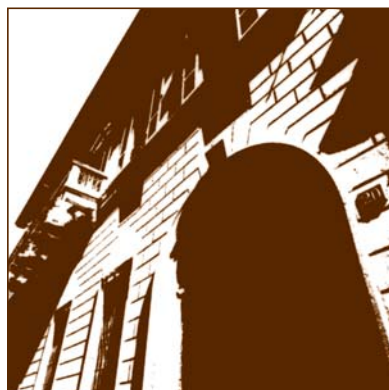


ITALMOBILIARE

2007
Half-year report



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Half-year report

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ITALMOBILIARE

**Half-year report
at June 30, 2007**



August 10, 2007

ITALMOBILIARE
Società per Azioni
Registered 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 12.31.2007)

| | | |
|-----------------------------|---------|------------------------------------|
| 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 | | |
| Luca Minoli | 3 | |
| Giorgio Perolari | 1-3-4-5 | |
| Livio Strazzera | | |
| Graziano Molinari | 8 | Secretary to the Board |

Board of Statutory Auditors

(Term ends on approval of financial statements at 12.31.2007)

| | | |
|------------------------------|---|--|
| Acting Auditors | | |
| Luigi Guatri | | Chairman |
| Claudio De Re | | |
| Eugenio Mercorio | | |
| Substitute Auditors | | |
| Dino Fumagalli | 7 | |
| Pietro Curcio | | |
| Enrico Locatelli | | |
| Angelo Maria Triulzi | | Manager in charge of preparing the company financial reports |
| Reconta Ernst & Young S.p.A. | | Independent Auditors |

- 1 Member of the Executive Committee
- 2 Executive director responsible for supervising the internal control system
- 3 Member of the Remuneration Committee
- 4 Member of the Internal Control Committee
- 5 Independent director
- 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 May 19, 2005, for the three-year period 2005-2007, that is, until approval of the financial statements at December 31, 2007.

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

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

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

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

- to the **Executive Committee**, consisting of four 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, in addition to the powers envisaged by the company By-laws and by the voluntary code of conduct, inter alia, powers to undertake acts, including buying and selling equity investments, securities and credit operations, accepting guarantees, providing guarantees on real assets and guarantees to third parties provided that they are directly or indirectly controlled subsidiaries or associates of Italmobiliare S.p.A., within a financial limit of 150 million euro for each transaction; undertaking real estate transactions, property swaps and divisions involving easement or property rights generally, within a financial limit of 25 million euro for each transaction; to recruit staff including managers, to set their remuneration, and to suspend and dismiss them;
- to the **Deputy Chairman**, Italo Lucchini, the powers to represent the company, pursuant to the By-laws, to be exercised without distinction from the Chairman – Chief Executive Officer;
- to the **Chief Operating Officer (COO)**, Carlo Pesenti, the power to oversee the performance of subsidiaries and associates generally and the power to make proposals to the Chief Executive Officer regarding the organization of the company. The Chief Operating Officer also has the power, inter alia, to undertake acts regarding the management of the company including securities and credit transactions, assuming obligations of whatever kind on behalf of the company including those backed by guarantees on real assets in favor of third parties provided that they are directly or indirectly controlled subsidiaries of Italmobiliare S.p.A., buying and selling government securities, debentures, mortgage bonds, shares, company stakes, arranging swaps and advances on securities within a financial limit of 75 million euro for each transaction; negotiate credit lines with banks within a financial limit of 75 million euro, for higher amounts up to a financial limit of 100 million euro with the joint signature of the Administration and Finance Joint General Manager.

Other powers were delegated to the Administration and Finance Joint General Manager and to the Secretary to the Board as part of their respective competences.

The Chief Operating Officer delegated specific and limited powers to employees of the company 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 Voluntary Code of Conduct (the «Code»), reflects Italmobiliare S.p.A.'s compliance with generally accepted best practice.

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

During the meeting at which the company officers were appointed, the Board of Directors also named the «Remuneration Committee», consisting of three non-executive directors, of whom one is independent, and the «Internal Control Committee», consisting of three directors, all of whom are non-executive and two of whom are independent and, in addition, all have adequate experience in accounting and finance (as required by the «Code» of at least one committee member). During the half-year, the Remuneration Committee met 3 times, while the Internal Control Committee met twice. Both committees met with the almost complete attendance of their respective members.

Compliance Committee

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

In compliance with the provisions of the «Model» itself, the Compliance Committee consists of an independent director (subsequently appointed Chairman), the company Head of Internal Auditing and an external professional (who is currently also a substitute auditor).

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

Lead independent director

The most recent text of the «Code» as approved by the Board of Directors on February 8, 2007, provides, with reference to independent directors, that in cases where the Chairman of the Board of Directors is the principal officer responsible for the management of the company, the Board of Directors should designate a lead independent director, to provide a reference for and to coordinate the contributions and petitions of the non-executive directors, and in particular, those who are independent.

During the meeting of March 21, 2007, the Board of Directors named independent director Professor Mauro Bini 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.

