	4.635%
FTSE All Share	24,981.52	10.19.2009	18,533.28	07.10.2009	20,165.21	21,928.56	8.745%





Directors’ report



Foreword

The half-year financial report as at June 30, 2010, 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 condensed half-year report has been drawn up in consolidated form.

The accounting principles applied in the preparation of the consolidated half-year financial statements are consistent with those used in the preparation of the Group financial statements as at and for the year to December 31, 2009, with the exception of the principles and interpretations endorsed by the European Union and applicable as from January 1, 2010, which are detailed in the notes.

The main changes with respect to the financial statements as at and for the year to December 31, 2009, illustrated in greater detail in the notes, are the application of IFRS 3 "Business combinations", IAS 27 revised "Consolidated and separate financial statements", the amendments to IAS 32 "Classification of rights issues" and IAS 39 "Designation of hedging instruments".

With regard to application of IAS 16 "Property, plant and equipment", the list of the components and useful lives of the operating assets in the construction materials segment has been updated to reflect technological developments and the benefits expected from the use of such assets. The review generated a reduction of 13.1 million euro in depreciation charges in the first half of 2010 compared with the year-earlier period.

The application of the new principles and interpretations did not have material effects on the Group half-year accounts.

There were no significant changes in the scope of consolidation compared to 2009.

General overview

During the first half of the year the upturn in demand, production and trade that had begun to emerge at the end of 2009 continued. The pace of recovery varied greatly, however. Most of emerging Asia returned to pre-crisis growth rates; in the industrialized regions, performance picked up in the USA and Japan, while Europe as a whole was less lively, with recovery trends differing significantly from one country to another. Moreover, the emergence of Greece's severe public debt difficulties had important consequences on a wider European scale: interest rates rose in countries whose public finances were in a particularly critical situation, and fiscal policy tightened in almost all the euro zone countries. Although domestic demand was slacker than expected, the EU economies benefited from renewed growth in world trade and from the weakening of the euro, which fuelled a parallel recovery in export competitiveness.

Global stock markets ended the first half of 2010 amidst great uncertainty. The main cause was the macro-economic data, with the main markets showing renewed signs of a slowdown and the public debt crisis continuing and worsened by the knowledge that economic growth will not be as strong as thought in the first few months of 2010. The public accounts crisis affecting the weaker countries of Europe affected the main financial markets despite part of the first half of 2010 enjoying a climate of moderate optimism. Financial conditions became less favorable as bank lending to business contracted and monetary policies were adopted which aimed to stabilize prices in the euro zone and keep down inflation.

Against this background, in the first half of 2010 the Italmobiliare Group reported **total net profit** of 84.3 million euro and **Group net profit** of 2.7 million euro compared with 164.2 million euro and 58.7 million euro respectively in the prior-year period. The fall in profit was across all Group segments, especially the construction materials, financial and banking segments.

Group net profit

(in millions of euro)	H1 2010	% of total	H1 2009	% of total
Construction materials	0.2	*5.7*	21.7	*36.9*
Packaging and insulation	0.9	*33.8*	1.0	*1.7*
Finance	(0.6)	*(20.3)*	2.4	*4.2*
Banking	1.9	*68.9*	33.5	*57.1*
Property, services, etc.	0.3	*11.9*	0.1	*0.1*
Total Group profit	**2.7**	***100.0***	**58.7**	***100.0***

The other main results of the six-month period ended at June 30, 2010 were:

- **Revenues**: 2,628.5 million euro compared to 2,776.7 million euro at June 30, 2009 (-5.3%);
- **Recurring EBITDA**: 463.9 million euro compared to 540.2 million euro at June 30, 2009 (-14.1%);
- **EBITDA**: 458.3 million euro compared to 530.9 million euro at June 30, 2009 (-13.7%);
- **EBIT**: 219.3 million euro compared to 273.8 million euro at June 30, 2009 (-19.9%);
- **Finance income (costs)** (including exchange rate differences and derivatives): net costs of 59.4 million euro compared to 58.9 million euro at June 30, 2009 (+0.9%);
- **Impairment on financial assets:** a cost of 29.0 million euro compared to 2.4 million euro at June 30, 2009;
- **Share of results of associates:** a loss of 0.4 million euro compared to a profit of 19.1 million euro at June 30, 2009 (-102.2%);

- **Profit before tax**: 130.4 million euro compared to 231.6 million euro at June 30, 2009 (-43.7%);

At the end of June 2010 **total shareholders' equity** was 6,066.9 million euro compared to 5,767.1 million euro at December 31, 2009.

Net debt at June 30, 2010 was 2,214.0 million euro compared to 2,200.8 million euro at the end of December 2009.

Following the changes in shareholders' equity and debt, gearing (the ratio of debt to shareholders' equity) improved slightly from 38.16% at the end of December 2009 to 36.49% at the end of June 2010.

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

- the **construction materials segment**, which comprises the Italcementi group (Italmobiliare's main industrial equity investment), recorded a fall in revenues and results, above all due to the performance in the first quarter of 2010. The trend in sales volumes was very poor in the first three months of the year and recovered in the following quarter; the trend in sales prices was different, however, and the main negative impact was felt in the second part of the period. Operating results were affected by the fall in revenues, in particular due to the impact of sales prices. The impact of the overall fall in volumes was, however, more than offset by the sharp reduction in operating costs, as a consequence of the specific action taken during 2010. Revenues of 2,455.1 million euro fell by 5.1% compared to the first half of 2009, while at constant exchange rates and on a like-for-like basis the fall was 6.0%. Operating results fell compared to the first half of 2009: recurring EBITDA of 434.5 million euro fell by 12.6%, while EBIT of 197.9 million euro fell by 16.8%. After net finance costs, share of results of associates and taxes, the profit for the period was 81.8 million euro (-35.8%) while group net profit was 0.4 million euro;
- the **food packaging and thermal insulation segment**, comprising the Sirap Gema group, saw a substantial fall in demand and a significant increase in the cost of raw polymers. The first half of the year saw revenues of 114.2 million euro, down by 3.6% compared to June 30, 2009; this fall arose mainly from lower volumes, in particular in the food packaging segment, while revenues from thermal insulation were broadly unchanged, albeit with a different mix in products sold, compared to the first half of 2009. EBIT was 4.6 million euro, down sharply compared to the first half of 2009 (-38.8%), largely due to the increase in the cost of raw materials and the fall in sales prices, which was partly offset by the improvement in logistical and manufacturing efficiency. Finance costs fell sharply from 4.2 to 1.8 million euro thanks to the fall in average debt, the lower cost of borrowing and a positive change in exchange rate differences following the strengthening of some East European currencies against the euro. After tax of 1.8 million euro, profit for the period was 1 million euro, practically unchanged compared to the first half of 2009;
- the **financial segment**, which includes the parent Italmobiliare and the wholly owned financial companies, saw a profit of 19.6 million euro compared to 64.8 million euro in the first half of 2009. After a positive start to the year, the sharp fall in the segment results, which was particularly marked in the second quarter of 2010 due to the downturn on the financial markets, was largely due to unrealized losses on the equities portfolio and a decrease in unrealized and realized gains on the bond portfolio, counterbalanced only in part by the reduction in borrowing costs;
- the **banking segment** comprises Finter Bank Zürich and Crédit Mobilier de Monaco. Total income recorded in the first half of 2010 of 16.9 million euro was sharply down compared to 20.1 million euro at June 30, 2009, mainly due to the decrease in commission income and lower interest income. Despite the focus on cost-cutting measures, the net loss for the period was 0.6 million euro compared to a net profit of 2.5 million euro at June 30, 2009;

- the **property segment, services and other** is not of great importance within the global context of the Group and its results are therefore not of material significance.

Italmobiliare's Net Asset Value (NAV) at June 30, 2010 was 1,695.3 million euro (2,042.6 million euro at March 31, 2010 and 2,166.1 million euro at the end of 2009), as shown below by segment:

(in millions of euro)	**H1 2010**	**% of total**	**2009**	**% of total**
Construction materials	683.3	*40.3*	1,031.8	*47.6*
Packaging and insulation	58.5	*3.5*	71.8	*3.3*
Banking	463.5	*27.3*	568.7	*26.3*
Cash and cash equivalents	285.8	*16.9*	255.0	*11.8*
Other	204.2	*12.1*	238.8	*11.0*
Total net asset value	**1,695.3**	***100.0***	**2,166.1**	***100.0***

The reduction compared to December 2009 was mainly due to the fall in the prices of the listed securities held in the portfolio.

Consolidated figures at June 30, 2010

(in millions of euro)	H1 2010	H1 2009	% change	Full year 2009
Revenues	**2,628.5**	**2,776.7**	***(5.3)***	**5,365.4**
Recurring EBITDA	**463.9**	**540.2**	***(14.1)***	**1,055.7**
% of revenues	*17.6*	*19.5*		*19.7*
Other income (expense)	(5.6)	(9.3)	*(39.6)*	(11.7)
EBITDA	**458.3**	**530.9**	***(13.7)***	**1,044.0**
% of revenues	*17.4*	*19.1*		*19.5*
Amortization and depreciation	(238.8)	(232.9)	*2.5*	(474.9)
Impairment variation	(0.2)	(24.2)	*(99.0)*	(54.4)
EBIT	**219.3**	**273.8**	***(19.9)***	**514.7**
% of revenues	*8.3*	*9.9*		*9.6*
Finance income (costs)	(59.4)	(58.9)	*0.9*	(111.4)
Impairment on financial assets	(29.0)	(2.4)	*n.s.*	(47.7)
Share of results of associates	(0.4)	19.1	*n.s.*	28.1
Profit before tax	**130.4**	**231.6**	***(43.7)***	**383.7**
% of revenues	*5.0*	*8.3*		*7.2*
Income tax expense	(46.1)	(67.4)	*(31.5)*	(99.4)
Net profit for the period	**84.3**	**164.2**	***(48.7)***	**284.3**
% of revenues	*3.2*	*5.9*		*5.3*
Group net profit	**2.7**	**58.7**	***(95.3)***	**97.3**
% of revenues	*0.1*	*2.1*		*1.8*
Minority interests	81.6	105.5	*(22.7)*	187.0
Cash flow from operating activities	371.1	442.7		1,178.6
Investments in fixed assets	284.7	401.8		758.6

n.s.: not significant

(in millions of euro)	June 30, 2010	December 31, 2009
Total shareholders' equity	6,066.9	5,767.1
Group shareholders' equity	2,396.3	2,397.6
Net debt	2,214.0	2,200.8
Number of employees at period end	22,549	22,758

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 (non-recurring) income and expense.

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

Quarterly trend

(in millions of euro)	H1 2010	Q2 2010	Q1 2010
Revenues	**2,628.5**	**1,455.5**	**1,173.0**
% change vs. 2009	*(5.3)*	*(3.0)*	*(8.1)*
Recurring EBITDA	**463.9**	**292.5**	**171.4**
% change vs. 2009	*(14.1)*	*(22.0)*	*3.7*
% of revenues	*17.6*	*20.1*	*14.6*
EBITDA	**458.3**	**290.2**	**168.2**
% change vs. 2009	*(13.7)*	*(23.1)*	*9.4*
% of revenues	*17.4*	*19.9*	*14.3*
Amortization and depreciation	(238.8)	(125.8)	(113.0)
Impairment variation	(0.2)	(0.2)	(0.1)
EBIT	**219.3**	**164.2**	**55.1**
% change vs. 2009	*(19.9)*	*(30.5)*	*47.0*
% of revenues	*8.3*	*11.3*	*4.7*
Finance income (costs)	(59.4)	(21.2)	(38.2)
Impairment on financial assets	(29.0)	(28.9)	(0.1)
Share of results of associates	(0.4)	1.3	(1.8)
Profit before tax	**130.4**	**115.4**	**15.0**
% of revenues	*5.0*	*7.9*	*1.3*
Income tax expense	(46.1)	(48.8)	2.7
Net profit for the period	**84.3**	**66.6**	**17.7**
% of revenues	*3.2*	*4.6*	*1.5*
Group net profit	**2.7**	**(8.8)**	**11.6**
% of revenues	*0.1*	*(0.6)*	*1.0*
Minority interests	81.6	75.4	6.1

The seasonal trends typical of the Group core businesses normally generate better performance in the second quarter of the year compared with the first. This was confirmed in 2010, although the decline in the results of companies with limited non-controlling interests and the greater weight of the results of companies with material non-controlling interests was responsible for a sharp decrease in profit attributable to the Group.

Whereas net profit for the first quarter of 2010 was 17.7 million euro, of which 11.6 million euro attributable to the Group, for the second quarter it was 66.6 million euro, with a loss of 8.8 million euro attributable to the Group.

Second-quarter operating results were better in absolute terms than those of the first quarter, but they were down on the second quarter of 2009, due to a significant fall in sales prices and negative trends on the financial markets, especially at the end of the second quarter of 2010, counterbalanced in part by action to limit operating costs in the industrial segment.

Revenues and operating results

Contribution to consolidated revenues

(net of intercompany eliminations)

(in millions of euro)	H1 2010		H1 2009		Change	
Segment		%		%	%	%[1]
Construction materials	2,451.1	*93.3*	2,581.8	*93.0*	*(5.1)*	*(6.1)*
Packaging and insulation	114.2	*4.3*	118.4	*4.3*	*(3.6)*	*(2.5)*
Finance	43.6	*1.7*	56.1	*2.0*	*(22.1)*	*(22.2)*
Banking	18.3	*0.7*	19.6	*0.7*	*(6.4)*	*(11.0)*
Property, services, other	1.3	-	0.8	*n.s.*	*63.5*	*n.s.*
Total	**2,628.5**	***100.0***	**2,776.7**	***100.0***	***(5.3)***	***(6.2)***
Geographical area						
European Union	1,386.7	*52.8*	1,555.0	*56.0*	*(10.8)*	*(10.7)*
Other European countries	90.2	*3.4*	89.5	*3.2*	*0.8*	*(2.9)*
North America	185.3	*7.0*	189.3	*6.8*	*(2.1)*	*(2.5)*
Asia and Middle East	239.5	*9.1*	230.1	*8.3*	*4.1*	*(2.8)*
Africa	616.9	*23.5*	580.4	*20.9*	*6.3*	*5.1*
Trading and other countries	109.9	*4.2*	132.4	*4.8*	*(16.9)*	*(17.5)*
Total	**2,628.5**	***100.0***	**2,776.7**	***100.0***	***(5.3)***	***(6.2)***

[1] at constant size and exchange rates
n.s. not significant

Revenues and operating results by segment and geographical area

(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	H1 2010	% change vs. H1 2009	H1 2010	% change vs. H1 2009	H1 2010	% change vs. H1 2009	H1 2010	% change vs. H1 2009
Segment								
Construction materials	2,455.1	*(5.1)*	434.5	*(12.6)*	429.2	*(12.1)*	197.9	*(16.8)*
Packaging and insulation	114.2	*(3.6)*	10.4	*(23.1)*	10.5	*(23.1)*	4.6	*(38.8)*
Finance	64.9	*(29.2)*	35.2	*(39.8)*	34.9	*(40.2)*	34.8	*(40.3)*
Banking	18.9	*(6.1)*	1.3	*(64.0)*	1.3	*(63.4)*	(0.4)	*(115.9)*
Property, services, other	1.9	*39.6*	1.0	*n.s.*	0.9	*n.s.*	0.9	*n.s.*
Inter-segment eliminations	(26.5)	*(34.9)*	(18.5)	*(43.9)*	(18.5)	*(43.9)*	(18.5)	*(43.9)*
Total	**2,628.5**	***(5.3)***	**463.9**	***(14.1)***	**458.3**	***(13.7)***	**219.3**	***(19.9)***
Geographical area								
European Union	1,424.2	*(11.1)*	231.0	*(20.5)*	224.7	*(23.1)*	107.5	*(35.8)*
Other European countries	92.5	*2.8*	(3.4)	*n.s.*	(2.9)	*n.s.*	(11.2)	*20.8*
North America	185.7	*(2.1)*	(5.4)	*(47.8)*	(6.4)	*(39.3)*	(41.3)	*24.4*
Asia and Middle East	241.2	*1.6*	37.4	*(30.0)*	37.3	*(24.7)*	10.9	*76.1*
Africa	619.8	*6.1*	201.0	*(1.4)*	201.3	*(1.2)*	153.8	*(0.2)*
Trading	128.6	*18.8*	11.2	*107.3*	11.2	*101.9*	9.9	*n.s.*
Other	202.6	*10.4*	(7.9)	*n.s.*	(6.9)	*(19.8)*	(10.3)	*(34.9)*
Inter-area eliminations	(266.1)	*21.4*	-	-	-	-	-	-
Total	**2,628.5**	***(5.3)***	**463.9**	***(14.1)***	**458.3**	***(13.7)***	**219.3**	***(19.9)***

n.s. not significant

The 5.3% reduction in **revenues** from 2009 reflected:

- contraction in business -6.2%;
- a positive exchange-rate effect of 1.0% mainly following the appreciation of the Egyptian lira, Indian rupee and Thai baht against the euro;
- a marginal effect from changes in the scope of consolidation of –0.1%.

The performance slowdown arose in all segments with the exception of property, services, other, although this segment is not of material importance in the context of the Group. Specifically, the changes were as follows: financial segment -22.2%, banking segment -11.0% and construction materials segment -6.1%.

Revenues by geographical area, net of inter-segment eliminations, reflected growth in Africa, Asia and Middle East, and significant declines in the European Union, North America and in Trading. The revenue decrease generated a general reduction in EBITDA in all geographical areas with the exception of North America and Trading, while operating results improved in Asia-Middle East and in Trading. In absolute terms, the EU countries as a whole made the largest contribution to revenue.

Recurring EBITDA and **EBITDA** fell by 76.3 million euro (-14.1%) and 72.6 million euro (-13.7%) respectively from the first half of 2009. The decrease arose in all segments, but the largest reductions in absolute terms were in construction materials, due to the fall in sales prices and, to a lesser extent, in sales volumes, and in the financial segment, due to negative trends on the financial markets at the end of June 2010.

After an increase (+2.5%) in amortization and depreciation charges compared with the first half of 2009 (238.8 million euro, against 232.9 million euro), **EBIT** was down 19.9%, from 273.8 million euro to 219.3 million euro.

Finance costs and other items

Net finance costs, including net exchange-rate differences and derivatives, amounted to 59.4 million euro, a slight increase (+0.9%) on the first half of 2009; this reflected the impact of non-recurring charges of 21.4 million euro in 2010 for early redemption of the notes issued by Ciments Français in the USA between 2002 and 2006. Interest expense on borrowings fell from 57.4 million euro to 46.8 million euro, an improvement of 18.4% driven by the interest-rate effect and the reduction in average debt compared with the first half of 2009. Exchange-rate differences reflected a net gain of 10.0 million euro (net losses of 6.5 million euro at June 30, 2009).

The caption does not include finance costs and income from the financial and banking segment, which are part of these segments' core businesses and therefore classified under the items constituting recurring EBITDA.

Impairment on financial assets showed a loss of 29.0 million euro, from 2.4 million euro at June 30, 2009; it arose from impairment losses of 19.7 million euro on Calcestruzzi S.p.A. and 9.3 million euro on some listed equity investments.

The **share of results of associates** showed a significant decrease, from a positive balance of 19.1 million euro to a negative balance of 0.4 million euro due to the losses reported by associates in publishing and financial holdings.

Net result for the period

Profit before tax for the period was 130.4 million euro, down by 43.7% from the figure at June 30, 2009 (231.6 million euro).

Income tax expense was 46.1 million euro, a decrease of 31.5% from the first half of 2009 largely due to the reduction in profit before tax; the aggregate average tax rate rose from 29.1% to 35.4%.

Net profit for the period amounted to 84.3 million euro, a decrease of 48.7% compared with the first half of 2009. After profit attributable to minorities of 81.6 million euro (-22.7%), **net profit attributable to the Group** was 2.7 million euro, compared with 58.7 million euro in the year-earlier period (-95.3%). This disparate trend arose largely from the improvement in the performance of companies with significant minority interests and a decrease in the performance of companies with limited minority interests.

Total comprehensive income

Starting from the net result for the period, the components of total comprehensive income for the first half of 2010 showed a positive balance of 334.2 million euro (negative balance of 0.4 million euro in the first half of 2009) arising from: translation gains of 427.3 million euro, fair value losses of 97.9 million euro on available-for-sale financial assets, fair value gains of 5.5 million euro on derivative financial instruments and the related negative tax effect of 0.7 million euro. Considering the net profit for the period of 84.3 million euro described in the previous section and the components described above, total comprehensive income for the period was positive at 418.5 million euro (18.9 million euro attributable to the Group and 399.6 million euro attributable to minority interests) compared to a positive total of 163.8 million euro in the first half of 2009 (99.3 million euro attributable to the Group and 64.5 million euro attributable to minority interests).

The relevant table is included in the consolidated financial statements.

Condensed balance sheet

(in millions of euro)	June 30, 2010	December 31, 2009
Property, plant and equipment and investment property	4,848.7	4,538.0
Intangible assets	2,336.9	2,179.5
Other non-current assets	1,189.6	1,287.6
Non-current assets	**8,375.2**	**8,005.1**
Current assets	**4,090.2**	**3,948.3**
Total assets	**12,465.4**	**11,953.4**
Group shareholders' equity	2,396.3	2,397.6
Minority interests	3,670.6	3,369.5
Total shareholders' equity	**6,066.9**	**5,767.1**
Non-current liabilities	4,043.4	3,672.1
Current liabilities	2,355.1	2,514.2
Total liabilities	**6,398.5**	**6,186.3**
Total liabilities and shareholders' equity	**12,465.4**	**11,953.4**

Shareholders' equity

Total shareholders' equity at June 30, 2010, was 6,066.9 million euro, up 299.8 million euro from December 31, 2009, as the result of a decrease of 1.3 million euro in Group shareholders' equity and an increase of 301.1 million euro in minority interests. The overall increase arose from the positive impact of net profit for the period (84.3 million euro), the exchange-rate effect (427.3 million euro) and other changes (17.8 million euro) and from the negative impact of the change in the fair value reserve (93.1 million euro, comprising a fall in the fair value reserve for available-for-sale assets of 97.1 million euro and an increase for derivatives of 4.0 million euro) and declared dividends (136.5 million euro).

The changes in total shareholders' equity are shown in the "Statement of changes in total consolidated shareholders' equity" in the notes.

Net debt

Net debt at June 30, 2010, was 2,214,0 million euro, up by 13.2 million euro from the balance at December 31, 2009 (2,200.8 million euro).

The increase was due largely to the period's high investments in fixed assets (284.7 million euro), dividends paid (134.6 million euro), other cash flows (31.6 million euro), offset only in part by cash flows from operations (371.1 million euro) and divestments of fixed assets (66.8 million euro).

The gearing ratio (net debt/shareholders' equity) was 36.49% at June 30, 2010, an improvement from 38.16% at December 31, 2009.

Breakdown of net debt

(in millions of euro)	June 30, 2010	December 31, 2009
Cash, cash equivalents and current financial assets	(1,948.5)	(1,908.3)
Short-term financing	978.9	1,225.2
Medium/long-term financial assets	(114.1)	(85.3)
Medium/long-term financing	3,297.7	2,969.2
Net debt	**2,214.0**	**2,200.8**

Financial indicators

(absolute values in millions of euro)	June 30, 2010	December 31, 2009
Net debt	2,214.0	2,200.8
Consolidated shareholders' equity	6,066.9	5,767.1
Gearing	**36.49%**	**38.16%**
Net debt	2,214.0	2,200.8
EBITDA before other income (expense)[1]	979.4	1,055.7
Leverage	**2.26**	**2.08**

[1] rolling year basis

Summary of cash flows

(in millions of euro)	H1 2010	H1 2009
Net debt at start of period	**(2,200.8)**	**(2,571.9)**
Cash flow from operating activities	371.1	442.7
Investments:		
Tangible and intangible assets	*(263.6)*	*(378.0)*
Financial assets	*(21.1)*	*(23.8)*
Total investments in fixed assets	**(284.7)**	**(401.8)**
Divestments of fixed assets	66.8	21.1
Dividends	(134.6)	(96.8)
Net debt of companies acquired/sold	(0.2)	2.4
Other	(31.6)	(26.6)
Change in net debt	(13.2)	(59.0)
Net debt at period end	**(2,214.0)**	**(2,630.9)**

Investments in fixed assets

(in millions of euro)	Investments in financial assets		Investments in PPE		Investments in intang.assets	
	H1 2010	H1 2009	H1 2010	H1 2009	H1 2010	H1 2009
Segment						
Construction materials	6.6	32.6	198.2	352.4	10.8	9.5
Packaging and insulation	-	3.0	3.3	5.6	1.2	0.1
Finance	4.8	-	0.1	-	-	-
Banking	-	-	0.2	0.8	0.6	0.7
Property, services, other	-	-	-	0.2	-	-
Inter-segment eliminations	-	-	-	-	-	-
Total	**11.4**	**35.6**	**201.8**	**359.0**	**12.6**	**10.3**
Change in payables	9.7	(11.8)	49.2	8.7	-	-
Total investments in fixed assets	**21.1**	**23.8**	**251.0**	**367.7**	**12.6**	**10.3**
Geographical area						
European Union	6.0	23.2	87.1	93.6	9.5	7.0
Other European countries	-	-	1.6	5.8	0.6	0.7
North America	0.5	-	19.9	127.8	0.3	-
Asia and Middle East	-	2.1	31.4	33.2	-	-
Africa	-	0.1	59.4	95.9	-	-
Trading	-	9.9	1.0	1.4	-	0.1
Other	4.9	0.3	1.4	1.2	2.2	2.5
Total	**11.4**	**35.6**	**201.8**	**358.9**	**12.6**	**10.3**
Change in payables	9.7	(11.8)	49.2	8.8	-	-
Total investments in fixed assets	**21.1**	**23.8**	**251.0**	**367.7**	**12.6**	**10.3**

Group investments in fixed assets in the first half of the year amounted to 284.7 million euro, a decrease of 117.1 million euro compared with the first half of 2009; they focused mainly on enhancing and re-organizing existing industrial operations and completing strategic projects.

Capital expenditure, mainly in construction materials and, to a much smaller extent, food packaging and thermal insulation, was 263.6 million euro, down by 114.4 million euro from the first half of 2009 (378.0 million euro).

Investments in financial fixed assets amounted to 21.1 million euro (23.8 million euro in the first half of 2009), and related to the construction materials and the financial segments.

Construction materials

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

(in millions of euro)	H1 2010	H1 2009	% change	Full year 2009
Revenues	**2,455.1**	**2,585.8**	***(5.1)***	**5,006.4**
Recurring EBITDA	**434.5**	**497.4**	***(12.6)***	**971.6**
% of revenues	*17.7*	*19.2*		*19.4*
Other income (expense)	(5.3)	(9.2)	*(42.1)*	(14.9)
EBITDA	**429.2**	**488.2**	***(12.1)***	**956.7**
% of revenues	*17.5*	*18.9*		*19.1*
Amortization and depreciation	(231.1)	(226.1)	*2.2*	(459.8)
Impairment variation	(0.2)	(24.2)	*(99.3)*	(54.0)
EBIT	**197.9**	**237.9**	***(16.8)***	**443.0**
% of revenues	*8.1*	*9.2*		*8.8*
Finance income (costs)	(57.7)	(56.4)	*2.3*	(106.9)
Impairment on financial assets	(20.7)	-	*n.s.*	(41.1)
Share of results of associates	6.2	3.5	*79.2*	14.6
Profit before tax	**125.7**	**185.0**	***(32.0)***	**309.5**
% of revenues	*5.1*	*7.2*		*6.2*
Income tax expense	(43.9)	(57.7)	*(23.8)*	(94.2)
Net profit for the period	**81.8**	**127.3**	***(35.8)***	**215.3**
Impairment on financial assets	*3.3*	*4.9*		*4.3*
Group net profit	**0.4**	**55.1**	***(99.3)***	**71.3**
Minority interests	81.4	72.2	*12.7*	144.0
Cash flow from operating activities	374.7	408.8		1,101.9
Investments in fixed assets	274.4	394.3		742.4

n.s. not significant

(in millions of euro)	June 30, 2010	December 31, 2009
Total shareholders' equity	5,088.4	4,692.2
Group shareholders' equity	3,593.7	3,353.1
Net debt	2,458.1	2,419.9
Number of employees at period end	21,030	21,155

In the industrialized countries, the improvement in overall economic conditions was reflected to only a very limited extent in the construction segment. After experiencing a severe slump for almost four years, in the past few quarters the decline in the US residential building segment has stopped, but convincing signs of a recovery have yet to emerge. In the group euro zone countries, individual cyclical positions varied, but the mood remained negative, and, in the early months of the year, was amplified almost everywhere by exceptionally bad weather. Additionally, while the decline in the residential segment eased overall, the slump in non-residential building intensified, with no end in sight so far. Conversely, in the group’s emerging area, construction operations were fuelled by generally positive economic conditions and, in Turkey and Thailand in particular, by a significant improvement in the overall economic climate since the beginning of the year.

Performance in the construction materials segment in the period

	H1 2010[1]	% change on H1 2009	
		Historic	On a constant size
Cement and clinker *(millions of metric tons)*	27.5	*(1.1)*	*(1.1)*
Aggregates [2] *(millions of metric tons)*	19.2	*(4.0)*	*(4.4)*
Ready mixed concrete *(millions of m^3)*	5.7	*1.8*	*(0.8)*

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

Sales volumes in the first half of the year were adversely affected by performance in the first quarter, caused in part by widely unfavorable meteorological conditions in January and February. The recovery in the second quarter in all business enabled the group to make a significant recovery with respect to the decline reported at the end of March.

In **cement and clinker**, sales volumes fell in all the mature countries, whereas the emerging countries as a whole reported growth, with the sole exceptions of Bulgaria, which saw a significant decline, and Thailand, where volumes were in line with 2009. Sales volumes performance was very favorable in Trading.

The decline in the **aggregates** segment arose in all markets with the exception of North America, whose strong percentage growth arose on limited volumes.

In **ready mixed concrete**, performance at constant size was negative on all the mature markets. On the emerging markets, the progress in Turkey, Thailand and Kuwait almost fully offset the reduction in sales volumes in the other countries.

Revenues amounted to 2,455.1 million euro, a decrease of 5.1% on the first half of 2009 arising from the 6.0% slowdown in business performance, a positive exchange-rate effect (0.9%) and no net consolidation effect. Performance was primarily affected by the decrease in average sales prices while the negative volumes effect eased significantly during the period, thanks to a positive dynamic in the April-June period.

Revenues fell in the mature countries, especially in Central Western Europe, while performance was positive in the other macro-areas. The strongest progress was reported in Egypt, while the largest declines were in Italy, France-Belgium, Bulgaria and Spain.

The positive exchange-rate effect was largely the result of the appreciation of the Egyptian lira, the Indian rupee and the Thai baht against the euro.

The fall in revenues led to a reduction in operating results, offset in part by action to contain operating expenses.

Recurring EBITDA (434.5 million euro) and **EBITDA** (429.2 million euro) fell by 12.6% and 12.1% respectively, while the decline in **EBIT** (197.9 million euro) was 16.8% on the year-earlier period.

The downturn in results arose in a number of countries, and was due to different causes, depending on local situations. In France-Belgium, Spain and Bulgaria the negative volume effect predominated, while in Italy and India the reduction in sales prices was the key factor, despite important efficiency improvements.

Operating results improved in North America, Kazakhstan, Kuwait and Trading.

Finance costs net of finance income amounted to 57.7 million euro, a slight increase (+2.3%) from the first half of 2009 (56.4 million euro), despite the reduction in net interest expense on net debt (from 55.7 million euro to 45.8 million euro) and net exchange-rate gains (10.5 million euro, from 5.5 million euro of net losses in the first half of 2009). As noted in the quarterly report at March 31, 2010, finance costs were affected by the non-recurring effect of 21.4 million euro generated by the redemption of the Notes issued in the USA, as described above.

Profit before tax was 125.7 million euro (185.0 million euro in the first half of 2009); it was adversely affected by the reduction in operating results and impairment on financial assets, principally the shareholding in Calcestruzzi S.p.A.

Income tax expense was 43.9 million euro, compared with 57.7 million euro in the first half of 2009 (-23.8%).

Net profit for the period was 81.8 million euro, a decrease of 35.8% from net profit of 127.3 million euro in the 2009 first half.

The reduction in the results of companies with limited minority interests and the greater weight of the results of companies with material minority interests virtually cancelled out net profit attributable to the Group (0.4 million euro) in favor of net profit attributable to minority interests (81.4 million euro).

Total **investments in fixed assets** in the first half of 2010 were 274.4 million euro (394.3 million euro in the first half of 2009). Capital expenditure amounted to 258.2 million euro (370.7 million euro in the first half of 2009) and referred mainly to the completion of strategic projects. Consequently, investments for structural improvement of group industrial facilities and operating efficiency continued to account for a high proportion of total investments (66%).

Net debt at June 30, 2010, stood at 2,458.1 million euro, showing a slight increase (38.2 million euro) from the figure at December 31, 2009 (2,419.9 million euro). Thanks to the measures introduced in 2009, containment of working capital continued, generating a positive effect of 39.6 million euro which contributed to cash flow from operations of 374.7 million euro (408.8 million euro in the first half of 2009). The increase in net debt reflected the impact of investments in fixed assets totaling 274.4 million euro and payment of dividends for 114.3 million euro.

Total **shareholders' equity** at June 30, 2010, was 5,088.4 million euro, an increase of 396.3 million euro from December 31, 2009 (4,692.2 million euro), of which 240.6 million euro relating to the Group and 155.7 million euro to minority interests. The important increase in shareholders' equity arose above all from the positive impact of currency translation gains (414.0 million euro) and the net profit for the period (81.8 million euro), net of dividends paid (116.2 million euro).

Quarterly trend

(in millions of euro)	H1 2010	Q2 2010	Q1 2010
Revenues	**2,455.1**	**1,382.6**	**1,072.5**
% change on 2009	*(5.1)*	*(0.1)*	*(10.7)*
Recurring EBITDA	**434.5**	**298.8**	**135.7**
% change on 2009	*(12.6)*	*(3.1)*	*(28.2)*
% of revenues	*17.7*	*21.6*	*12.7*
EBITDA	**429.2**	**296.4**	**132.7**
% change on 2009	*(12.1)*	*(4.6)*	*(25.2)*
% of revenues	*17.5*	*21.4*	*12.4*
EBIT	**197.9**	**174.0**	**23.9**
% change on 2009	*16.8*	*0.4*	*(63.0)*
% of revenues	*8.1*	*12.6*	*2.2*
Net profit for the period	**81.8**	**90.4**	**(8.6)**
% of revenues	*3.3*	*6.5*	*n.s.*
Group net profit	**0.4**	**37.9**	**(37.5)**
Net debt (at period end)	2,458.1	2,458.1	2,360.6

As noted in the previous interim reports, the group core businesses are subject to seasonal trends, and once again performance was stronger in the second quarter of the current year than in the first quarter.

Compared with 2009, after a negative start to the year, the second quarter reported revenues in line with the year-earlier period and limited decreases in operating results (recurring EBITDA and EBITDA). This dynamic arose in particular from the increase in sales volumes, and from the containment of variable and fixed costs. These factors countered but did not fully offset the effect on results of the significant fall in sales prices on some markets.

Sales volumes in the second quarter saw growth, especially in the cement and clinker segment and above all in emerging countries, North America, France, Belgium, with Bulgaria alone reporting a significant decline. In the aggregates segment the slight improvement was a consequence of the mature countries, with the sole exception of Greece, while in the ready mixed concrete segment progress in sales volumes stemmed from the emerging countries and North America.