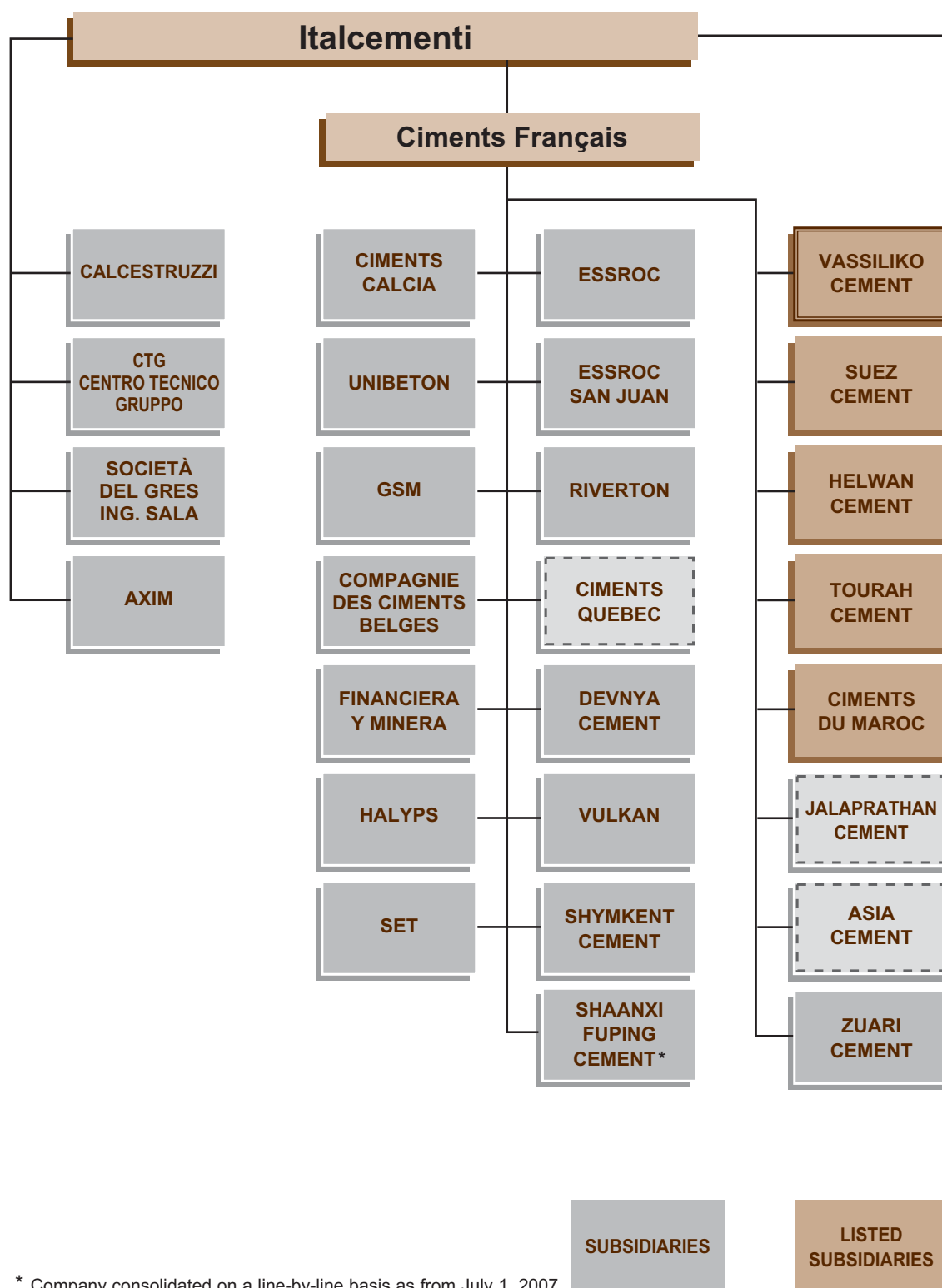
During the meeting of March 21, 2007, the Board of Directors, on the recommendation of the Internal Control Committee, named the Chairman-Chief Executive Officer, Giampiero Pesenti, as the executive director responsible for supervising the internal control system.

Manager in charge of preparing the company financial reports

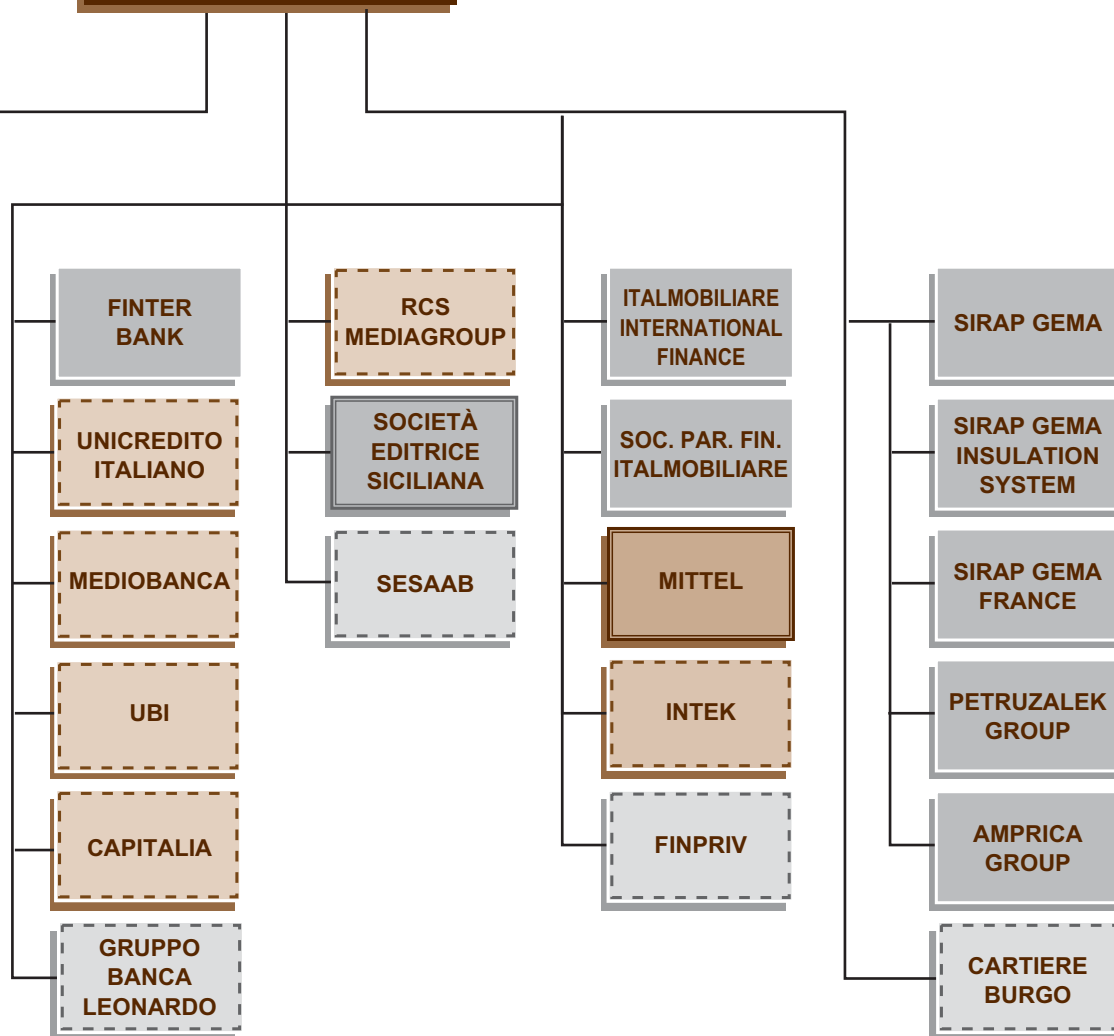
At a meeting on June 18, 2007, the Board of Directors appointed Angelo Maria Triulzi, Administration and Finance Joint General Manager at Italmobiliare S.p.A., as the Manager in charge of preparing the company financial reports, pursuant to art. 154-bis of the Consolidated Law on Financial Intermediation and to art. 29 of the company By-laws.