Revenues in the second quarter of 2010 amounted to 1,382.6 million euro, and were substantially stable compared with the year-earlier period, thanks to generalized growth among the various macro-areas, which counterbalanced the slowdown in Central Western Europe, where only the France-Belgium area reported a small improvement. In absolute values, the largest changes were the growth reported in Egypt and the decreases in Italy, Bulgaria and Spain.

Second-quarter **recurring EBITDA,** at 298.8 million euro, was down 3.1% from the year-earlier period; **EBIT**, at 174.0 million euro, showed a small improvement (+0.4%).

Performance in operating results was stronger than in the first quarter, despite an important negative price effect. The recovery in sales volumes and containment of operating expenses helped keep results at levels largely similar to those of the second quarter of 2009.

Significant events in the period

This section offers a brief summary of significant events in the period, previously illustrated in the quarterly report at March 31, 2010.

In April, in relation to its sustainable development commitments, **Italcementi S.p.A.** joined the United Nations' "Global Compact", the leading international forum set up to discuss the most critical aspects of globalization. The Global Compact brings together business corporations and organizations who decide voluntarily to cooperate to achieve a "more inclusive and sustainable global economy".

In March, under the EMTN program authorized for a maximum amount of 2 billion euro, **Italcementi Finance S.A.** (Italcementi S.p.A. wholly owned treasury vehicle) issued debentures on the European market maturing on March 19, 2020, for an aggregate nominal amount of 750 million euro. The proceeds were utilized to provide financing for an equivalent term for Italcementi S.p.A. and Ciments Français S.A., for 210 million euro and 540 million euro respectively.

April saw the close of the Ciments Français offer on the **"US Private Placement Notes"** for a total of 500 million US dollars, with the repurchase of all the "Notes" issued in 2006 (maturing in 2018 and 2021) and of 183.5 million of the total 200 million US dollars issued in 2002 (maturing in 2012 and 2014). Ciments Français simultaneously agreed a "clarifying amendment" with the note-holders, expressly permitting Ciments Français to borrow funds from Italcementi or from its subsidiaries.

On April 27, 2010, with regard to the assets that make up the **Calcestruzzi** business concern, the Caltanissetta examining judge issued an "order for the return of the corporate assets under seizure with prescriptions". Further information is provided in the section "Calcestruzzi".

Performance by geographical area

(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	H1 2010	% change vs. H1 2009	H1 2010	% change vs. H1 2009	H1 2010	% change vs. H1 2009	H1 2010	% change vs. H1 2009
Geographical area								
Central Western Europe	1,247.1	*(9.1)*	191.5	*(17.5)*	185.5	*(20.7)*	78.8	*(34.4)*
North America	185.7	*(2.1)*	(5.4)	*47.8*	(6.4)	*39.3*	(41.3)	*(24.4)*
Emerging Europe, North Africa and Middle East	740.3	*1.3*	211.0	*(3.6)*	211.8	*(3.2)*	150.8	*(2.1)*
Asia	212.8	*0.6*	34.1	*(35.0)*	34.0	*(30.0)*	9.9	*26.9*
Cement and clinker trading	128.6	*18.8*	11.2	*>100*	11.2	*100.0*	9.9	*>100*
Other	202.7	*10.4*	(8.0)	*(>100)*	(6.9)	*(>100)*	(10.2)	*(2.8)*
Eliminations	(262.1)	*n.s.*	-	-	-	-	-	-
Total	**2,455.1**	***(5.1)***	**434.5**	***(12.6)***	**429.2**	***(12.1)***	**197.9**	***(16.8)***

n.s. not significant

Central Western Europe

In Central Western Europe the fall in volumes and sales prices caused a drop in revenue in the first half of 2010 of 9.1% compared to the first half of 2009. In particular, there were sharp falls in **Spain** and **Italy**, and a more limited fall in **France, Belgium** and **Greece**.

This negative performance was reflected in the operating results which were only partly counterbalanced by a fall in the costs of production factors, especially energy, and the containment of fixed costs. The latter were positively affected by the action taken to improve the efficiency of the manufacturing structure.

North America

In the United States, despite the economic recovery that has been underway since the end of 2009 assisted by fiscal incentives and monetary policy measures, the construction segment, on the basis of the latest estimates available, has continued to decline with a downturn of 12% in investments compared with the previous year.

Group cement volumes and sales prices fell slightly in the period compared to the prior-year period, despite growth in the second quarter of 2010 after a negative first quarter.

Overall operating results were negative in absolute terms, but showed an improvement compared with the first half of 2009 due to savings on fixed costs and to the reduction in variable costs, which more than made up for the negative impact of volumes and prices described above.

Emerging Europe, North Africa and Middle East

The countries making up this area had differing trends, with revenues up slightly by 1.3% compared to the first half of 2010 and with operating results slightly down.

In **Egypt** there was solid growth in cement volumes and sales prices, largely thanks to the residential segment. Operating expenses benefited from action to boost industrial efficiency, but fixed costs were affected by the rise in personnel expense caused in part by the increase in the workforce.

In **Marocco,** in the first half of 2010 the construction industry made a slight upturn compared with the first half of 2009, in particular supported by private consumption and by goverment investment in public works. The positive trend in cement prices and sales volumes drove revenue growth. Overall, operating results were in line with the levels of the 2009 first half, since the positive impact of prices and volumes was offset by higher operating expenses.

In **Bulgaria**, the severe recession together with poor weather in the early months of the year generated a sharp decline in operating results, due to the fall in volumes and sales prices, but they were helped by the reduction in operating expenses, and the decrease in the price of fuel.

In **Turkey**, despite the increase in cement and ready mixed concrete sales volumes, the marked fall in prices led to a drop in operating results.

In **Kuwait**, where economic conditions remained difficult despite a significant upturn, overall operating results improved thanks to the increase in cement and ready mixed concrete sales volumes.

Asia

Also in the Asian countries where the group is present, there were differing trends.

In **Thailand**, despite continuing political uncertainty, the economy made a recovery in the first half of 2010. The construction industry continued to grow helped by government and private investment. Operating results in the first half rose compared to the year-earlier period which included non-recurring charges for the restructuring program. Excluding this impact, operating results would have fallen, largely owing to the reduction in average sales prices and higher electricity and maintenance costs, offset only in part by higher sales volumes.

In **India** in the first half of 2010 economic growth and construction industry growth continued. Despite the increase in sales volumes, the fall in average sales prices caused a marked decrease in operating results compared to the first half of 2009.

In **China**, in a positive economic climate, operating results rose thanks to the increase in sales volumes and the reduction in operating expenses, despite a fall in sales prices.

In **Kazakhstan**, where the market grew strongly due to a recovery in infrastructure investment, operating results were significantly higher, benefiting from rising cement prices and sales volumes.

Cement and clinker trading

During the first half intercompany and third-party cement and clinker sales volumes rose by 17.8% from the year-earlier period, when activities were severely affected by the full impact of the world financial crisis.

Operating results made important progress, driven by positive performance in volumes and sales margins.

E-business

Despite the difficult domestic and international economic situation, performance at the BravoSolution group in the first half of 2010 generated growth in revenues and positive operating results, with satisfactory earnings. Consolidated revenues amounted to 26.2 million euro, up by 2.3% on the year-earlier period (25.6 million euro). First-half EBITDA was 3.0 million euro, unchanged from the first half of 2009, while EBIT slowed slightly (from 1.4 million euro to 1.1 million euro).

Energy

During the first half of 2010 Italgen S.p.A. continued to work on its projects in Italy (Villa di Serio), Morocco (Laayoune), Turkey (Bares) and Egypt (Gulf El Zeit).

In addition, in the first half of 2010, Italgen S.p.A. purchased two 9 MW wind parks in Bulgaria, one of which is already operational and one under construction. The acquisition is part of Italgen growth plans to strengthen its positioning in renewable energy through a series of important international initiatives.

For the first half of 2010 Italgen S.p.A. reported revenues of 23.4 million euro, an increase of 9.0% from the year-earlier period. Operating results decreased, however, due to the reduction in average sales prices and the rise in variable costs, the consequence of larger electricity purchase volumes and the higher cost of transported electric energy.

Calcestruzzi

As noted in the company's quarterly report as at and for the year to March 31, 2010, on April 27, 2010, the Caltanissetta preliminary investigating magistrate (GIP) issued an order confirming the preventive seizure on all corporate assets of Calcestruzzi S.p.A. and directing their return to the company solely with regard to some of the company's ordinary powers of management.

In the order, under which the GIP maintains powers of authorization with regard to extraordinary operations, Calcestruzzi and Italcementi (as shareholder of Calcestruzzi) are required to complete a series of prescriptions.

Simultaneously, the GIP revoked the court receiver, whom he appointed as his assistant to check the prescriptions and empowered to act as an "external vigilance and control body" with respect to the said prescriptions and also with respect to the activities established in detail in the order, with the requirement of a report every two months on progress in executing the imposed prescriptions.

Having examined the content of the order, with the assistance of experts, and heard the opinions of the Board of Statutory Auditors and the independent auditors, Italcementi, (i) in view of the permanence of the preventive seizure and the consequent subordination to authorization by the courts for acts of extraordinary administration that might affect the enterprise perimeter and the permanent power of the courts, in the appropriate conditions, to order the sale or destruction of assets, (ii) having assessed the unavailability constraint placed on the corporate assets, (iii) having assessed the powers attributed to the GIP's assistant (the former court receiver) as an external vigilance and control body, which also affect ordinary management, believes that – in the present situation – the reasons for the exclusion of Calcestruzzi from the scope of the line-by-line consolidation continue to exist, pursuant to IAS 27 par. 32. This is due to the fact that the mere return with prescriptions of the corporate assets in itself – in light of the content of the order, the powers of the GIP and those attributed to the external vigilance and control body – does not enable the company to resume the power of governance over the financial and management policies of Calcestruzzi in order to obtain the benefits of its operations.

On May 5, 2010, the Board of Directors of Calcestruzzi appointed Fortunato Zaffaroni to the post of Chief Executive Officer and on June 14 instructed Mr Zaffaroni to conduct a review of the company's situation as quickly as possible in order to formulate initiatives and management measures for a gradual resumption of management of Calcestruzzi, and to draw up an industrial/financial plan in the context of group policies, to be presented for the approval of the Calcestruzzi Board of Directors, and subsequently for the scrutiny of the external vigilance and control body and the GIP for the appropriate determinations.

At the present time Italcementi foresees that the CEO of Calcestruzzi will draw up the industrial/financial plan during the second half of the year, to be presented for the required company approvals and subsequent determinations of the GIP, as mentioned above.

Only upon completion of this process, and of the determinations of the GIP, will Italcementi be in a position to assess whether it has acquired a clear, approved management position and appropriate tools for the resumption of control of company operations, even in the event of continuation of the preventive seizure.

Therefore, pending a decision regarding resumption of control even if the preventive seizure continues, consistently with the financial disclosures previously published by the group, the results for the first half of 2010 are summarized below.

On July 26, 2010, the Board of Directors of Calcestruzzi S.p.A. approved the company balance sheet and income statement as at and for the year to June 30, 2010, and noted the results set out in the consolidated balance sheet and income statement as at and for the year to June 30, 2010.

The balance sheet and income statement of Calcestruzzi S.p.A. for the first half of 2010 reflect:

- revenues of 135.2 million euro (-14.4% compared to 157.9 million euro in the first half of 2009);
- negative recurring EBITDA of 13.5 million euro (negative recurring EBITDA of 11.3 million euro in the first half of 2009);
- negative EBIT of 18.3 million euro (negative EBIT of 15.2 million euro in the first half of 2009);
- a net loss for the first half of 14.8 million euro (a net loss of 15.9 million euro in the first half of 2009);
- shareholders' equity of 60.0 million euro (74.7 million euro at December 31, 2009);
- net debt of 181.6 million euro (165.5 million euro at December 31, 2009).

The consolidated balance sheet and income statement of Calcestruzzi S.p.A. for the first half of 2010 reflect:

- revenues of 168.6 million euro (-15.7% compared to 200.1 million euro in the first half of 2009);
- negative recurring EBITDA of 13.1 million euro (negative recurring EBITDA of 11.2 million euro in the first half of 2009);
- negative EBIT of 19.7 million euro (negative EBIT of 16.2 million euro in the first half of 2009);
- a net loss for the first half of 16.6 million euro (a net loss of 17.6 million euro in the first half of 2009);
- shareholders' equity of 56.3 million euro (72.8 million euro at December 31, 2009);
- net debt of 213.5 million euro (200.0 million euro at December 31, 2009).

Disputes and pending proceedings

No significant developments took place in the disputes illustrated in the 2009 annual report and the quarterly report at March 31, 2010.

In April the General Directorate of the Belgian Competition Authority sent cement producers (including Compagnie des Ciments Belges) and the national industry association a notice of the charges relating to a proceeding that began in 2009 for alleged violations of national antitrust laws.

Outlook

For the second half of the year the macro-economic situation is expected to show significantly different trends in the various regions where the group operates.

Construction investment will remain lively in the emerging countries, especially in the Med Rim countries, with benefits for cement sales volumes and sales prices alike.

Conversely, the effects of the economic crisis and consequent restrictive budget policies will continue to affect the European market in the second half of the year. In the USA, after a lengthy period of recession, expectations of a recovery in demand are confirmed for the second part of the year.

Within this overall situation of equilibrium for the group, sales price conditions will continue to be difficult in some countries, including Italy and India, with an adverse effect on operating results.

Programs to reduce structural costs and boost industrial efficiency will continue bringing important results in addition to the already excellent benefits achieved in 2009.

Second-half operating results are expected to be comparable with those of the first six months of 2010.

The measures introduced to reduce the working capital requirement, which led to an improvement both in 2009 and in the first half of 2010, will continue for the rest of the year, helping to maintain a solid Net Financial Position.

Food packaging and thermal insulation sector

The Group is present in the food packaging and thermal insulation segment through Sirap Gema S.p.A. and its subsidiaries. The scope of consolidation in 2010 excludes CJSC Inline-R due to the disposal of the majority stake and Dorner Pack G.m.b.H. following the finalisation of new contractual agreements. The table below summarizes the income statement and the main balance sheet indicators.

(in millions of euro)	H1 2010	H1 2009	% change	Full year 2009
Revenues	**114.2**	**118.4**	***(3.6)***	**238.3**
Recurring EBITDA	**10.5**	**13.6**	***(23.1)***	**31.2**
% of revenues	*9.2*	*11.5*		*13.1*
Other income (expense)	-	-		-
EBITDA	**10.5**	**13.6**	***(23.1)***	**31.2**
% of revenues	*9.2*	*11.5*		*13.1*
Amortization and depreciation	(5.8)	(6.0)	*(5.0)*	(12.2)
Impairment variation	(0.1)	-	*n.s.*	(0.4)
EBIT	**4.6**	**7.6**	***(38.8)***	**18.6**
% of revenues	*4.1*	*6.4*		*7.8*
Finance income (costs)	(1.8)	(4.2)	*(56.3)*	(7.0)
Profit before tax	**2.8**	**3.4**	***(17.5)***	**11.6**
% of revenues	*2.5*	*2.9*		*4.9*
Income tax expense	(1.8)	(2.4)	*(24.2)*	(4.6)
Net profit	**1.0**	**1.0**	***n.s.***	**7.0**
% of revenues	*0.9*	*0.8*		*2.9*
Group net profit	**0.9**	**1.0**	***(6.2)***	**7.0**
Minority interests	n.s.	n.s.		n.s.
Investments	4.5	5.6		9.5

n.s. not significant

(in millions of euro)	June 30, 2010	December 31, 2009
Total shareholders' equity	49.2	51.5
Group shareholders' equity	48.9	50.8
Net debt	121.1	119.7
Number of employees at period/year end	1,307	1,387

The first half of 2010 saw largely weak demand across all segments and confirmation of the marked increase in the price of raw polymers.

The fall in consumption triggered by the continuing economic crisis squeezed sales prices, a phenomenon which it was not always possible to contain and, in some markets, saw the mix move towards lower value added products. Unlike in the prior-year period, margins were penalized by the sharp rise in the cost of materials (estimated on average at around 48%), which was partly counterbalanced by the inventories policy and the improved efficiency in logistics and manufacturing.

Group **revenues** (114.2 million euro) were down by 3.6% on the prior-year period, which was due for around 2.6% to changes in the scope of consolidation and the remainder for translation differences (+1.4%) and lower volumes/prices.

EBIT was 4.6 million euro, down significantly (-38.8%) compared to the first half of 2009 (7.6 million euro) due mainly to the increase in the cost of polymers and the decrease in average sales prices.

Finance costs totaled 1.8 million euro and fell sharply on 2009 (4.2 million euro) thanks to exchange rate gains following the appreciation of the currencies of East Europe, the decrease in the average interest rate and lower debt.

Taxes (1.8 million euro) fell on the prior-year period due to lower taxable income.

Net profit for the period was 1 million euro and was largely unchanged compared to the first half of 2009.

Net debt was 121.1 million euro, up slightly compared to December 31, 2009 (119.7 million euro) following the more limited, albeit positive, cash flow from operations.

Investments in fixed assets amounted to 4.5 million euro (5.6 million euro in the first half of 2009) and were largely aimed at the food packaging segment and the development of the new IT system.

Significant events in the period

On April 7, 2010 an agreement for the sale of 48.23% of the Russian subsidiary CJSC Inline-R was reached between Inline Poland Sp.z.o.o. and the minority shareholder of the Russian company. The agreed consideration is 0.3 million euro, to be paid in approximately three and a half years and guaranteed by a mortgage on a building owned by the purchaser.

Inline Poland retains an investment of 23.99% in the company, thereby limiting its commitment at a time of economic uncertainty, but maintaining a presence on a potentially important market which may be augmented should conditions improve.