Group structure

(as of 30 June 2007)



ITALMOBILIARE



ASSOCIATES

LISTED ASSOCIATES

OTHERS

OTHERS LISTED

Group financial highlights

| (in millions of euro) | June 30, 2007 | June 30, 2006 | December 31, 2006 |
|---|---------------|---------------|-------------------|
| Revenues | 3,283.0 | 3,087.6 | 6,216.5 |
| Recurring gross operating profit | 774.1 | 791.4 | 1,550.0 |
| Gross operating profit | 783.9 | 801.9 | 1,541.0 |
| Amortization, depreciation and impairment variation | (225.5) | (208.9) | (435.3) |
| Operating profit | 558.4 | 593.0 | 1,105.7 |
| Finance income/(costs) | (59.2) | (57.3) | (106.8) |
| Share of results of associates | 4.9 | 7.9 | 20.4 |
| Net profit for the period | 367.0 | 400.0 | 748.5 |
| Group net profit | 131.1 | 146.4 | 264.4 |
| Investments in fixed assets | 414.8 | 505.6 | 865.2 |

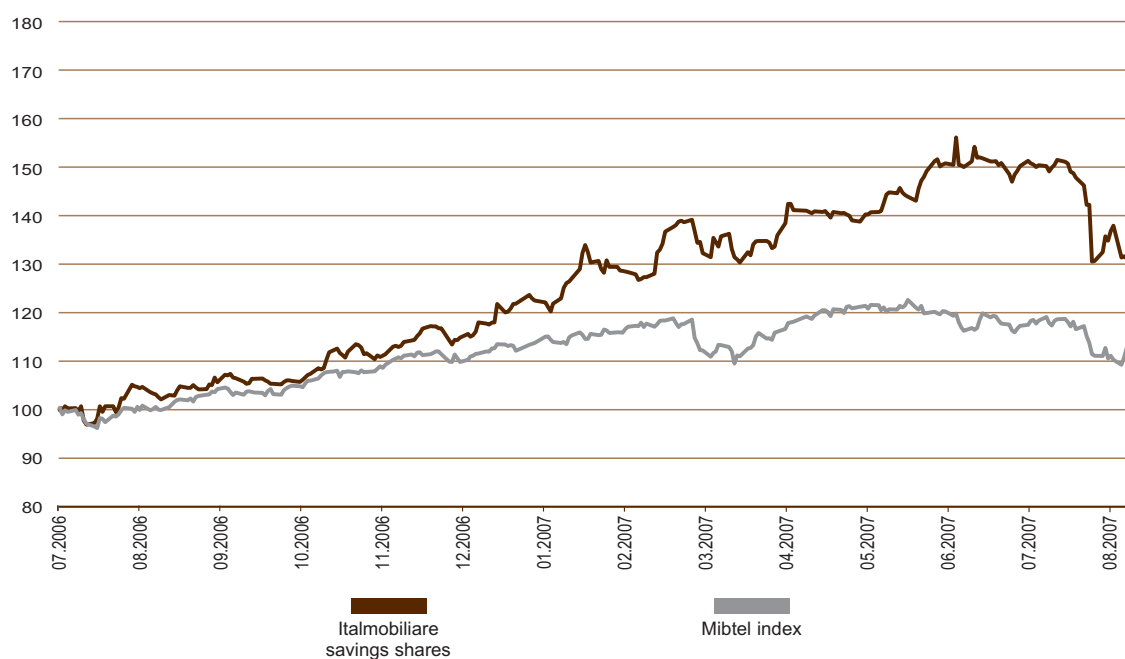
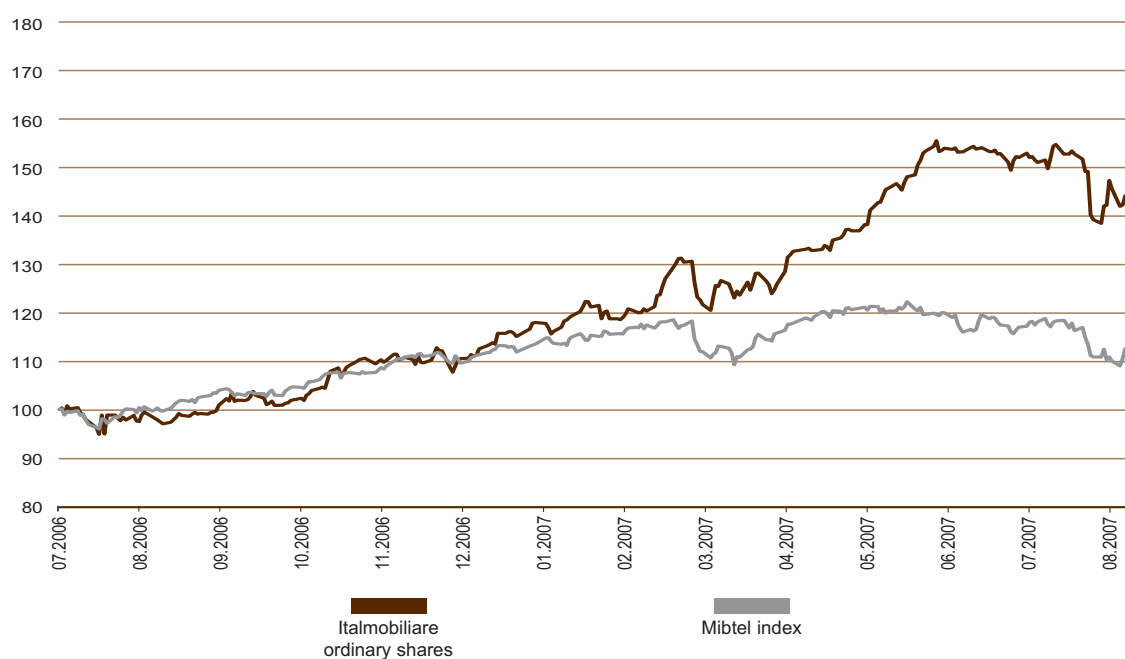
| (in millions of euro) | June 30, 2007 | December 31, 2006 |
|---|---------------|-------------------|
| Total shareholders' equity | 6,569.0 | 6,407.9 |
| Group shareholders' equity | 3,052.7 | 2,975.0 |
| Net debt | 1,985.9 | 1,857.3 |
| Net debt / Shareholders' equity | 30.23% | 28.98% |
| Net debt / Recurring GOP | 1.30 | 1.20 |
| (Diluted) earnings per ordinary share | 3.456 | 6.985 |
| (Diluted) earnings per savings share | 3.495 | 7.063 |
| Shareholders' equity per share ¹ | 81.134 | 79.150 |
| Number of employees at period end | 25,178 | 24,509 |

¹ net of treasury shares

On the Stock Exchange

Share prices from 07.03.2006 to 08.08.2007

| (in euro) | maximum | minimum | 07.03.2006 | 08.08.2007 | performance |
|-----------------|-------------------|-------------------|------------|------------|-------------|
| Ordinary shares | 106.64 05/29/2007 | 64.98 07/18/2006 | 68.52 | 98.82 | 44.221% |
| Savings shares | 83.15 06/05/2007 | 51.61 07/14/2006 | 53.37 | 69.82 | 30.823% |
| Mibtel | 34,365 05/18/2007 | 26,956 07/18/2006 | 28,092 | 31,629 | 12.591% |





Directors' report



Foreword

In accordance with art. 81 of the Issuers Regulation established by CONSOB resolution no. 14990 of April 14, 2005, the report for the half-year to June 30, 2007, has been drawn up "in compliance with the international accounting principle applicable for interim financial reporting".

As illustrated in greater detail in the notes, the amendments, with respect to the financial statements at December 31, 2006, in the accounting principles and related interpretations adopted by the European Commission have not had effects on the preparation of this half-year report.

The changes in the consolidation area are illustrated in detail in the notes to the financial statements. The main changes with respect to June 30, 2006, occurred in the Italcementi group and the Sirap Gema group.

As for the Italcementi group the main changes concerned the line-by-line consolidation as from June 1, 2006 of the Indian company Zuari Cement Ltd. and its subsidiary Sri Visnu Cement Ltd. (previously consolidated on a proportionate basis), the line-by-line consolidation as from October 1, 2006 of the Ready Mix Beton Egypt S.A.E. (RMBE) and Ready Mix Beton S.A.E. (RMB), companies active in ready mixed concrete in Egypt, and the latest acquisitions in North America, also in ready mixed concrete, consolidated line-by-line as from March 1, 2007 (Cambridge and Brantford in Canada) and as from April 1, 2007 (Arrow in the USA).

For the Sirap Gema group the main change concerned the Amprica group which was acquired at the end of June 2006, whose balance sheet values were consolidated on a line-by-line basis as from June 30, 2006, while the income statement values were consolidated on a line-by-line basis as from July 1, 2006.

Since January 1, 2007 Bulgaria and Romania have become part of the European Union; for the sake of comparison the figures for the geographical area for 2006 have been duly reclassified.

General overview

The international economy remains positive, driven largely by the main emerging economies led by China and India. In the industrialized area, the slowdown in the USA was largely counterbalanced by the steady performance of the European economy—thanks above all to the reinvigorated German economy—and Japan.