Quarterly trend

(in millions of euro)	H1 2010	Q2 2010	Q1 2010
Revenues	**114.2**	**60.3**	**53.9**
% change on 2009	*(3.6)*	*(5.2)*	*(1.7)*
Recurring EBITDA	**10.5**	**6.5**	**3.9**
% change on 2009	*(23.1)*	*(29.9)*	*(8.5)*
EBITDA	**10.5**	**6.5**	**3.9**
% change on 2009	*(23.1)*	*(29.9)*	*(8.5)*
EBIT	**4.6**	**3.9**	**0.8**
% change on 2009	*(38.8)*	*(38.0)*	*(42.3)*
Total net profit	**1.0**	**1.5**	**(0.6)**
% change on 2009	*(0.9)*	*(51.2)*	*73.9*
Group net profit	**0.9**	**1.5**	**(0.6)**
Net debt (at period end)	121.1	121.1	117.0

The trend in the second quarter of 2010 was in line with the seasonal trend for the period: the impact of the increase in sales was, however, limited by the increase in the cost of raw materials which was no longer counterbalanced by the impact of the opening inventories level.

Performance by segment and geographical area

(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	H1 2010	% change vs. H1 2009	H1 2010	% change vs. H1 2009	H1 2010	% change vs. H1 2009	H1 2010	% change vs. H1 2009
Food packaging								
- Italy	44.7	*(10.6)*	4.5	*(24.6)*	4.5	*(24.6)*	1.4	*(39.6)*
- France	12.8	*(5.4)*	1.7	*(16.9)*	1.7	*(16.9)*	1.3	*(19.3)*
- Other European Union countries	29.4	*(4.9)*	1.8	*7.7*	1.8	*7.7*	0.7	*(24.9)*
- Other non-EU countries	8.6	*(11.4)*	0.2	*(4.9)*	0.2	*(4.9)*	0.1	*n.s.*
Eliminations	(7.1)	-	-	-	-	-	-	-
Total	**88.4**	***(7.8)***	**8.2**	***(16.9)***	**8.2**	***(16.9)***	**3.5**	***(28.0)***
Thermal insulation - Italy	26.2	*(0.1)*	2.3	*(39.7)*	2.3	*(39.7)*	1.1	*(57.9)*
Eliminations	(0.4)		-		-		-	
Total	**114.2**	***(3.6)***	**10.5**	***(23.1)***	**10.5**	***(23.1)***	**4.6**	***(38.8)***

n.s. not significant

Food packaging

In Western Europe, in the first half of 2010, overall meat consumption (and so demand for expanded food packaging products) was largely unchanged on 2009, with a change in the mix towards poultry.

Demand for rigid food packaging (delicatessen and bakery), except for the Polish market, remained weak and uncertain, albeit with some signs of recovery in the second part of the period.

As for Italy, the fall in revenues was largely due to changes in intercompany sales following the reorganization which was completed in 2009. Without this change, expanded product sales fell slightly due to lower volumes/prices, while rigid product sales rose slightly thanks to the increase in volumes in the dairy segment. EBIT fell markedly which was due in part to lower revenues but mainly to the increase in the cost of raw polymers.

There were similar problems on the French market which were worsened by the delayed launch of the ''*gamme d'été*'' due to poor weather. Revenues fell by 5.4% mainly due to lower volumes, while the trend continued in a shift in demand to barrier trays (for longer shelf-life); the increased variation in the mix limited the fall in EBIT.

Demand in the countries of Central East Europe was affected by the crisis, but with varying trends in individual countries. In general for Petruzalek, the uncertainty in the development of the economic situation limited investments in packaging machines and the fall in consumption led to lower demand for food packaging products, which shifted above all towards cheaper products.

Poland proved to be a clear exception to the trend in other countries: the level of demand almost returned to pre-crisis levels and helped push up revenues and supported profits.

Investments in fixed assets totaled 4 million euro and, besides maintenance replacements, included the implementation at Sirap Gema SpA of a new IT system which will be gradually extended to all the group companies.

Thermal insulation

The difficult economic situation had a particular impact on the construction segment and significantly reduced new projects. Despite the complex market, revenues in the segment (26.2 million euro) were largely unchanged compared to the first half of 2009. The increase in revenues relating to the sale of insulation panels (sheets), thanks also to the inclusion in the range of new high performance products, offset the fall in sales of prefabricated components for roof insulation, products which, however, have higher value added.

EBIT (1.1 million euro) fell compared to the first half of 2009 due to the rise in the cost of raw materials, which was particularly marked in the segment, and to the change in the mix in favor of less profitable products.

Disputes

As already noted in previous reports, in June 2008 officers from the European Commission – General Division 4 ("Competition") carried out an inspection at the Sirap Gema S.p.A. offices in Verolanuova (Brescia).

Subsequently, as from November 30, 2009, the Commission requested Sirap Gema S.p.A. detailed information on: (i) the business carried out and the markets on which the Sirap group operates, (ii) the transcription of some handwritten documents which were taken by its officers during the inspection in 2008, (iii) a number of circumstances, for the most part meetings among company representatives and representatives of a number of its competitors. Similar information has been requested from the subsidiaries Petruzalek G.m.b.H. and Sirap France S.A.

Sirap Gema S.p.A. and its subsidiaries have provided all the information requested by the Commission, with the assistance of their legal advisors.

Besides the aforementioned requests, the Commission has not taken other investigative steps.

Significant subsequent events

On April 2, 2009, an agreement was completed to establish usufruct over all the shares of the Austrian company Dorner Pack G.m.b.H. in favor of the subsidiary Petruzalek G.m.b.H. On December 22, 2009 the agreement was amended to permit the termination of the usufruct contract in relation to the previous quarters but to maintain Petruzalek's call option on the entire share capital, to be exercised between January 1, 2012 and December 31, 2013. The company, which was consolidated in the 2009 half year, was therefore excluded from the scope of consolidation at the year end.

On July 14, 2010 the final agreement was signed for the Share Purchase Agreement for the purchase of Dorner Pack in Austria. By signing this agreement, Petruzalek G.m.b.H. achieved the aim of setting clearer, safer and more favorable contractual conditions.

Dorner Pack markets food packaging machinery and holds several agency contracts for leading operators on the Austrian market.

Outlook

The uncertainty of the evolution of the economic crisis and the related impact on the trend in demand in the segments where the Sirap Gema group operates, make it difficult to forecast how results will develop. Nonetheless, given a continuation of the current market situation, forecast consolidated revenues for 2010 should be largely unchanged on 2009; on the other hand, margins should fall in close correspondence to the increase in the average purchase price for raw polymers.

Financial segment

The financial segment includes the parent Italmobiliare and the wholly owned financial companies: 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 2010	H1 2009	% change	Full year 2009
Revenues	**64.9**	**91.7**	***(29.2)***	**125.1**
Recurring EBITDA	**35.2**	**58.4**	***(39.8)***	**81.9**
Other income (expense)	(0.3)	-	*n.s.*	3.1
EBITDA	**34.9**	**58.4**	***(40.2)***	**85.0**
Amortization and depreciation	(0.1)	(0.1)	-	-
EBIT	**34.8**	**58.3**	***(40.3)***	**85.0**
Finance income (costs)	(0.1)	-	*n.s.*	(0.1)
Impairment on financial assets	(8.3)	(2.4)	*n.s.*	(6.6)
Share of results of associates	(6.7)	15.6	*n.s.*	13.5
Profit (loss) before tax	**19.7**	**71.5**	***(72.4)***	**91.8**
Income tax expense	(0.1)	(6.7)	*(97.9)*	n.s.
Net profit (loss) for the period	**19.6**	**64.8**	***(69.8)***	**91.8**

n.s. not significant

(in millions of euro)	June 30, 2010	December 31, 2009
Net financial position	285.8	255.0
Shareholders' equity	1,299.6	1,399.9
Number of employees at period end	58	50

Quarterly trend

(in millions of euro)	H1 2010	Q2 2010	Q1 2010
Revenues	**64.9**	**25.3**	**39.6**
% change on 2009	*(29.2)*	*(65.3)*	*110.9*
EBIT	**34.8**	**4.9**	**29.9**
% change on 2009	*(40.3)*	*(94.1)*	*n.s.*
Net profit for the period	**19.6**	**(7.0)**	**26.6**
% change on 2009	*(69.8)*	*n.s.*	*n.s.*
Net financial position (at period end)	**285.8**	**285.8**	**298.8**

n.s. not significant

Results in accordance with the financial model

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

- "Net gains on investments", which includes, with regard to available-for-sale investments, dividends received, gains and losses on divestments of investments, and impairment losses on these financial assets;
- "Net gains on investments of cash", which includes interest income on bank coupons and deposits, impairment losses on securities and trading equities, gains/losses on the sale of trading securities, income/expense on trading derivatives;
- "Net borrowing costs" which essentially reflect interest expense on financing, bank commissions and costs;
- "Other expense", which includes personnel expense 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 2010**	**H1 2009**	**% change**	**Full year 2009**
Net gains on investments	29.4	66.2	*(55.6)*	60.0
Net gains on investments of cash	2.2	19.3	*(88.7)*	52.6
Net borrowing costs	(1.9)	(5.8)	*(67.3)*	(8.0)
Net financial income	**29.7**	**79.7**	***(62.7)***	**104.6**
Net operating expense	(9.9)	(8.2)	*21.2*	(12.8)
Income tax expense	(0.1)	(6.7)	*(97.9)*	-
Profit for the period/year	**19.6**	**64.8**	***(69.8)***	**91.8**

Net gains on investments fell in the first half of the period from 66.2 million euro in 2009 to 29.4 million euro, due to lower dividends from equity investments, the losses of associates, and impairment losses on some investments, only partially offset by the positive outcome of the disposal of Unicredit shares.

Net gains on investments of cash in the first half of 2010 totaled 2.2 million euro, down by 17.1 million euro compared to the prior-year period. This fall was largely due to lower revaluations and gains on the bond portfolio which in 2009 were particularly favorable following the positive performance of the bond markets in the first half of 2009 supported by actions by regulatory bodies.

The second quarter of 2010 followed a negative trend and recorded a net expense of 11.3 million euro, mainly due to the losses recorded on the bond and equities portfolio compared to net income of 13.5 million euro at March 31, 2010.

Net borrowing costs (1.9 million euro) were markedly down by 3.9 million euro on the prior-year period thanks to lower interest rates and the lower level of average debt. In the second quarter borrowing costs were lower compared to the first quarter (0.7 million euro compared to 1.1 million euro).

Net operating expense rose from 8.2 million euro to 9.9 million euro. This increase was due above all to the presence of higher non-recurring income in 2009, while expense remained constant in the period.

Income tax expense went from –6.7 million euro to -0.1 million euro, due to lower taxable income for the period.

For the above reasons **profit** for the period therefore stood at 19.6 million euro, down by 45.2 million euro compared to the prior-year period.

The companies which make up the financial segment hold significant investments, most of which are classified as "Available for sale". Changes in the fair value of these investments, with the exclusion of those consolidated at cost in the separate financial statements, are recorded under shareholders' equity in the "Fair value reserve". At the end of June 2010 the consolidated amount of the reserve, net of securities classified as "Available for sale", in the financial segment, totaled 81.2 million euro, compared to 184.4 million euro at December 31, 2009. The significant reduction is related to the negative performance of some stock market prices, above all for Unicredit and Mediobanca shares.

Significant events in the period

In January, after publication of the details of the Unicredit share capital increase, Italmobiliare and the companies in the financial segment that hold Unicredit shares sold 10 million Unicredit shares (the transaction was performed only by the parent company) and cashed in the rights arising from the offer, to obtain an overall gain of 18.9 million euro.

Italmobiliare subscribed a "Put spread collar" on 5,236,880 Unicredit ordinary shares at zero net cost and a call option on 3 million shares, to realize a total gain of 3.9 million euro.

In April 2010 Franco Tosi S.r.l. sold 1,118,309 Intek shares for a gain of 372.6 thousand euro. The sale reduced the company's investment to 1.966% of ordinary share capital.

Information on some companies in the sector

Italmobiliare S.p.A.

The financial statements highlights at June 30, 2010 determined in accordance with IFRS were as follows:

(in millions of euro)	H1 2010	H1 2009	% change
Revenues	50.0	87.6	*(43.0)*
EBIT	30.1	71.8	*(58.0)*
Net profit	30.8	67.1	*(54.1)*

	June 30, 2010	December 31, 2009
Shareholders' equity	1,203.5	1,283.4
Net debt	(112.0)	(151.1)

In the first half of 2010 Italmobiliare S.p.A. saw revenues fall by 37.6 million euro compared to June 2009 (- 43.0%) mainly due to lower dividends paid by the subsidiaries and associates, despite the gain from transactions involving Unicredit shares. Consequently, after a loss on the disposal of equities held in the portfolio and a positive tax element, net profit for the period was 30.8 million euro (down by 54.1% compared to June 30, 2009).

Italmobiliare International Finance Limited

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

The financial statements highlights at June 30, 2010 determined in accordance with IFRS were as follows:

(in millions of euro)	H1 2010	H1 2009	% change
Revenues	11.7	26.5	*(55.9)*
EBIT	4.8	13.9	*(65.6)*
Net profit	3.8	12.1	*(68.4)*

	June 30, 2010	December 31, 2009
Shareholders' equity	390.6	381.7
Net debt	386.1	375.6

Revenues fell by 55.9% compared to the first half of 2009 and were affected by lower revaluations, lower gains and lower interests. Consequently, also given the lower impairment losses in the first half of 2010, the net profit was only 3.8 million euro, markedly down on 12.1 million euro at June 30, 2009.

Société de Participation Financière S.A.

The financial statements highlights at June 30, 2010 determined in accordance with IFRS were as follows:

(in millions of euro)	**H1 2010**	**H1 2009**	**% change**
Revenues	2.2	10.7	*(79.3)*
EBIT	(4.9)	6.2	*n.s.*
Net profit	(4.8)	-	*n.s.*

	June 30, 2010	**December 31, 2009**
Shareholders' equity	179.0	183.8
Net debt	(1.6)	20.9

n.s. not significant

Revenues for the first half of the year were sharply down on the prior-year period due to lower dividends received and lower revaluations on the trading portfolio. In addition, the impairment losses on equity investments held in the portfolio led a loss for the period of 4.8 million euro.

Investments in listed companies held by the financial segment

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

	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	0.030	Italmobiliare S.p.A.
Associates			
Mittel	8,645,190	12.262	Italmobiliare S.p.A.
Rcs MediaGroup ordinary shares [2]	37,606,889	5.133	Franco Tosi S.r.l.
Other			
Unicredito ordinary shares	91,243,921	0.473	Italmobiliare S.p.A.
Unicredito ordinary shares	8,549,984	0.044	Franco Tosi S.r.l.
Mediobanca [2]	10,469,846	1.216	Franco Tosi S.r.l.
Ubi Banca	1,718,500	0.269	Soparfi S.A.
Ubi Banca	743,500	0.116	SANCE S.r.l.
Intek ordinary shares	2,564,566	1.966	Franco Tosi S.r.l.
Kme ordinary shares	6,138,125	1.609	Franco Tosi S.r.l.
Other equity investments for trading [3]			
Unicredito ordinary shares	3,192,451	0.017	Soparfi S.A.
Rcs MediaGroup ordinary shares	2,071,530	0.283	Soparfi S.A.
Ubi Banca	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.
Warrants			
Mediobanca 2009/2011[2]	9,971,282		Franco Tosi S.r.l.
Ubi Banca 2009/2011	1,718,500		Soparfi S.A.
Ubi Banca 2009/2011	743,500		SANCE S.r.l.
Ubi Banca 2009/2011	1,600,000		Soparfi S.A.
Intek 2005/2011	1,305,307		Franco Tosi S.r.l.
Kme Group 2011	1,374,940		Franco Tosi S.r.l.
Kme Group 2014	2,175,512		Franco Tosi S.r.l.

[1] The % refers to the total securities issued for the corresponding category
[2] A further 17,084,738 RCS MediaGroup shares are held through Italcementi S.p.A.
A further 12,099,146 Mediobanca shares and 11,522,996 Mediobanca warrants are held through Italcementi S.p.A.
[3] Equity investments for trading form part of the net financial position
n.s. not significant

Net financial position of Italmobiliare and the financial segment

The table below provides an itemized description on the net financial positions of the parent Italmobiliare S.p.A. and the financial segment, which is composed of the parent Italmobiliare S.p.A. and the wholly owned financial companies.

(in thousands of euro)	June 30, 2010		December 31, 2009	
	Italmobiliare	**Financial segment**[1]	**Italmobiliare**	**Financial segment**[1]
Cash, cash equivalents and current financial assets	123,821	476,943	104,014	464,915
Short-term financing	(10,022)	(10,872)	(6,959)	(10,760)
Short-term net financial position	**113,799**	**466,071**	**97,055**	**454,155**
Medium/long-term financial assets	9,724	55,224	10,636	59,636
Medium/long-term financing	(235,486)	(235,486)	(258,799)	(258,799)
Medium/long-term net financial position	**(225,762)**	**(180,262)**	**(248,163)**	**(199,163)**
Net financial position	**(111,963)**	**285,809**	**(151,108)**	**254,992**

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's net debt was 112.0 million euro (151.1 million euro at December 31, 2009), an improvement of 39.1 million euro, largely due to the sale of investments and dividends received, despite the payment of dividends for 33.5 million euro.

The consolidated financial position of the financial segment, which also includes the parent Italmobiliare, was positive at 285.8 million euro (255.0 million euro at December 31, 2009), an increase of 30.8 million euro, mainly as a consequence of higher cash flows linked to the aforementioned operations.

Cash, cash equivalents and current financial assets in the financial segment at June 30, 2010 totaled 476.9 million euro and mainly consisted of floating-rate (56.44%) and fixed-rate (43.56%) bonds, with an average rating of AA-. The weight of bonds with a rating equal to or higher than AA- was 52.7%. The portfolio is diversified across geographical areas and segments and the maximum exposure on a single issue (excluding government securities) was 3.1% (AA+) out of the total bond portfolio at June 30, 2010.

The breakdown in the change in the net financial position of Italmobiliare and the financial segment is set out in the following table.