So far the appreciation of the euro, the new increases in oil prices and the rise in interest rates have been absorbed without significant repercussions, but they are a cause of some concern for the short-term outlook.

Towards the end of the half the financial markets felt the first effects, which worsened in July, of the crisis in sub-prime mortgages in the United States. The lending markets saw a general growth in spreads and the share markets experienced very volatile prices with a negative trend in some sectors.

In this situation in the first half of 2007 the Italmobiliare Group recorded **total net profit** of 367.0 million euro and **Group net profit** of 131.1 million euro, while in the same period in 2006 the corresponding figures were 400.0 million and 146.4 million euro.

The other main results in the half year to June 30, 2007 were:

- **Revenues:** 3,283.0 million euro compared with 3,087.6 million euro at June 30, 2006 (+6.3%);
- **Recurring gross operating profit:** 774.1 million euro compared with 791.4 million euro at June 30, 2006 (-2.2%);
- **Gross operating profit:** 783.9 million euro compared with 801.9 million euro at June 30, 2006 (-2.2%);
- **Operating profit:** 558.4 million euro compared with 593.0 million euro at June 30, 2006 (- 5.8%);
- **Finance income/(costs)** (including net exchange rate differences and derivatives): net costs of 59.2 million euro compared with 57.3 million euro at June 30, 2006 (+3.5%);
- **Profit before tax:** 504.1 million euro compared with 543.6 million euro at June 30, 2006 (- 7.3%).

At the end of June 2007 **total shareholders' equity** stood at 6,569.0 million euro compared with 6,407.9 million euro at December 31, 2006.

Net debt at June 30, 2007 was 1,985.9 million euro, while at the end of December 2006 it was 1,857.3 million euro.

Following the changes in shareholders' equity and debt, gearing rose slightly from 28.98% at the end of December 2006 to 30.23 % at the end of June 2007.

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

- the **construction materials sector**, consisting of the Italcementi group (Italmobiliare's main industrial equity investment), in the 1st half of 2007 saw a steady level of sales volumes compared with the first part of 2006, since a particularly strong 1st quarter was followed by a 2nd quarter which fell overall owing to poor weather conditions in some regions. Revenues of 3,073.1 million euro, up by 5.6% compared with the 1st half of 2006, were positively affected by the price trend, which did not, however, offset the further increase in operating expenses, in particular for energy, which had already been a factor in the first three months of the year. As a consequence recurring gross operating profit of 720.0 million euro fell slightly (-1.7%) compared with the corresponding figure for 2006, while operating profit fell more sharply (-5.1%). These trends were reflected in the 7.6% fall

in net profit for the period which stood at 313.7 million euro (compared with 339.7 million euro in the 1st half of 2006) and in group net profit which fell by 9.5%, going from 229.9 million euro in the first part of the previous year to 208.0 million euro in the same period in 2007;

- **food packaging and thermal insulation sector**, consisting of the Sirap Gema group, saw a rise in 39.4%, 25.7% of which was due to the change in the consolidation area (purchase of the Amprica group) and the remainder to the higher sales volumes in thermal insulation and food packaging in Italy and East Europe. Gross operating profit saw more limited growth owing to the performance on the French market and the sharp rise in raw material, energy and transport costs. Operating profit grew only marginally from 8.8 to 8.9 million euro owing to the higher amortization charges connected to the new acquisition. Net profit for the period of 1.9 million euro, was sharply down compared with 3.8 million euro in the 1st half of 2006, and was affected by higher finance costs connected to the acquisition of the Amprica group and an unfavorable tax situation;
- the **financial sector**, which includes the parent company Italmobiliare and the wholly owned finance companies made a net profit of 91.7 million euro, down on 98.9 million euro in the 1st half of 2006. The overall fall in the result for the sector, which was mainly due to non-recurrence of the capital gain on the disposal of Gemina shares (7.9 million euro) and the lower contribution from associates (4.2 million euro), was limited thanks to the higher dividends received, increased income from cash management (net of debt costs) and a more favorable tax situation;
- the **banking sector** includes the business of Finter Bank Zürich and Crédit Mobilier de Monaco. The sector recorded net profit of 5.6 million euro, up by 17.4% compared with 4.7 million euro in the same period of the previous year. The improved result was largely due to the excellent performance of Finter Bank Zürich;
- the **property sector, services and others** is not particularly important within the global context of the Group and therefore the results are not significant.

The parent company **Italmobiliare S.p.A.** ended the 1st half with net profit of 82.3 million euro compared with net profit of 168.3 million euro in the same period of 2006. In the 1st half of 2006 the result benefited from overall net capital gains of 98.9 million euro, which were realized following the sale to the subsidiary Franco Tosi of equity investments as part of the Group's corporate restructuring plan. If this is removed from the result for the 1st half of 2006, the net profit for the 1st half of 2007 rose by 18.6%.