(in millions of euro)	**Italmobiliare**	**Financial segment**
Sale of investments	61.1	64.2
Investments acquired	(5.2)	(17.7)
Dividends paid	(33.5)	(33.5)
Dividends received	22.4	23.3
Finance income (costs)	(0.8)	0.5
Current operations and non-recurring items	(4.9)	(6.0)
Total	**39.1**	**30.8**

Significant subsequent events

July 22, 2010 saw the formalization of the merger of Franco Tosi S.r.l. and Sance S.r.l. into the parent Italmobiliare S.p.A., which had been approved by the respective Boards of Directors on June 22, 2010.

The merger, which will take the form of the cancellation of the stakes in the merged companies, will enable simplification and greater efficiency in the Italmobiliare Group's corporate structure by shortening the chain of command and simplifying and unifying the decision-making process. In addition, this new organization will enable overheads to be reduced and the flow of dividends directly to Italmobiliare to be speeded up.

The transaction, which involves companies which are wholly owned by the merging company, will not have any income or equity effect on Italmobiliare Group's consolidated financial statements; moreover, as the merged companies do not have any external debt, the merger will not worsen the financial position of the parent Italmobiliare S.p.A.

The merger was recorded in the Milan Company Registrar on July 27 and will be effective with regard to third parties as from September 1, 2010.

On July 6, 2010, through the companies based in Luxembourg, the Group took advantage of an investment opportunity by underwriting a private placement loan issued by third parties at market conditions which guarantees a positive margin overall. This investment was financed with a loan with the same terms as the bond.

Outlook

As already noted in previous reports, results in the financial segment depend on dividend inflows and trends on the financial markets. The volatility of the various financial markets, the ongoing crisis in the real economy and the uncertainty with regard to future trends in interest rates make it extremely difficult at this time to provide any reliable forecast for full-year earnings in this segment.

Banking segment

The banking segment is composed of two wholly owned banks, Finter Bank Zürich and Crédit Mobilier de Monaco.

(in millions of euro)	H1 2010	H1 2009	% change	Full year 2009
Revenues	**18.9**	**20.1**	***(6.1)***	**42.2**
Recurring EBITDA	**1.3**	**3.6**	***(64.0)***	**4.3**
EBITDA	**1.3**	**3.6**	***(63.4)***	**4.3**
Amortization and depreciation	(1.8)	(0.7)	*n.s.*	(2.8)
EBIT	**(0.5)**	**2.9**	***n.s.***	**1.5**
Profit/(loss) before tax	**(0.5)**	**2.9**	***n.s.***	**1.5**
Income tax expense	(0.1)	(0.4)	*(78.8)*	(0.3)
Net profit/(loss) for the period	**(0.6)**	**2.5**	***n.s.***	**1.2**

n.s. not significant

(in millions of euro)	June 30, 2010	December 31, 2009
Net financial position	74.3	77.3
Shareholders' equity	109.5	99.0
Group shareholders' equity	108.9	98.5
Number of employees at period/year end	138	150

Quarterly trend

(in millions of euro)	H1 2010	Q2 2010	Q1 2010
Revenues	**18.9**	**9.0**	**9.9**
% change on 2009	*(6.1)*	*(17.0)*	*6.7*
EBIT	**(0.5)**	**(0.4)**	**(0.1)**
% change on 2009	*n.s.*	*n.s.*	*n.s.*
Net profit/(loss) for the period	**(0.6)**	**(0.4)**	**(0.1)**
% change on 2009	*n.s.*	*n.s.*	*n.s.*
Net financial position at period end	**74.3**	**74.3**	**73.2**

n.s. not significant

Results in accordance with the banking model

Given the specific nature of the banking segment, to permit full understanding of performance, the table below sets out the results of the segment 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 2010**	**H1 2009**	**% change**	**Full year 2009**
Net interest income	3.1	3.0	*2.4*	5.9
Total income	16.9	20.1	*(16.1)*	40.4
EBITDA	1.5	3.8	*(60.6)*	4.9
Profit/(loss) from operations	(0.5)	2.9	*n.s.*	1.5
Profit/(loss) for the period/year	**(0.6)**	**2.5**	***n.s.***	**1.2**

n.s. not significant

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

Finter Bank Zürich

As a consequence of the poor performance of the financial markets, in the first half of 2010 the Finter Bank Zürich group saw a fall in consolidated revenues from 29.3 million Swiss francs to 26.3 million Swiss francs (-10.2% compared to the first half of 2009).

This fall was mainly due to lower commission income (19.5 million Swiss francs compared to 22.2 million Swiss francs) linked to the drop in managed funds and client transactions and lower interest income (2.2 million Swiss francs compared to 3.2 million Swiss francs).

EBITDA fell by 3.5 million euro (1.7 million Swiss francs compared to 5.2 million Swiss francs) due to the increase in commission expense which was only partly offset by the cutting of operating and personnel expenses. After amortization and depreciation of 2.5 million Swiss francs, there was negative EBIT of 0.8 million Swiss francs compared to positive EBIT of 4.1 million Swiss francs in the prior-year period.

The consolidated loss, after tax, was 0.9 million Swiss francs compared to net profit of 3.5 million Swiss francs at June 30, 2009.

Finter Bank Zürich's consolidated shareholders' equity fell from 138.3 million Swiss francs at December 31, 2009 to 138.0 million Swiss francs at the end of June 2010.

Assets under management at the end of the first half of 2010 totaled 5.0 billion Swiss francs. The reduction compared to the end of 2009 was due to the exit of clients and the performance of the financial markets.

Crédit Mobilier de Monaco

Crédit Mobilier de Monaco is a bank in Monaco whose main activity is guarantee-backed loans. The fall in net interest income in the first half of 2010 led to a drop in total income and a limited increase in administrative expenses. These caused a decrease in net profit for the period which fell from 106.9 thousand euro at June 30, 2009 to 64.4 thousand euro at June 30, 2010.

Significant events in the period

No significant events are to be reported.

Significant subsequent events

No significant subsequent events are to be reported.

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 segment. Management is continuing current programs and planning new measures to achieve a stable decrease in costs and a recovery in revenues.

Property segment, services and other

This segment includes a number of real estate companies and services companies which essentially provide services within the Group. The segment is of marginal importance to the results of the Italmobiliare Group.

At June 30, 2010 the segment's revenues rose slightly on the prior-year period (1.9 million euro compared to 1.4 million euro at June 30, 2009) and benefited from the sale of pieces of land in Punta Ala.

After accounting for 0.5 million euro for the loss on the sale of the investment in Immobiliare Golf di Punta Ala, the net profit for the period was 0.3 million euro in line with the prior-year period.

For the above reasons the segment's year results are expected to be similar to those of 2009, subject to currently unforeseeable events.

Human resources

The number of employees at June 30, 2010 was 22,549 heads, compared with 22,758 at December 31, 2009 and 23,363 at June 30, 2009.

(number of employees)	**June 30, 2010**		**December 31, 2009**		**June 30, 2009**	
		%		**%**		**%**
Business segment						
Construction materials	21,030	*93.3*	21,155	*92.9*	21,743	*93.1*
Packaging and insulation	1,307	*5.8*	1,387	*6.1*	1,395	*6.0*
Financial	58	*0.2*	50	*0.2*	51	*0.2*
Banking	138	*0.6*	150	*0.7*	161	*0.7*
Property and services	16	*0.1*	16	*0.1*	13	-
Total	**22,549**	***100.0***	**22,758**	***100.0***	**23,363**	***100.0***

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, 2010 are shown in the notes.

No atypical or unusual transactions took place during the period.

Dealings with subsidiaries and associates

Dealings with subsidiaries not consolidated on a line-by-line basis and with associates are of a commercial (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 50.8 million euro and charged net finance costs for 0.9 million euro.

Dealings with other related parties

Dealings with other related parties in the period concerned:

- administrative, financial, contractual and fiscal consultancy services as well as assistance for the corporate reorganization 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 163.8 thousand euro. Mr Lucchini also received 15 thousand euro as a director of Ciments Français S.A.;
- 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 of 125 thousand euro;
- legal consultancy, judicial and extrajudicial assistance provided to the Italmobiliare Group by the legal firm Dewey & LeBoeuf, of which Italmobiliare director Luca Minoli is a partner, for considerations totaling 148 thousand euro;
- legal consultancy provided to the Italcementi group by Giorgio Bonomi, a director of Italmobiliare, for considerations totaling 4 thousand euro.

During the first half of 2010 Italmobiliare S.p.A. provided the Italcementi Cav. Lav. Carlo Pesenti foundation with 300 thousand euro to cover operating costs. In relation to the contract for the supply of corporate administration services and the recharging of costs incurred on behalf of the Italcementi Cav. Lav. Carlo Pesenti foundation, the Italcementi S.p.A. group charged the Foundation approximately 107 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 segments.

Compliance with CONSOB Market Regulation

With reference to the *Conditions for listing certain companies*, set out in the CONSOB Market Regulation, on the basis of the "2009 audit plan", the scope of materiality, as defined by art. 36, paragraph 2, includes three additional non-European companies, while one company is no longer included.

The procedure adopted has been extended to the new companies and all the conditions required for the continued listing of the company as a "*Parent of non-European companies established and governed by the law of countries that are not member states of the European Union*" have been met.

The regulation thus currently applies to 40 subsidiaries, headquartered in 13 countries that are not member states of the European Union.

Outlook

The international macroeconomic scenario remains uncertain, especially in the sectors in which the Group operates.

In the industrial segment, the positive dynamic in the emerging countries will be a factor counterbalancing the continuing weakness of demand in the industrialized countries.

Operating results will be influenced, nonetheless, by the fall in sales prices in some markets and by the increase in costs for raw materials and energy products, which Group programs to cut costs and raise industrial efficiency will be able to counter only in part.

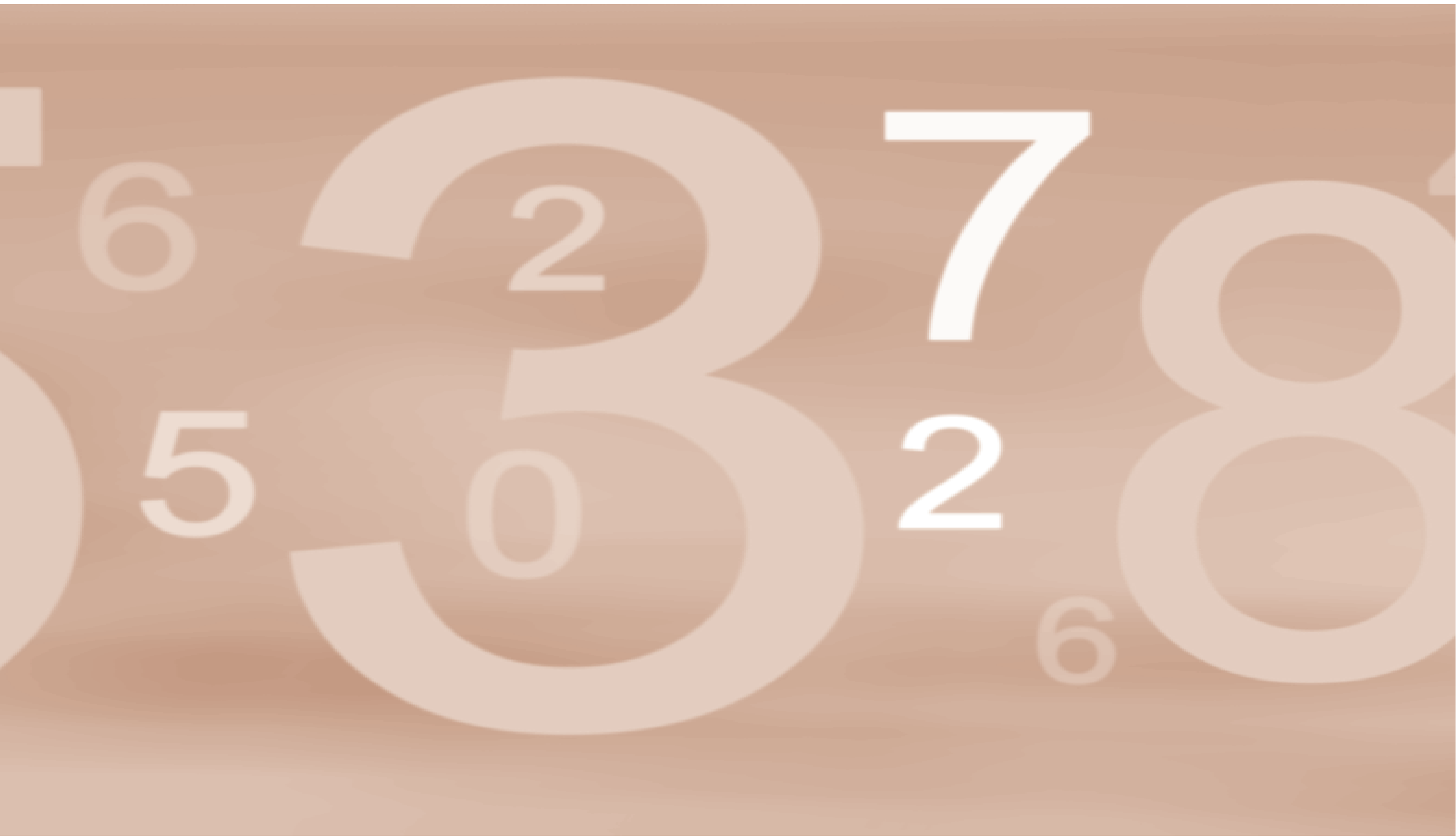
Results in the financial segment will be subject to the volatility of the markets, which in turn will be influenced by national European monetary and fiscal policies and by a slower than expected economic recovery in the USA.

Given this scenario, the Group believes that the profit for 2010 may be lower than in 2009, although it will remain positive.

Milan, August 6, 2010

for the Board of Directors
The Chairman
(signed on the original)

Consolidated condensed half-year financial statements



Financial statements

Balance sheet

(in thousands of euro)	Notes	06.30.2010	12.31.2009	Change
Non-current assets				
Property, plant and equipment	1	4,812,557	4,503,916	308,641
Investment property		36,168	34,066	2,102
Goodwill	2	2,183,147	2,039,909	143,238
Intangible assets		153,708	139,634	14,074
Investments in associates	3	359,861	360,546	(685)
Other equity investments	4	615,073	746,578	(131,505)
Non-current trade and other receivables		155,336	131,806	23,530
Deferred tax assets		57,394	46,793	10,601
Non-current receivables due from employees		1,924	1,863	61
Total non-current assets		**8,375,168**	**8,005,111**	**370,057**
Current assets				
Inventories		737,067	713,441	23,626
Trade receivables	5	1,012,042	958,958	53,084
Other assets		450,239	371,528	78,711
Income tax assets		91,501	121,361	(29,860)
Equity investments and financial receivables	6	1,051,901	1,055,200	(3,299)
Cash and cash equivalents	7	747,444	727,793	19,651
Total current assets		**4,090,194**	**3,948,281**	**141,913**
Total assets		**12,465,362**	**11,953,392**	**511,970**
Shareholders' equity				
Share capital	8	100,167	100,167	
Reserves	9	343,476	442,115	(98,639)
Treasury shares, at cost	10	(21,226)	(21,226)	
Retained earnings	9	1,973,864	1,876,576	97,288
Group shareholders' equity		**2,396,281**	**2,397,632**	**(1,351)**
Minority interests		3,670,621	3,369,492	301,129
Total shareholders' equity		**6,066,902**	**5,767,124**	**299,778**
Non-current liabilities				
Interest-bearing loans and long-term borrowings	12	3,270,799	2,915,453	355,346
Employee benefit liabilities		202,341	190,735	11,606
Non-current provisions	11	277,203	239,822	37,381
Other non-current liabilities		30,114	56,245	(26,131)
Deferred tax liabilities		262,904	269,862	(6,958)
Total non-current liabilities		**4,043,361**	**3,672,117**	**371,244**
Current liabilities				
Bank overdrafts and short-term borrowings	12	185,127	427,864	(242,737)
Interest-bearing loans and short-term borrowings	12	147,144	159,995	(12,851)
Trade payables	13	719,847	593,774	126,073
Current provisions	11	3,897	3,419	478
Income tax liabilities		66,799	69,623	(2,824)
Other current liabilities	14	1,232,285	1,259,476	(27,191)
Total current liabilities		**2,355,099**	**2,514,151**	**(159,052)**
Total liabilities		**6,398,460**	**6,186,268**	**212,192**
Total shareholders' equity and liabilities		**12,465,362**	**11,953,392**	**511,970**

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 2010	%	H1 2009	%	Change	%
Revenues	15	**2,628,508**	**100.0**	**2,776,679**	**100.0**	**(148,171)**	**-5.3**
Other revenues		21,646		25,775		(4,129)	
Change in inventories		(22,684)		(71,669)		48,985	
Internal work capitalized		24,758		22,504		2,254	
Goods and utilities expenses	16	(1,055,031)		(1,023,368)		(31,663)	
Services expenses	17	(557,371)		(586,753)		29,382	
Employee expenses	18	(503,362)		(506,895)		3,533	
Other operating income (expense)	19	(72,573)		(96,121)		23,548	
Recurring EBITDA		**463,891**	**17.6**	**540,152**	**19.5**	**(76,261)**	**-14.1**
Net capital gains on sale of fixed assets	20	2,894		4,731		(1,837)	
Non-recurring employee expenses for reorganizations	20	(8,112)		(12,848)		4,736	
Other non-recurring income (expense)	20	(348)		(1,102)		754	
EBITDA		**458,325**	**17.4**	**530,933**	**19.1**	**(72,608)**	**-13.7**
Amortization and depreciation	1	(238,779)		(232,926)		(5,853)	
Impairment variation	1	(254)		(24,242)		23,988	
EBIT		**219,292**	**8.3**	**273,765**	**9.9**	**(54,473)**	**-19.9**
Finance income	21	27,229		16,352		10,877	
Finance costs	21	(96,680)		(68,758)		(27,922)	
Net exchange rate differences and net derivatives	21	10,039		(6,491)		16,530	
Impairment on financial assets	22	(29,029)		(2,412)		(26,617)	
Share of results of associates	3	(429)		19,098		(19,527)	
Profit before tax		**130,422**	**5.0**	**231,554**	**8.3**	**(101,132)**	**-43.7**
Income tax expense	23	(46,095)		(67,322)		21,227	
Net profit for the period		**84,327**	**3.2**	**164,232**	**5.9**	**(79,905)**	**-48.7**
Attributable to:							
Group		2,743	0.1	58,682	2.1	(55,939)	-95.3
Minority interests		81,584	3.1	105,550	3.8	(23,966)	-22.7
Earnings per share							
- Basic							
ordinary shares	25	0.056 €		1.543 €			
savings shares	25	0.095 €		1.582 €			
- Diluted							
ordinary shares	25	0.056 €		1.543 €			
savings shares	25	0.095 €		1.582 €			