Consolidated highlights at June 30, 2007

| (in millions of euro) | 1st half 2007 | 1st half 2006 | % change | Full year 2006 |
|---|----------------|----------------|---------------|----------------|
| Revenues | 3,283.0 | 3,087.6 | 6.3 | 6,216.5 |
| Recurring gross operating profit | 774.1 | 791.4 | (2.2) | 1,550.0 |
| <i>% of revenues</i> | 23.6 | 25.6 | | 24.9 |
| Other income (expense) | 9.8 | 10.5 | (6.9) | (9.0) |
| Gross operating profit | 783.9 | 801.9 | (2.2) | 1,541.0 |
| <i>% of revenues</i> | 23.9 | 26.0 | | 24.8 |
| Amortization and depreciation | (225.0) | (208.8) | 7.8 | (433.3) |
| Impairment variation | (0.5) | (0.1) | n.s. | (2.0) |
| Operating profit | 558.4 | 593.0 | (5.8) | 1,105.7 |
| <i>% of revenues</i> | 17.0 | 19.2 | | 17.8 |
| Finance income (costs) | (59.2) | (57.3) | 3.5 | (106.8) |
| Share of results of associates | 4.9 | 7.9 | (37.0) | 20.4 |
| Profit before tax | 504.1 | 543.6 | (7.3) | 1,019.3 |
| <i>% of revenues</i> | 15.4 | 17.6 | | 16.4 |
| Income tax expense | (137.1) | (143.6) | (4.5) | (270.8) |
| Net profit for the period | 367.0 | 400.0 | (8.2) | 748.5 |
| <i>% of revenues</i> | 11.2 | 13.0 | | 12.0 |
| Group net profit | 131.1 | 146.4 | (10.5) | 264.4 |
| <i>% of revenues</i> | 4.0 | 4.7 | | 4.3 |
| Minority interest | 235.9 | 253.6 | (7.0) | 484.1 |
| Cash flow from operating activities | 425.0 | 288.4 | | 1,013.9 |
| Investments in fixed assets | 414.8 | 505.6 | | 865.2 |

n.s.: not significant

| (in millions of euro) | June 30, 2007 | December 31, 2006 |
|-----------------------------------|---------------|-------------------|
| Total shareholders' equity | 6,569.0 | 6,407.9 |
| Group shareholders' equity | 3,052.7 | 2,975.0 |
| Net debt | 1,985.9 | 1,857.3 |
| Number of employees at period end | 25,178 | 24,509 |

Recurring gross operating profit corresponds to 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.

Gross operating profit corresponds to the previous item including other non-recurring income and expense.

Operating profit corresponds to the previous item including amortization, depreciation and impairment variation.

Quarterly trend

| (in millions of euro) | 1st half 2007 | 2nd quarter 2007 | 1st quarter 2007 |
|---|----------------|------------------|------------------|
| Revenues | 3,283.0 | 1,781.2 | 1,501.9 |
| <i>% change on 2006</i> | 6.3 | 3.5 | 9.9 |
| Recurring gross operating profit | 774.1 | 476.1 | 297.9 |
| <i>% change on 2006</i> | (2.2) | (4.6) | 2.0 |
| <i>% of revenues</i> | 23.6 | 26.7 | 19.8 |
| Gross operating profit | 783.9 | 484.1 | 299.8 |
| <i>% change on 2006</i> | (2.2) | (4.4) | 1.4 |
| <i>% of revenues</i> | 23.9 | 27.2 | 20.0 |
| Amortization and depreciation | (225.0) | (113.3) | (111.8) |
| Impairment variation | (0.5) | (0.4) | - |
| Operating profit | 558.4 | 370.4 | 188.0 |
| <i>% change on 2006</i> | (5.8) | (7.6) | (2.1) |
| <i>% of revenues</i> | 17.0 | 20.8 | 12.5 |
| Finance income/(costs) | (59.2) | (24.6) | (34.7) |
| Share of results of associates | 4.9 | 5.3 | (0.3) |
| Profit before tax | 504.1 | 351.1 | 153.0 |
| <i>% of revenues</i> | 15.4 | 19.7 | 10.2 |
| Income tax expense | (137.1) | (90.7) | (46.4) |
| Net profit for the period | 367.0 | 260.4 | 106.6 |
| <i>% of revenues</i> | 11.2 | 14.6 | 7.1 |
| Group net profit | 131.1 | 96.7 | 34.4 |
| <i>% of revenues</i> | 4.0 | 5.4 | 2.3 |
| Minority interest | 235.9 | 163.7 | 72.2 |

The seasonal factors typical of the Group's core businesses normally produce stronger performance in the 2nd quarter compared with the 1st quarter. This trend was confirmed in 2007, although it was attenuated compared with previous years by the particularly strong performance of the 1st quarter.

In fact while the 2nd quarter produced a better performance than the 1st quarter of 2007 in absolute terms, the results compared with the corresponding quarter in 2006 show a fall in the ratio to revenues largely due to the rise in some operating expenses, in particular for energy.

Revenues and operating results

Contribution to consolidated revenues (net of intragroup eliminations)

| (in millions of euro) | 1st half 2007 | | 1st half 2006 | | Change | |
|-------------------------------|----------------|--------------|----------------|--------------|------------|----------------|
| | 1st half 2007 | % | 1st half 2006 | % | % | % ¹ |
| Line of business | | | | | | |
| Construction materials | 3,070.4 | 93.5 | 2,907.5 | 94.2 | 5.6 | 5.1 |
| Packaging and insulation | 120.7 | 3.7 | 86.6 | 2.8 | 39.4 | 12.0 |
| Finance | 65.1 | 2.0 | 68.1 | 2.2 | (4.5) | (3.9) |
| Banking | 25.9 | 0.8 | 24.6 | 0.8 | 5.3 | 9.7 |
| Property, services and others | 0.9 | - | 0.8 | - | 29.4 | 29.4 |
| Total | 3,283.0 | 100.0 | 3,087.6 | 100.0 | 6.3 | 5.2 |
| Geographical area | | | | | | |
| European Union | 2,155.8 | 65.6 | 2,028.2 | 65.7 | 6.3 | 5.1 |
| Other European countries | 162.4 | 5.0 | 139.6 | 4.5 | 16.3 | 21.1 |
| North America | 286.5 | 8.7 | 323.9 | 10.5 | (11.5) | (9.1) |
| Asia | 200.3 | 6.1 | 152.2 | 4.9 | 31.6 | 6.2 |
| Africa | 380.0 | 11.6 | 333.9 | 10.8 | 13.8 | 16.0 |
| Trading | 98.0 | 3.0 | 109.8 | 3.6 | (10.8) | (6.3) |
| Total | 3,283.0 | 100.0 | 3,087.6 | 100.0 | 6.3 | 5.2 |