Statement of comprehensive income

(in thousands of euro)	Notes	H1 2010	%	H1 2009	%	Change	%
Net profit for the period		**84,327**	**3.2**	**164,232**	**5.9**	**(79,905)**	**-48.7**
Fair value adjustments to:							
Available-for-sale financial assets		(97,904)		79,952		(177,856)	
Derivative financial instruments		5,548		(36,656)		42,204	
Translation differences		427,307		(53,257)		480,564	
Tax relating to components of other comprehensive income		(765)		9,534		(10,299)	
Components of other comprehensive income	**24**	**334,186**		**(427)**		**334,613**	
Total comprehensive income		**418,513**	**15.9**	**163,805**	**5.9**	**254,708**	**155.5**
Attributable to:							
Group		18,860		99,292		(80,432)	
Minority interests		399,653		64,513		335,140	

Statement of movements in total shareholders' equity

	Attributable to equity holders of the parent										Minority interests	Total shareholders' equity
		Reserves										
(in thousands of euro)	Share capital	Share premium reserve	Reserve for general banking risks	Fair value reserve for available-for-sale financial assets	Fair value reserve for derivative financial instruments	Other reserves	Treasury shares	Translation reserves	Retained earnings	Total capital and reserves		
Balances at December 31, 2008	**100,167**	**177,191**	**17,946**	**50,017**	**961**	**53,704**	**-21,226**	**-37,042**	**1,837,801**	**2,179,519**	**3,308,715**	**5,488,234**
Net profit for the period									58,682	58,682	105,550	164,232
Total components of other comprehensive income			-488	63,022	-8,849			-13,075		40,610	-41,037	-427
Total 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
Share capital increases												
Purchase of treasury shares												
Sale of treasury shares												
Elimination of treasury shares												
% change in control and consolidation area						-2,127		-488	-9,604	-12,219	-515	-12,734
Hedges of a net investment												
Other												
Balances at June 30, 2009	**100,167**	**177,191**	**17,458**	**113,039**	**-7,888**	**54,787**	**-21,226**	**-50,605**	**1,886,879**	**2,269,802**	**3,273,101**	**5,542,903**
Profit for the period									38,576	38,576	81,503	120,079
Total components of other comprehensive income			505	90,061	437			5,074		96,077	12,067	108,144
Total comprehensive income			**505**	**90,061**	**437**			**5,074**	**38,576**	**134,653**	**93,570**	**228,223**
Stock options						3,600				3,600	4,705	8,305
Dividends											-899	-899
Share capital increases												
Purchase of treasury shares												
Sale of treasury shares												
Elimination of treasury shares												
% change in control and consolidation area					6	-7,081		505	-3,853	-10,423	-985	-11,408
Hedges of a net investment												
Other												
Balances at December 31, 2009	**100,167**	**177,191**	**17,963**	**203,100**	**-7,445**	**51,306**	**-21,226**	**-45,026**	**1,921,602**	**2,397,632**	**3,369,492**	**5,767,124**
Risultato del periodo									2,743	2,743	81,584	84,327
Total components of other comprehensive income			595	-103,000	1,534			116,988		16,117	318,069	334,186
Total comprehensive income			**595**	**-103,000**	**1,534**			**116,988**	**2,743**	**18,860**	**399,653**	**418,513**
Stock options						1,985				1,985	2,078	4,063
Dividends									-33,480	-33,480	-102,998	-136,478
Share capital increases												
Purchase of treasury shares												
Sale of treasury shares												
Elimination of treasury shares												
% change in control and consolidation area					-6	253		595	10,442	11,284	2,396	13,680
Hedges of a net investment												
Other												
Balances at June 30, 2010	**100,167**	**177,191**	**18,558**	**100,100**	**-5,917**	**53,544**	**-21,226**	**72,557**	**1,901,307**	**2,396,281**	**3,670,621**	**6,066,902**

Cash flow statement

(in thousands of euro)			H1 2010	H1 2009
A) Cash flow from operating activities				
Profit before tax			130,422	231,554
Adjustments for:				
	Amortization, depreciation and impairment		263,866	261,199
	Reversal of undistributed results of associates		17,371	(14,874)
	Capital (gains) losses on sale of fixed assets		(27,156)	(24,909)
	Change in employee benefit liabilities and other provisions		4,669	(12,585)
	Stock options		3,348	7,129
	Reversal of finance costs		49,856	33,839
Cash flow from operating activities before tax, finance income/costs and change in working capital			**442,376**	**481,353**
Change in working capital:				
	Inventories		18,986	153,166
	Trade receivables		(25,072)	15,865
	Trade payables		97,926	(129,529)
	Other receivables/payables, accruals and deferrals		(56,710)	33,149
Change in working capital			35,130	72,651
Cash flow from operating activities before tax, finance income/costs:			**477,506**	**554,004**
	Net finance costs paid		(66,913)	(36,622)
	Dividends received		(3,115)	1,649
	Taxes paid		(30,470)	(76,627)
	Income from derivatives		(5,860)	248
			(106,358)	**(111,352)**
	Total A)		**371,148**	**442,652**
B) Cash flow from investing activities:				
Investments in fixed assets:				
	Property, plant and equipment and investment property		(251,002)	(367,750)
	Intangible assets		(12,630)	(10,252)
	Financial assets (equity investments) net of cash acquired (*)		(21,078)	(17,620)
	Other		(1,438)	(8,053)
	Total investments		**(286,148)**	**(403,675)**
	Proceeds from divestments of fixed assets and repayment of loans		72,237	22,744
	Total divestments		**72,237**	**22,744**
	Total B)		**(213,911)**	**(380,931)**
C) Cash flow from financing activities:				
	New interest-bearing loans and long-term borrowings		(46,117)	103,045
	Change in financial receivables		(17,011)	11,637
	Change in current equity investments		7,225	1,791
	Expenses from derivatives		(2,720)	(625)
	Dividends paid		(134,578)	(96,050)
	Other movements		10	3,266
	Total C)		**(193,191)**	**23,064**
	Currency translation differences and other changes		**55,605**	**(9,142)**
D) Currency translation differences and other changes	**Total D)**		**55,605**	**(9,142)**
E) Cash and cash equivalents of Calcestruzzi				
E) Change in cash and cash equivalents	**(A+B+C+D)**		**19,651**	**75,643**
F) Opening cash and cash equivalents			**727,793**	**590,535**
Closing cash and cash equivalents	**(E+F)**	**7**	**747,444**	**666,178**
	(*) cash and cash equivalents of companies purchased and subsidiaries		15	6,139

Notes to the consolidated condensed half-year financial statements

The Italmobiliare S.p.A. consolidated condensed financial statements as at and for the half-year to June 30, 2010, were approved by the Board of Directors on August 6, 2010. At the meeting, the Board authorized publication of a press release dated August 6, 2010, containing key information from the interim financial statements.

Statement of compliance with the IFRS – Accounting policies

The consolidated condensed half-year financial statements have been drawn up in compliance with the International Financial Reporting Standards (IFRS) applicable at June 30, 2010, endorsed by the European Commission; specifically, these consolidated condensed half-year financial statements have been drawn up in compliance with IAS 34 governing interim financial reporting.

The consolidated condensed half-year 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, 2009.

The accounting policies used to draw up the consolidated half-year financial statements are consistent with those used to draw up the Group annual report at December 31, 2009, with the exception of the adoption of the following standards and interpretations endorsed by the European Union and applicable as from January 1, 2010:

Standards:

- IFRS 1 revised "First-time adoption of International Financial Reporting Standards", endorsed by the European Commission in November 2009. The new standard facilitates the future use and possible amendments to the standard itself, eliminates a number of obsolete transitional provisions and sets out a number of minor changes to the text;
- IFRS 2 revised "Share-based payments", endorsed by the European Commission in March 2010. The amendments provide clarifications on accounting treatment of share-based payments where the provider of the goods or services is paid in cash and the obligation is assumed by another company of the Group;
- IFRS 3 revised "Business combinations", endorsed by the European Commission in June 2009. This introduces significant changes to accounting treatment of business combinations with regard to measurement of non-controlling interests, accounting treatment of costs associated with the acquisition, initial recognition and subsequent measurement of any contingent considerations and business combinations achieved in stages;
- IAS 27 revised "Consolidated and separate financial statements", endorsed by the European Commission in June 2009. The standard requires that a change in ownership of a subsidiary (without loss of control) be accounted for as a transaction between owners. Consequently, these transactions no longer generate goodwill, nor gains or losses, but have a direct impact on equity. The revised standard also introduces changes with regard to accounting treatment after loss of control;
- amendment to IAS 39 "Financial instruments: recognition and measurement", endorsed by the European Commission in September 2009. The amendment, entitled "Eligible hedged items", clarifies application of hedge accounting to inflation in a financial instrument and to options used as hedges;
- amendments to IAS 39 "Reclassification of financial assets" and IFRS 7 "Financial instruments, disclosures" endorsed by the European Commission in September 2009. The amendments specify the effective date and transitional provisions with respect to the changes to these standards issued by the IASB on October 13, 2008.

Interpretations

- IFRIC 12 “Service concession arrangements”, endorsed by the European Commission in March 2009, clarifies application of provisions concerning service concession arrangements;
- IFRIC 15 “Agreements for the construction of real estate”, endorsed by the European Commission in July 2009, regulates recognition of revenues from construction of real estate;
- IFRIC 16 “Hedges of a net investment in a foreign operation”, endorsed by the European Commission in June 2009, clarifies application of the requirements of IAS 21 and IAS 39 in cases where an entity hedges the currency risk arising on its net investments in foreign operations;
- IFRIC 17 “Distribution of non-cash assets to owners”, endorsed by the European Commission in November 2009, is an interpretation that provides clarifications and guidance on accounting treatment of distributions of non-cash assets to an entity’s owners;
- IFRIC 18 “Transfers of assets from customers”, endorsed by the European Commission in November 2009, is an interpretation on the accounting treatment of assets or cash for the purchase of assets, received from customers.

As from January 1, 2010, the changes introduced in some IAS/IFRS as part of the improvement process of such standards have also become applicable.

The application of the new standards and interpretations has not had a material impact on the Group’s half-year accounts.

With regard to application by the Group of IAS 16 “Property, plant and equipment”, the list of the components and useful lives of the operating assets in the cement segment has been updated, to reflect technological developments and the benefits expected from the use of such assets.

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

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

Exchange rates for 1 euro:

Currency	Average			Period end		
	H1 2010	Full year 2009	H1 2009	June 30, 2010	December 31, 2009	June 30, 2009
Thai baht	43.31648	47.79504	46.66850	39.76700	47.98600	48.14000
Czech crown	25.72424	26.43652	27.13016	25.69100	26.47300	25.88200
Serbian dinar	100.08420	93.98830	93.99750	104.93000	96.20440	93.99540
Kuwaiti dinar	0.38336	0.40163	0.38648	0.35687	0.41315	0.40608
Moroccan dirham	11.15493	11.25223	11.15267	11.03370	11.33490	11.32590
Canadian dollar	1.37170	1.58530	1.60563	1.28900	1.51280	1.62750
US dollar	1.32714	1.39400	1.33266	1.22710	1.44060	1.41340
Hungarian florin	271.57900	280.43700	289.97900	286.00000	270.42000	271.55000
Swiss franc	1.43563	1.51013	1.50600	1.32830	1.48360	1.52650
Ukranian hrivna	10.57990	11.12350	10.50360	9.72040	11.56420	10.91830
Croatian kuna	7.26629	7.34074	7.38286	7.19800	7.30000	7.27300
Albanian lek	137.95962	132.06922	129.70008	136.67800	138.03300	131.32400
Moldavian leu	16.74655	15.50707	14.55077	15.75620	17.72180	15.89160
Bulgarian lev	1.95583	1.95583	1.95583	1.95583	1.95583	1.95583
Egyptian lira	7.34767	7.74032	7.46292	6.98744	7.90576	7.91091
Bosnian mark	1.95583	1.95583	1.95583	1.95583	1.95583	1.95583
New Turkish lira	2.01416	2.15138	2.14112	1.92170	2.16030	2.14690
New Romanian leu	4.14856	4.23901	4.23085	4.37000	4.23630	4.20720
Mauritanian ougulyia	354.35751	364.95711	350.18198	348.75400	377.42300	373.19400
Mexican peso	16.80398	18.78758		15.73630	18.92230	
Chinese renmimbi	9.05887	9.52237	9.10609	8.32150	9.83500	9.65450
Saudi rial	4.97694	5.22798		4.60210	5.40329	
Qatari rial	4.83089	5.07816		4.46780	5.24609	
Russian ruble	39.88170	44.13940	44.10120	38.28200	43.15400	43.88100
Indian rupee	60.72543	67.34896	65.60713	56.99300	67.04000	67.51800
Sri Lankan rupee	151.36775	160.25073	153.59456	139.36900	164.74000	162.44700
Pound sterling	0.87023	0.89140	0.89408	0.81745	0.88810	0.85210
Kazakh tange	195.44604	205.96651	193.17595	180.91700	213.77500	212.62000
Polish zloty	3.99957	4.32867	4.47441	4.14700	4.10450	4.45200

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 at June 30, 2010 compared to June 30, 2009 are as follows:

- line-by-line consolidation as from April 2009 of Masoni Sas and Beton Masoni Sas (France) in the ready mixed concrete sector;
- line-by-line consolidation as from May 2009 of Gulf Ready Mix (Kuwait) in the ready mixed concrete sector;
- line-by-line consolidation as from January 2010 of Beton Ata LLP (Kazakhstan) in the ready mixed concrete sector;
- the removal from the group of Cementos Capa S.L. (Spain) following the disposal in January 2010;
- the deconsolidation of Dorner Pack s.r.l. (Austria), Immobiliare Golf di Punta Ala S.p.A. and Gesvim s.r.l. (Italy), and Terfin (France) which was liquidated in January 2010.

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 half 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 operating segment 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 and Middle East, Africa, Trading and others.

IFRS 8 reporting by operating segment

The following table sets out the revenues and results for the segment at June 30, 2010:

(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	2,455,094	(3,999)	2,451,095	434,474	429,194	197,889		(20,695)	6,226		
Packaging and insulation	114,156		114,156	10,473	10,473	4,631					
Finance	64,931	(21,292)	43,639	35,174	34,887	34,830		(8,334)	(6,655)		
Banking	18,883	(552)	18,331	1,296	1,324	(461)					
Property, services, others	1,913	(626)	1,287	951	922	877					
Unallocated items and adjustments	(26,469)	26,469		(18,477)	(18,475)	(18,474)	(59,412)			130,422	(46,095)
Total	**2,628,508**		**2,628,508**	**463,891**	**458,325**	**219,292**	**(59,412)**	**(29,029)**	**(429)**	**130,422**	**(46,095)**

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 further figures for the segment at June 30, 2010:

(in thousands of euro)	June 30, 2010 Total assets	June 30, 2010 Total liabilities	June 30, 2010 Capital expenditure	June 30, 2010 Financial investments	June 30, 2010 Amortization/ depreciation of fixed assets	June 30, 2010 Impairment variation
Construction materials	10,447,590	5,359,174	209,013	6,648	231,147	159
Packaging and insulation	254,556	205,321	4,498		5,745	95
Finance	1,623,466	323,846	80	4,797	57	
Banking	735,170	625,663	766		1,785	
Property, services, others	7,053	1,911	26		45	
Inter-sector eliminations	(602,473)	(117,455)				
Total	**12,465,362**	**6,398,460**	**214,383**	**11,445**	**238,779**	**254**

The following table sets out further figures for the segment at December 31, 2009 and June 30, 2009:

(in thousands of euro)	December 31, 2009 Total assets	December 31, 2009 Total liabilities	June 30, 2009 Capital expenditure	June 30, 2009 Financial investments	June 30, 2009 Amortization/ depreciation of fixed assets	June 30, 2009 Impairment variation
Construction materials	9,812,719	5,120,563	361,892	32,584	226,080	24,229
Packaging and insulation	254,754	203,267	5,614	2,975	6,051	13
Finance	1,721,803	326,016	2	9	31	
Banking	730,684	631,672	1,531		715	
Property, services, others	10,109	2,721	164		49	
Inter-sector eliminations	(576,677)	(97,971)				
Total	**11,953,392**	**6,186,268**	**369,203**	**35,568**	**232,926**	**24,242**

Additional reporting by geographical area

(in thousands of euro)	Contributive revenues		Capital expenditure		Financial investments		Total assets		Total liabilities	
	06/30/10	06/30/09	06/30/10	06/30/09	06/30/10	06/30/09	06/30/10	12/31/09	06/30/10	12/31/09
European Union	1,386,663	1,554,997	96,579	100,598	6,007	23,176	8,347,317	8,391,387	2,976,025	2,850,272
Other European countries	90,210	89,464	2,231	6,450			1,012,902	976,093	690,896	682,560
North America	185,307	189,315	20,173	127,841	494		1,391,663	1,246,839	792,216	705,942
Asia and Middle East	239,524	230,146	31,395	33,247		2,061	1,171,263	989,556	327,165	277,474
Africa	616,873	580,433	59,448	95,937		100	2,580,160	2,359,189	609,134	567,069
Trading and other	109,931	132,324	4,557	5,130	4,944	10,231	142,266	112,163	3,259,595	2,441,745
Intragroup eliminations							(2,180,209)	(2,121,835)	(2,256,571)	(1,338,794)
Total	**2,628,508**	**2,776,679**	**214,383**	**369,203**	**11,445**	**35,568**	**12,465,362**	**11,953,392**	**6,398,460**	**6,186,268**

The additional reporting by geographical area has changed from that in the 2009 financial statements to reflect the new classification used as from March 2010 by the construction materials segment.