¹ at constant size and exchange rates

Revenues and operating results by sector and geographical area

| (in millions of euro) | Revenues | | Recurring GOP | | GOP | | Operating profit | |
|-------------------------------|----------------|---------------------|---------------|---------------------|--------------|---------------------|------------------|---------------------|
| | 1H 2007 | % change on 1H 2006 | 1H 2007 | % change on 1H 2006 | 1H 2007 | % change on 1H 2006 | 1H 2007 | % change on 1H 2006 |
| Line of business | | | | | | | | |
| Construction materials | 3,073.1 | 5.6 | 720.0 | (1.7) | 726.9 | (1.7) | 508.1 | (5.1) |
| Packaging and insulation | 120.7 | 39.4 | 14.7 | 22.1 | 14.7 | 18.7 | 8.9 | 1.9 |
| Finance | 116.9 | (2.1) | 81.0 | (7.3) | 83.7 | (7.8) | 83.7 | (7.8) |
| Banking | 25.9 | 5.3 | 7.8 | 9.4 | 7.8 | 9.4 | 7.0 | 19.3 |
| Property, services and others | 1.1 | (14.3) | 0.1 | (97.3) | 0.2 | (86.7) | 0.1 | (92.5) |
| Inter-sector eliminations | (54.7) | 0.8 | (49.5) | (0.3) | (49.4) | (0.2) | (49.4) | (0.2) |
| Total | 3,283.0 | 6.3 | 774.1 | (2.2) | 783.9 | (2.2) | 558.4 | (5.8) |
| Geographical area | | | | | | | | |
| European Union | 2,202.9 | 6.9 | 452.3 | (0.9) | 460.6 | (1.5) | 334.0 | (5.7) |
| Other European countries | 162.9 | 16.1 | 32.0 | (0.3) | 32.4 | 0.9 | 23.9 | 3.5 |
| North America | 286.5 | (11.5) | 51.3 | (29.8) | 51.1 | (30.0) | 28.0 | (43.3) |
| Asia | 213.4 | 30.1 | 63.4 | 38.6 | 63.2 | 38.6 | 43.9 | 43.7 |
| Africa | 402.1 | 9.5 | 171.2 | (1.6) | 171.6 | (1.3) | 125.7 | (1.8) |
| Trading | 180.3 | 7.6 | 11.0 | 13.6 | 12.2 | 27.0 | 11.4 | 29.4 |
| Inter-area eliminations | (165.1) | 21.2 | (7.1) | n.s. | (7.2) | n.s. | (8.5) | n.s. |
| Total | 3,283.0 | 6.3 | 774.1 | (2.2) | 783.9 | (2.2) | 558.4 | (5.8) |

n.s. not significant

The 6.3% increase in **revenues** compared with the 1st half of 2006 was due to:

- the business performance for 5.2%;
- the aforementioned changes in the consolidation area for 2.7%;
- the negative impact of exchange rate changes for 1.6%, following the depreciation of the US dollar, the Egyptian lira and Turkish lira against the euro, and a rise in the value of the Thai baht.

The growth in business was due to: the construction materials sector (+5.1%) owing to the rise in sales prices in most countries; the packaging and insulation sector (+12.0%) thanks to higher sales in the thermal insulation sector and the rise in revenues in food packaging in Italy and in Eastern Europe; the banking sector (+9.7%) owing to the performance realized by Finter Bank Zürich. The finance sector, on the other hand, fell by 3.9% owing to the non-recurrence of the capital gain on the disposal of Gemina shares, despite the increase in other elements.

Recurring gross operating profit and **gross operating profit** fell respectively by 17.3 million euro (-2.2%) and 18.0 million euro (-2.2%) compared to the 1st half of 2006. The change in these results saw a positive contribution from the packaging and insulation and banking sectors, while the construction materials and finance sectors fell back for the reasons set out previously.

Operating profit, following amortization and depreciation charges above those of the 1st half of 2006 (225.0 million euro compared with 208.8 million euro) largely due to the enlargement of the consolidation area, fell by 5.8%, from 593.0 million euro to 558.4 million euro.

Operating results by geographical area show: a significant growth in Asia and in trading; a moderate rise in other European countries; a slight fall in EU countries overall and in Africa; a significant fall in North America. In absolute terms the EU countries represent the largest contributor both in terms of revenues and of operating profit.

Finance costs and other items

Net finance costs, including net exchange rate differences and derivatives, stood at 59.2 million euro, 1.9 million euro up on the 1st half of 2006 (57.3 million euro) solely due to costs connected to the operations to optimize lending terms undertaken by Ciments Français in the 1st quarter, which will be explained in the chapter on the construction materials sector.

The **share of results of associates** of 4.9 million euro fell by 3.0 million euro compared with the 1st half of 2006 (7.9 million euro), owing to the sharp reduction in the contribution from Mittel, which was partly offset by the improvement in the results of some associates in the construction materials sector.

Results for the period

Profit before tax in the half totaled 504.1 million euro, down by 7.3% compared with June 30, 2006 (543.6 million euro).

Income tax expense was 137.1 million euro, down by 4.5% compared with the 1st half of 2006 largely due to the fall in profit before tax. Despite the fall in the tax rate in some countries, the average tax rate (27.2%) was higher than in the 1st half of 2006 (26.4%), which had benefited from significant non-recurring income following the favorable settlement of some tax disputes.