The corresponding periods have been duly restated.

Assets

Non-current assets

1) Property, plant and equipment

Property, plant and equipment totaled 4,812,557 thousand euro. Additions arising from investments totaled 201,345 thousand euro and mainly referred to Morocco for 40,320 thousand euro, Italy for 46,858 thousand euro, France/Belgium for 29,009 thousand euro, India for 26,423 thousand euro, North America for 19,860 thousand euro and Egypt for 19,060 thousand euro.

Depreciation charges for the period totaled 232,378 thousand euro (226,754 thousand euro in the first half of 2009), impairment losses were 166 thousand euro (24,277 thousand euro in the first half of 2009). The positive impact in the first half of 2010 from the review of the useful lives of operating assets in the cement sector totaled 13.1 million euro.

The carrying amount at June 30, 2010 of property, plant and equipment pledged as security for bank loans totaled 217.7 million euro (213.3 million euro at December 31, 2009).

(in millions of euro)	June 30, 2010			
		less than 1 year	1 to 5 years	over 5 years
Commtiments for purchases of PPE	**184.5**	**154.2**	**30.3**	

2) Goodwill

Goodwill at June 30, 2010 totaled 2,183,147 thousand euro as follows:

- construction materials segment for 2,138,977 thousand euro, of which 34,753 thousand euro recorded in Italmobiliare S.p.A.;
- packaging and insulation segment for 38,131 thousand euro;
- banking segment for 6,039 thousand euro.

In view of the unfavorable economic results posted in the first half of 2010 with respect to the budget projections, the Group conducted tests on the recoverable amount of goodwill allocated to some cash-generating units (CGUs).

The CGUs on which impairment tests were carried out were: Italy cement, Greece and Thailand.

The following hypotheses were applied to determine value in use:

- the present value of expected future cash flows in the 2010-2014 business plan, taking account of economic performance in the current year;
- confirmation of the discount factors used in December 2009;
- confirmation of the scenarios used to determine terminal value.

No impairment losses were recognized on any of these CGUs with respect to December 2009.

The carrying amount of the goodwill allocated to the CGUs, net of the exchange-rate effect, was unchanged compared to December 31, 2009.

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		Share of result	
	June 30, 2010	December 31, 2009	H1 2010	H1 2009
Ciment Québec (Canada)	83,300	73,900	3,234	702
Vassiliko Cement Works (Cyprus)	62,600	63,500	(1,081)	(695)
Asment Cement (Morocco)	37,200	40,400	4,755	4,552
RCS Mediagroup (Italy)	75,929	83,308	(6,301)	(4,701)
Mittel (Italy)	48,429	46,084	(1,269)	7,078
S.E.S. (Italy)	23,735	27,494	(1,052)	11,783
Techno Gravel (Egypt)	6,000	5,100	679	517
Acquitaine de transformation (France)	4,200	4,100		
Other	18,468	16,660	606	(138)
Total	**359,861**	**360,546**	**(429)**	**19,098**

The carrying amount of RCS Mediagroup S.p.A. shares is calculated on the basis of the latest consolidated financial statements approved at March 31, 2010. The share of profits includes both the first quarter of 2010 and the last quarter of 2009.

4) Other equity investments

Other equity investments at June 30, 2010, were as follows:

(in thousands of euro)	Number of shares	June 30, 2010
Investments in listed companies		
Mediobanca	22,568,992	139,233
Mediobanca warrants	21,494,278	729
Unicredito	99,793,905	183,461
UBI	2,462,000	17,495
UBI warrants	2,462,000	39
Intek	2,564,566	1,263
Intek warrants	1,305,307	55
KME	6,138,125	1,791
KME warrants 2006-2011	1,374,940	21
KME warrants 2009-2011	2,175,512	26
Goltas (Turkey)		78,729
Others		2,646
Total		**425,488**
Investments in non-listed companies		
Calcestruzzi Group		52,268
Fin Priv		13,403
Burgo Group		44,130
Banca Leonardo Group		15,464
Sesaab		9,800
Others		54,520
Total		**189,585**
At June 30, 2010		**615,073**

The fair value of listed companies was determined on the basis of the official share price on the last accounting day.

For non-listed securities various assessment methods were used depending on their features and the available data, in accordance with IAS 39.

At June 30, 2010 the net decrease in fair value taken to equity for equity investments classified as available for sale was 97,904 thousand euro and referred mainly to shares in Unicredito for -63,387 thousand euro, Mediobanca for -48,460 thousand euro, Goltas for 31,500 thousand euro, Mittel for -7,229 thousand euro and Fin Priv for -4,487 thousand euro.

The carrying amount at June 30, 2010 of the Calcestruzzi group was 52,268 thousand euro (72,000 thousand euro at December 31, 2009). This decrease is commented on under "Impairment losses on financial assets".

"Others" includes the main equity investments in non-listed companies: Al Badia (Syria) for 17.5 million euro, Yuzhno-Kyrgysky (Kyrgyzstan) for 5 million euro, I.E.O. S.p.A. (Italy) for 3.7 million euro, Scori (France) for 3.5 million euro and Azienda Agricola Lodoletta S.r.l. for 3.2 million euro.

Current assets

5) Trade receivables

(in thousands of euro)	June 30, 2010	December 31, 2009	Change
Gross amount	1,102,323	1,042,852	59,471
Writedowns	(90,281)	(83,894)	(6,387)
Total	**1,012,042**	**958,958**	**53,084**

Trade receivables factored under the factoring agreements entered into by Ciments Calcia and Unibeton in December 2006, amounted to 145 million euro at June 30, 2010 (133.4 million euro at December 31, 2009).

The disposal of these receivables meets the criteria established by IAS 39 since 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 25.2 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

The caption “equity investments and financial receivables” was as follows:

(in thousands of euro)	June 30, 2010	December 31, 2009	Change
Securities and debentures	318,320	306,977	11,343
Equity investments for trading	30,908	52,584	(21,676)
Bank receivables	468,405	478,783	(10,378)
Other financial assets	234,268	216,856	17,412
Net amount	**1,051,901**	**1,055,200**	**(3,299)**

7) Cash and cash equivalents

(in thousands of euro)	June 30, 2010	December 31, 2009	Change
Cash and checks	4,160	5,764	(1,604)
Bank and postal accounts	618,154	618,556	(402)
Short-term deposits	125,130	103,473	21,657
Net amount	**747,444**	**727,793**	**19,651**

Short-term deposits have varying maturities within three months, in relation to the Group’s financial requirements; interest accrues 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, 2010 the parent'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, 2010	December 31, 2009	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, 2009.

Fair value reserve for available-for-sale financial assets – Group share

The decrease, including the related deferred taxes of 603 thousand euro, totaled 103,603 thousand euro and was mainly due to the application of the official stock market prices at June 30, 2010 for the valuation of listed, available-for-sale companies, and, to a lesser extent, to the fair value measurement of other non-listed, available-for-sale investments.

Translation reserve – Group share

This reserve reflects exchange rate differences on the translation of the financial statements of consolidated foreign operations. At June 30, 2010 it had a positive balance of 72,557 thousand euro, referring to the following currencies:

(in millions of euro)	June 30, 2010	December 31, 2009	Change
Egypt (Lira)	12.4	(15.3)	27.7
US and Canada (Dollar)	16.2	(13.3)	29.5
Thailand (Baht)	16.7	2.6	14.1
Morocco (Dirham)	1.4	(2.3)	3.7
India (Rupee)	5.4	(8.8)	14.2
Turkey (Lira)	1.1	(8.0)	9.1
Switzerland (Franc)	13.9	1.3	12.6
Other countries	5.5	(1.2)	6.7
Net amount	**72.6**	**(45.0)**	**117.6**

Dividends paid

Dividends declared and paid by the parent Italmobiliare S.p.A in 2010 and 2009 are detailed below:

	2010 (euro per share)	2009 (euro per share)	2010 (in thousands of euro)	2009 (in thousands of euro)
Ordinary shares	0.856		18,242	
Savings shares	0.934		15,238	
Total dividends			**33,480**	

10) Treasury shares

At June 30, 2010 the value of treasury shares held was 21,226 thousand euro, unchanged on December 31, 2009, 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, 2009	**871,411**	**20,830**	**28,500**	**396**	**21,226**
Increases					
Decreases					
At June 30, 2010	**871,411**	**20,830**	**28,500**	**396**	**21,226**

Ordinary treasury shares held at June 30, 2010 will service stock option plans for directors and managers.

Non-current liabilities

11) Provisions

Non-current and current provisions totaled 281,100 thousand euro at June 30, 2010 (243,241 thousand euro at December 31, 2009). 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 2010 the increase of 37.9 million euro was mainly due to translation differences for 16.2 million euro, provisions for 42.0 million euro (of which 23.3 million was for taxes on the use of clay in Egypt), with applications of 12.7 million euro and the release of unused provisions of 6.8 million euro.

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, 2010	December 31, 2009	Change
Amounts due to banks	1,541,966	1,499,030	42,936
Debentures	1,303,722	880,972	422,750
Financing entities	406,816	516,889	(110,073)
Finance lease payables	18,295	18,562	(267)
Interest-bearing loans and long-term borrowings	**3,270,799**	**2,915,453**	**355,346**
Fair value non-current hedging derivatives	26,956	53,820	(26,864)
Total interest-bearing loans and long-term borrowings	**3,297,755**	**2,969,273**	**328,482**
Amounts due to banks	185,127	427,864	(242,737)
Current portion loans and borrowings	101,892	67,258	34,634
Debentures	9	50,623	(50,614)
Financing entities	630,095	634,368	(4,273)
Finance lease payables	3,241	4,656	(1,415)
Financial accruals and deferred income	23,440	18,275	5,165
Short-term loans and borrowings	**943,804**	**1,203,044**	**(259,240)**
Fair value current hedging derivatives	35,104	22,139	12,965
Total short-term loans and borrowings	**978,908**	**1,225,183**	**(246,275)**
Total loans and borrowings	**4,276,663**	**4,194,456**	**82,207**

The construction materials segment uses diversified instruments to cover its financial requirements; it covers its long-term requirements largely through debenture issues. Italcementi S.p.A. has launched a Euro Medium Term Notes (EMTN) program on the European market intended for qualified investors, for a top amount of 2 billion euro; this replaces the program previously organized by Ciments Français.

Under the program, on March 16, 2010, Italcementi Finance S.A., a French subsidiary of Italcementi S.p.A., closed placement of a 750 million euro 10-year debenture carrying a fixed coupon of 5.375%. The debenture is listed on the Luxembourg Stock Exchange. The placement was handled by Banca IMI, BNP Paribas, Bank of America Merrill Lynch, Société Générale and Unicredit.

The EMTN program is part of a broader project to optimize management of financial operations, with Italcementi S.p.A. (the parent in the construction materials segment) taking on an enhanced role to supervise coordination and direct implementation of financing programs for all Group activities.

The project also provides for the gradual refinancing by Italcementi S.p.A. and Italcementi Finance S.A. of a significant portion of the debt of Ciments Français S.A. Consistently with this policy, at the beginning of March 2010, Ciments Français S.A. launched an offer for holders of its 2002 and 2006 US private placement notes, to repurchase any and all outstanding notes at a price of 1,065 US dollars per 1,000 US dollars face value. The offer closed on April 14, 2010, with the repurchase of all the notes issued in 2006, i.e. 300 million US dollars (maturing in 2018 and

2021) and 183.5 million of the 200 million US dollars issued in 2002 (maturing in 2012 and 2014). On this occasion, Ciments Français S.A. reached an agreement with the holders of the private placement notes expressly permitting it to borrow funds from the parent Italcementi S.p.A. and from subsidiaries of the parent.

Medium/long-term “financing entities” at June 30, 2010, included “Billets de trésorerie” for 373 million euro (487 million euro at December 31, 2009)

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

(in thousands of euro)	June 30, 2010	December 31, 2009	Change
Euro	3,054,542	2,374,569	679,973
Indian rupee	86,200	79,700	6,500
Moroccan dirham	86,100	83,800	2,300
US and Canadian dollar	18,500	356,200	(337,700)
Saudi Arabian rial	10,900	9,300	1,600
Egyptian lira	4,600	3,400	1,200
Polish zloty	3,488	3,765	(277)
Hungarian florin	466	525	(59)
Russian ruble		5	(5)
Other	6,003	4,189	1,814
Total	**3,270,799**	**2,915,453**	**355,346**

The fall in loans and borrowings in dollars was due to the repayment of the “US Private Placement Notes” on April 14, 2010 for 483.5 million dollars (out of a total of 500 million dollars); the loan was refinanced in euro.

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

(in thousands of euro)	within 1 year	within 2 years	within 3 years	within 4 years	within 5 years	over 5 years	Total
Total loans and borrowings at June 30, 2010		415,633	630,318	456,987	359,583	1,408,278	3,270,799

Guarantees on assets securing loans at June 30, 2010, amounted to 91.6 million euro, of which 87.5 million euro referred to the Indian subsidiaries.

During the first half of 2010 Italcementi S.p.A. arranged a 100 million euro three-year confirmed line of credit; no drawings had been made on this line at the end of June.

In the first half of 2010 Italcementi Finance S.A. arranged a 150 million euro one-year confirmed line of credit, to refinance a similar facility arranged by Ciments Français, which was due to expire. No drawings had been made on this line at the end of June 2010.

At June 30, 2010, in addition to the loans and borrowings on the face of the balance sheet, the Group had undrawn confirmed lines of credit for 2,231.0 million euro (2,074.6 million euro at December 31, 2009).

Net financial position

The net financial position at June 30, 2010 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	155,336	41,177	114,159	47		114,112	
Other current financial assets	450,239	300,794	149,445	149,445			
Financial receivables and equity investments for trading	1,051,901	290	1,051,611	1,051,611			
Cash and cash equivalents	747,444		747,444	747,444			
Interest-bearing loans and long-term borrowings	(3,270,799)		(3,270,799)				(3,270,799)
Other non-current liabilities	(30,114)	(3,158)	(26,956)				(26,956)
Bank overdrafts and short-term borrowings	(185,127)		(185,127)		(185,127)		
Interest-bearing loans and short-term borrowings	(147,144)		(147,144)		(147,144)		
Other current liabilities	(1,232,285)	(585,648)	(646,637)		(646,637)		
Total	**(2,460,549)**	**(246,545)**	**(2,214,004)**	**1,948,547**	**(978,908)**	**114,112**	**(3,297,755)**

Net debt at June 30, 2010 of 2,214,004 thousand euro was made up as follows:

(in thousands of euro)	June 30, 2010	December 31, 2009	Change
Cash, cash equivalents and current financial assets	**1,948,547**	**1,908,333**	**40,214**
Cash and cash equivalents	747,444	727,793	19,651
Derivative assets	17,693	4,661	13,032
Other current financial assets	1,183,410	1,175,879	7,531
Short-term financing	**(978,908)**	**(1,225,183)**	**246,275**
Bank overdrafts	(185,127)	(427,864)	242,737
Interest-bearing loans and short-term borrowings	(758,677)	(775,180)	16,503
Derivative liabilities	(35,104)	(22,139)	(12,965)
Medium/long-term financial assets	**114,112**	**85,304**	**28,808**
Long-term financial assets	75,535	64,959	10,576
Long-term derivative assets	38,577	20,345	18,232
Medium/long-term financing	**(3,297,755)**	**(2,969,273)**	**(328,482)**
Interest-bearing loans and long-term borrowings	(3,270,799)	(2,915,453)	(355,346)
Long-term derivative liabilities	(26,956)	(53,820)	26,864
Net debt	**(2,214,004)**	**(2,200,819)**	**(13,185)**

With the exclusion of the Calcestruzzi group from the scope of consolidation, consolidated net debt at June 30, 2010 continues to reflect the current account financial relationship between the subsidiary Italcementi S.p.A. and the Calcestruzzi group companies for 203.7 million euro (196.4 million euro at December 31, 2009).

The net financial position at June 30, 2010, calculated as envisaged in the CONSOB communication no. DEM 6064293/2006 of July 28, 2006 (excluding medium/long-term financial assets), totaled 2,328,116 thousand euro (2,286,123 thousand euro at December 31, 2009).

Derivatives

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

	June 30, 2010		December 31, 2009	
(in thousands of euro)	**Assets**	**Liabilites**	**Assets**	**Liabilities**
Interest-rate derivatives cash flow hedges	2	(4,279)	2	(6,697)
Interest-rate derivatives fair value hedges				
Trading interest-rate derivatives	3,303	(2,023)	1,122	(2,035)
Interest-rate derivatives	**3,305**	**(6,302)**	**1,124**	**(8,732)**
Exchange-rate derivatives cash flow hedges	5,624	(134)	1,015	(520)
Exchange-rate derivatives fair value hedges	5,071	(24,952)	746	(11,067)
Trading exchange-rate derivatives	10	(220)	21	(112)
Exchange-rate derivatives	**10,705**	**(25,306)**	**1,782**	**(11,699)**
Total current instruments	**14,010**	**(31,608)**	**2,906**	**(20,431)**
Interest-rate derivatives cash flow hedges	85	(20,047)	1,081	(18,811)
Interest-rate derivatives fair value hedges	38,492	(6,909)	19,264	
Interest-rate derivatives	**38,577**	**(26,956)**	**20,345**	**(18,811)**
Exchange-rate derivatives cash flow hedges				
Exchange-rate derivatives fair value hedges				(35,009)
Exchange-rate derivatives				**(35,009)**
Total non-current instruments	**38,577**	**(26,956)**	**20,345**	**(53,820)**
Banking derivatives - forwards	3,683	(3,496)	1,755	(1,708)
Banking derivatives - options				
Banking derivatives	**3,683**	**(3,496)**	**1,755**	**(1,708)**
Total	**56,270**	**(62,060)**	**25,006**	**(75,959)**

Medium/long-term derivatives on interest rates reflected under assets for 38,577 thousand euro (20,345 thousand euro at December 31, 2009), referred mainly to:

- a fixed-rate to Euribor-indexed floating-rate interest-rate swap for 20.1 million euro, hedging part of the 500 million euro fixed-rate debenture issued under the Ciments Français EMTN program; at December 31, 2009, the derivative was carried under assets at 11.9 million euro;
- a fixed-rate to Euribor-indexed floating-rate interest-rate swap for 18.4 million euro, hedging most of the 750 million euro fixed-rate debenture issued by Italcementi Finance under the new EMTN program.

After the repurchase of the “US Private Placement” debenture, the related cross-currency swap was closed early; at December 31, 2009, the derivative was carried under medium/long-term liabilities, exchange-rate derivatives for fair value hedges, for 35.0 million euro, and under medium/long-term assets, interest-rate derivatives for fair value hedges, for 7.4 million euro.

13) Trade payables

"Trade payables" were as follows:

(in thousands of euro)	June 30, 2010	December 31, 2009	Change
Amounts due to suppliers	693,263	534,801	158,462
Bills payable	13,292	33,816	(20,524)
Other trade payables	13,292	25,157	(11,865)
Total	**719,847**	**593,774**	**126,073**

14) Other liabilities

"Other liabilities" were as follows:

(in thousands of euro)	June 30, 2010	December 31, 2009	Change
Due to employees	105,859	119,399	(13,540)
Due to social security bodies	56,298	60,824	(4,526)
Due to tax authorities	102,840	71,450	31,390
Accruals and deferred income	52,824	40,178	12,646
Derivative instruments	31,608	20,431	11,177
Banking and insurance amounts due	615,029	616,893	(1,864)
Other amounts due	267,827	330,301	(62,474)
Total	**1,232,285**	**1,259,476**	**(27,191)**

Covenants

In addition to the customary clauses, some of the Group's financing contracts include covenants requiring compliance with financial ratios, established mainly at the reporting date. Non-compliance leads to termination and early repayment in the case of bilateral or syndicated lines of credit and borrowings. The lines of credit and financing contracts underwritten by Group companies do not contain rating triggers that would require early repayment. Some contracts involve assumption of negative pledges to the counterpart, although these are limited to specific instances that do not substantially compromise the Group's ability to finance or refinance its operations.

In particular at June 30, 2010 in the construction materials segment lines of credit and loans subject to covenants accounted for 14% of total drawings represented by gross debt (3,282.2 million euro at June 30, 2010 excluding the fair value effects of derivatives).

At June 30, 2010 the segment complied with all contractual undertakings; covenant-related financial ratios were well within the contractual limits stipulated by the loans in question. The segment expects to comply with its covenants over the next 12 months and will issue appropriate disclosure should its financial situation deteriorate.

Income statement

15) Revenues

Revenues from sales and services totaled 2,628,508 thousand euro, as follows:

(in thousands of euro)	H1 2010	H1 2009	Change	% change
Industrial revenues				
Product sales	2,477,261	2,628,429	(151,168)	-5.8%
Revenues from services	71,144	56,793	14,351	25.3%
Other revenues	16,911	15,146	1,765	11.7%
Total	**2,565,316**	**2,700,368**	**(135,052)**	**-5.0%**
Financial revenues				
Interest	4,327	6,413	(2,086)	-32.5%
Dividends	4,553	3,077	1,476	48.0%
Capital gains and other revenues	35,387	46,728	(11,341)	-24.3%
Total	**44,267**	**56,218**	**(11,951)**	**-21.3%**
Banking revenues				
Interest	2,642	3,279	(637)	-19.4%
Commissions	13,503	14,528	(1,025)	-7.1%
Other revenues	1,493	1,501	(8)	-0.5%
Total	**17,638**	**19,308**	**(1,670)**	**-8.6%**
Property and services revenues	**1,287**	**785**	**502**	**63.9%**
Grand total	**2,628,508**	**2,776,679**	**(148,171)**	**-5.3%**

16) Goods and utilities expenses

Goods and utilities expenses amounted to 1,055,031 thousand euro, as follows:

(in thousands of euro)	H1 2010	H1 2009	Change	% change
Raw materials and semifinished goods	245,535	249,081	(3,546)	-1.4%
Fuel	250,753	198,595	52,158	26.3%
Packaging, materials, machinery, other	142,646	163,962	(21,316)	-13.0%
Finished goods	165,258	98,789	66,469	67.3%
Electricity, water, gas	236,647	220,767	15,880	7.2%
Change in inventories of raw materials, consumables, other	14,192	92,174	(77,982)	-84.6%
Total	**1,055,031**	**1,023,368**	**31,663**	**3.1%**

17) Services expenses

Services expenses amounted to 557,371 thousand euro, as follows:

(in thousands of euro)	H1 2010	H1 2009	Change	% change
External services and maintenance	185,308	197,145	(11,837)	-6.0%
Transport	218,287	223,074	(4,787)	-2.1%
Legal fees and consultancy	30,114	39,663	(9,549)	-24.1%
Rents	41,570	41,166	404	1.0%
Insurance	21,580	23,505	(1,925)	-8.2%
Subscriptions	4,358	5,465	(1,107)	-20.3%
Other	56,154	56,735	(581)	-1.0%
Total	**557,371**	**586,753**	**(29,382)**	**-5.0%**

The item "Other" mainly arises from the subsidiaries in the construction materials segment.

18) Employee expenses

Employee expenses in the first half of 2010 totaled 503,362 thousand euro compared to 506,895 thousand euro in the first half of 2009, down by 3,533 thousand euro (-0.7%).

The number of employees is shown below:

(heads)	H1 2010	H1 2009	Change
Number of employees at period end	22,549	23,363	(814)
Average number of employees	22,644	23,533	(889)

Stock options

Based on the results posted in 2009, on March 24, 2010 the Italmobiliare Board of Directors granted a total of 124,385 options to managers and directors, vesting from March 24, 2013.

The following table sets out the assumptions used and results obtained in measuring the above stock option plan:

	2009 plan
Value of option on grant date	9.28
Value of share	31.10
Exercise price	28.834
Volatility as %	24.3%
Length of option (in years)	10.00
Dividends %	2.75%
BTP 10-year risk-free rate	3.920%

The terms and conditions of the Italmobiliare S.p.A. stock option plans at June 30, 2010 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
March 24, 2010	124,385	3/24/2013 - 3/23/2020			124,385	€ 28.8340
Totale	**754,094**		**39,720**	**-**	**714,374**	

19) Other operating income (expense)

Other operating expense, net of other operating income, amounted to 72,573 thousand euro, as follows:

(in thousands of euro)	H1 2010	H1 2009	Change	% change
Other taxes	38,737	62,237	(23,500)	-37.8%
Provision for bad debts	6,805	17,355	(10,550)	-60.8%
Provision for environmental restoration - quarries	57,114	31,000	26,114	84.2%
Interest expense and other charges of companies in financial and banking sectors	19,757	24,083	(4,326)	-18.0%
Miscellaneous income	(49,840)	(38,554)	(11,286)	29.3%
Total	**72,573**	**96,121**	**(23,548)**	**-24.5%**

"Miscellaneous income" includes capital gains from the trading of CO2 emission rights for 29.8 million euro (18.8 million euro in the first half of 2009).

20) Non-recurring income (expense)

Non-recurring expense, net of income, totaled 5,566 thousand euro, as follows:

(in thousands of euro)	H1 2010	H1 2009
Net capital gains on sale of fixed assets	**2,894**	**4,731**
Total employee expenses for re-organizations	**(8,112)**	**(12,848)**
Other non-recurring income (expense)	**(348)**	**(1,102)**
Total	**(5,566)**	**(9,219)**

Non-recurring expenses for re-organizations mainly related to charges for the planned closure of two grinding centers in Italy.

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

Finance costs, net of finance income and net exchange-rate differences and derivatives, amounted to 59,412 thousand euro (58,897 thousand euro in the first half of 2009), as follows:

	H1 2010		H1 2009	
(in thousands of euro)	Income	Costs	Income	Costs
Interest income	18,359		10,281	
Interest expense		(81,137)		(67,673)
Subtotal	**18,359**	**(81,137)**	**10,281**	**(67,673)**
Net interest in respect of NFP		**(62,778)**		**(57,392)**
Net dividends	1,461		1,765	
Capital gains (losses) from disposal of equity investments	4,208	(746)	2,058	(108)
Other finance income	3,201		2,248	
Capitalized interest expense		5,328		7,869
Other finance costs		(20,125)		(8,846)
Subtotal	**8,870**	**(15,543)**	**6,071**	**(1,085)**
Total finance income (costs)	**27,229**	**(96,680)**	**16,352**	**(68,758)**
Gains (losses) from interest-rate derivative contracts		(821)		(337)
Gains (losses) from exchange-rate derivative contracts		(9,703)	3,546	
Net exchange rate differences	20,563			(9,700)
Net exchange rate differences and net derivatives	**10,039**			**(6,491)**
Total finance income (costs), exchange-rate differences and net derivatives		**(59,412)**		**(58,897)**

Total finance costs net of finance income, not including net exchange-rate differences and derivatives, amounted to 69,451 thousand euro (52,406 thousand euro in the first half of 2009); the amount included net costs of 21.4 million euro for the repurchase of the "US Private Placements" notes. Net of this non-recurring item, net finance costs related to debt decreased as a result of the reduction in interest rates and the decrease in average debt in the first half of 2010.

Finance income and costs at June 30, 2010, included "Capitalized finance costs" for 5,328 thousand euro (7,869 thousand euro at June 30, 2009).

22) Impairment on financial assets

The caption reflects an amount of 29,029 thousand euro. This included an impairment loss of 19,732 thousand euro arising from the prudent re-statement of the investment in Calcestruzzi to take account of Group operating losses in the period January 1 - May 31, 2010, as well as 7,279 thousand euro for the impairment of the equity investment in UBI, 1,868 thousand euro for the impairment of the Mediobanca warrants, 83 thousand euro for the impairment of the UBI warrants, and 67 thousand euro for the impairment of the KME warrants.

23) Income tax expense

Income tax expense for the period was 46,095 thousand euro, as follows:

(in thousands of euro)	H1 2010	H1 2009	Change	% change
Current tax	79,522	90,834	(11,312)	-12.5%
Prior-year tax and other prior-year fiscally driven items, net	(1,021)	1,410	(2,431)	-172.4%
Deferred tax liabilities	(32,406)	(24,922)	(7,484)	30.0%
Total	**46,095**	**67,322**	**(21,227)**	**-31.5%**

24) Components of other comprehensive income

(in thousands of euro)	Gross amount	Tax	Net value
Fair value adjustments on:			
Available-for-sale financial assets	(97,904)	818	(97,086)
Derivative financial instruments	5,548	(1,583)	3,965
Translation differences	427,307		427,307
Total	**334,951**	**(765)**	**334,186**

25) Earnings per share

Earnings per share at June 30, 2010 and 2009 is determined on the basis of the net profit for the respective periods attributable to the parent company and is stated separately for savings shares and ordinary shares.

Basic earnings per share

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

	June 30, 2010		June 30, 2009	
(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	1,193	1,550	32,877	25,805
Basic earnings per share in euro	0.056	0.095	1.543	1.582

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

	June 30, 2010		June 30, 2009	
(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	1,193	914	32,877	25,169
Total	**1,193**	**1,550**	**32,877**	**25,805**

Diluted earnings per share

Diluted earnings per share is computed in the same manner as basic earnings per share, taking account of the dilutive effect of stock options.

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

(in thousands of shares)	June 30, 2010 Ordinary shares	June 30, 2010 Savings shares	June 30, 2009 Ordinary shares	June 30, 2009 Savings shares
Weighted average no. of shares at December 31	21,311	16,315	21,311	16,315
Diluted effect of stock options	4		1	
Total	**21,315**	**16,315**	**21,312**	**16,315**
Attributable net profit for diluted earnings per share in thousands of euro	1,193	1,550	32,878	25,804
Diluted earnings per share in euro	0.056	0.095	1.543	1.582

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

(in thousands of euro)	June 30, 2010 Ordinary shares	June 30, 2010 Savings shares	June 30, 2009 Ordinary shares	June 30, 2009 Savings shares
Net profit reserved for savings shareholders (0.078 euro per share)		636		636
Residual net profit apportioned to all shares	1,193	914	32,878	25,168
Total	**1,193**	**1,550**	**32,878**	**25,804**

26) Dealings with related parties

The following table sets out data on dealings with related parties at June 30, 2010:

(in thousands of euro) **Italmobiliare Group**	Revenues (costs)	Trade receivables (payables)	Financial receivables (payables)	Tax consolidation receivables (payables)	Finance income (costs)	Other operating income (expense)
Subsidiaries and associates not consolidated on a line-by-line basis	15,950	4,656	19,121		93	326
	(7,653)	(2,987)	(535)		(2)	(621)
Companies in Calcestruzzi group	50,740	34,366	209,905	208	903	115
		(64)	(6,210)	(4,482)	(27)	(1)
Other related parties	97	123				20
	(464)	(230)				(300)
Total	**66,787**	**39,145**	**229,026**	**208**	**996**	**461**
	(8,117)	**(3,281)**	**(6,745)**	**(4,482)**	**(29)**	**(922)**
% of financial statement items	2.5%	3.9%	11.1%	0.0%	3.7%	0.6%
	0.4%	0.5%	0.2%	0.3%	0.0%	1.3%

The corresponding figures at June 30, 2009 were:

(in thousands of euro) **Italmobiliare Group**	**Revenues (costs)**	**Trade receivables (payables)**	**Financial receivables (payables)**	**Tax consolidation receivables (payables)**	**Finance income (costs)**	**Other operating income (expense)**
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%

Following the deconsolidation of the Calcestruzzi group, all business and financial transactions of the period 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 and Vassiliko Cement Ltd.

27) 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:

	2010					
(in thousands of euro)	**Shareholders' equity**		**Net profit for the period**		**Net debt**	
	amount	**%**	**amount**	**%**	**amount**	**%**
Book values	**6,066,902**		**84,327**		**(2,214,004)**	
Net capital gains on sale of fixed assets	2,894	0.05%	2,894	3.43%	8,805	0.40%
Non-recurring employee expenses for reorganizations	(8,112)	0.13%	(8,112)	9.62%		
Other non-recurring income (expense)	(348)	0.01%	(348)	0.41%	(290)	0.01%
Finance costs on repurchase of "US Private Placements"	(21,395)	0.35%	(21,395)	25.37%	(21,395)	0.97%
Tax on non-recurring transactions	8,389	0.14%	8,389	9.95%		
Non-recurring tax						
Total	**(18,572)**	**0.31%**	**(18,572)**	**22.02%**	**(12,880)**	**0.58%**
Figurative value without non-recurring transactions	**6,085,474**		**102,899**		**(2,201,124)**	

	2009					
(in thousands of euro)	**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)**	

Subsequent events

No significant events have taken place since the end of the first half of the year whose effects require amendments to or additional comments on the Group's financial position and results of operations at June 30, 2010.

For further detail reference should be made to the directors' report on the interim financial statements.

Milan, August 6, 2010

for the Board of Directors
The Chairman
(signed on the original)

ITALMOBILIARE
SOCIETA' PER AZIONI

(Translation from the original Italian text)

Certification pursuant to art. 154-bis subsection 5 of TUF regarding the condensed half-year financial statements prepared in consolidated format (according to art. 81-ter of the Consob Regulation no. 11971 of May 14, 1999 and subsequent modifications and integrations)

1. The undersigned Giampiero Pesenti, Chief Executive Officer and Giorgio Moroni, Manager in Charge of preparing the company's financial reports of Italmobiliare S.p.A, also taking into consideration art. 154-*bis*, paragraphs 3 and 4, of the Legislative Decree February 24th, 1998, no. 58, 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 **condensed half-year financial statements**, in the period from January 1st, 2010 to June 30th, 2010.

2. The assessment of the adequacy of the administrative and accounting procedures adopted for the preparation of condensed half-year financial statements as of June 30th, 2010 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 condensed half-year financial statements as of June 30th , 2010:

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

   b) correspond to the accounting books and entries;

   c) are suitable to provide a true and fair presentation of the financial condition, results of operations and cash flows of Italmobiliare S.p.A. and the companies included in the consolidation area.

   3.2 the interim directors' report includes a reliable analysis about the significant events occurred in the first six months of the financial year and their impact on the condensed half-year financial statements, together with a description of the main risks and uncertainties in 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 6th, 2010

Signed on the original by: Giampiero Pesenti, Chief Executive Officer
Signed on the original by: Giorgio Moroni, Manager in Charge

KPMG S.p.A.
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(Translation from the Italian original which remains the definitive version)

Auditor's review report on the condensed interim consolidated financial statements

To the shareholders of
Italmobiliare S.p.A.

1 We have reviewed the condensed interim consolidated financial statements of the Italmobiliare Group as at and for the six months ended 30 June 2010, comprising the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes thereto. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to prepare this report based on our review.

2 We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. The review consisted primarily of the collection of information relating to the captions of the condensed interim consolidated financial statements and the consistency of application of the accounting policies through discussions with company directors and analytical procedures applied to the financial data presented in such condensed interim consolidated financial statements. The review excluded such audit procedures as tests of controls and verification or validation of assets and liabilities and is significantly less than an audit performed in accordance with generally accepted auditing standards. As a consequence, contrary to the report of other auditors on the annual consolidated financial statements, we do not express an audit opinion on the condensed interim consolidated financial statements.

With regard to the corresponding figures included in the condensed interim consolidated financial statements, reference should be made to the audit and review reports of other auditors on the annual consolidated and condensed interim consolidated financial statements of the previous year dated 6 April 2010 and 10 August 2009, respectively.

3 Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Italmobiliare Group as at and for the six months ended 30 June 2010 have not been prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Milan, 9 August 2010

KPMG S.p.A.

(signed on the original)

Luisa Polignano
Director of Audit

September 2010
Project of LSVmultimedia
Olginate - Lecco