Net profit for the period stood at 367.0 million euro, down by 8.2% compared with the same period in 2006 (400.0 million euro). **Group net profit** totaled 131.1 million euro (-10.5%) compared with 146.4 million euro in the 1st half of 2006, while minority interests at 235.9 million euro, was down by 7.0%.

Net debt

At June 30, 2007 **net debt**, 1,985.9 million euro, rose by 128.6 million euro compared with the situation at December 31, 2006. This increase was mainly caused by significant financial and industrial investment in the period (414.8 million euro) and by dividends paid (192.3 million euro), which were partly offset by cash flows from operations (425.0 million euro). The latter benefited by 114.9 million euro from a fall in working capital as a result of the no-recourse disposal of trade receivables.

Breakdown of net debt

| | June 30, 2007 | December 31, 2006 |
|---|----------------|-------------------|
| (in millions of euro) | | |
| Cash, cash equivalents and current financial assets | (1,543.9) | (1,504.5) |
| Short-term financing | 1,053.9 | 879.2 |
| Medium/long-term financial assets | (72.9) | (68.7) |
| Medium/long-term financing | 2,548.8 | 2,551.3 |
| Net debt | 1,985.9 | 1,857.3 |
| <i>Change on December 2006</i> | <i>128.6</i> | |

Financial ratios

| | June 30, 2007 | December 31, 2006 |
|--|---------------|-------------------|
| (absolute values in millions of euro) | | |
| Net debt | 1,985.9 | 1,857.3 |
| Consolidated shareholders' equity | 6,569.0 | 6,407.9 |
| Gearing | 30.23% | 28.98% |
| Net debt | 1,985.9 | 1,857.3 |
| GOP before other income/(expense) ¹ | 1,532.7 | 1,550.0 |
| Leverage | 1.30 | 1.20 |

¹ rolling year basis

Balance sheet summary

| | June 30, 2007 | December 31, 2006 |
|---|-----------------|-------------------|
| (in millions of euro) | | |
| Property, plant and equipment | 4,147.1 | 4,146.2 |
| Intangible assets | 2,017.0 | 1,953.9 |
| Other non-current assets | 2,023.5 | 1,980.6 |
| Non-current assets | 8,187.6 | 8,080.7 |
| Current assets | 4,255.4 | 4,053.5 |
| Total assets | 12,443.0 | 12,134.2 |
| Group shareholders' equity | 3,052.7 | 2,975.0 |
| Minority interests | 3,516.3 | 3,432.9 |
| Total shareholders' equity | 6,569.0 | 6,407.9 |
| Non-current liabilities | 3,435.6 | 3,452.9 |
| Current liabilities | 2,438.4 | 2,273.4 |
| Total liabilities | 5,874.0 | 5,726.3 |
| Total shareholders' equity and liabilities | 12,443.0 | 12,134.2 |

Cash flows summary

| | 1st half 2007 | 1st half 2006 |
|--|------------------|------------------|
| (in millions of euro) | | |
| Net debt at 01.01.2006 | | (1,865.1) |
| Net debt at 12.31.2006 | (1,857.3) | - |
| Cash flow from operating activities | 425.0 | 288.4 |
| Investments in fixed assets: | | |
| <i>Tangible and intangible assets</i> | (229.2) | (217.7) |
| <i>Financial assets</i> | (185.6) | (287.9) |
| Total investments in fixed assets | (414.8) | (505.6) |
| Divestments | 33.4 | 47.2 |
| Dividends paid | (192.3) | (221.2) |
| Net flow from treasury share purchases/sales | (3.4) | (15.0) |
| Net debt of companies acquired/sold | (17.9) | (47.0) |
| Other | 41.4 | 48.8 |
| Change in net debt | (128.6) | (404.4) |
| Net debt at period end | (1,985.9) | (2,269.5) |

Investments in fixed assets

| (in millions of euro) | Investments in financial assets | | Investments in PPE | | Investments in intang. assets | |
|--|---------------------------------|--------------|--------------------|--------------|-------------------------------|-------------|
| | 1H 2007 | 1H 2006 | 1H 2007 | 1H 2006 | 1H 2007 | 1H 2006 |
| Line of business | | | | | | |
| Construction materials | 174.7 | 230.8 | 183.4 | 168.0 | 2.4 | 11.4 |
| Packaging and insulation | 1.4 | 42.6 | 4.5 | 5.2 | 0.5 | 0.4 |
| Finance | 11.0 | 27.4 | - | 0.1 | - | - |
| Banking | - | 0.5 | 0.2 | 1.0 | - | 0.2 |
| Property, services and others | - | - | 0.1 | 0.2 | 0.1 | - |
| Total | 187.1 | 301.3 | 188.2 | 174.5 | 3.0 | 12.0 |
| Change in payables | (1.5) | (13.4) | 38.0 | 31.2 | | - |
| Total investments in fixed assets | 185.6 | 287.9 | 226.2 | 205.7 | 3.0 | 12.0 |
| Geographical area | | | | | | |
| European Union | 24.9 | 116.6 | 114.1 | 121.2 | 2.6 | 11.6 |
| Other European countries | 5.4 | 71.6 | 3.0 | 5.6 | 0.1 | 0.1 |
| North America | 49.2 | - | 39.3 | 25.5 | - | - |
| Asia | 28.2 | 112.7 | 19.1 | 8.3 | - | - |
| Africa | 75.4 | - | 10.0 | 12.2 | - | - |
| Trading | 2.6 | - | 2.0 | 1.2 | 0.2 | 0.1 |
| Others | 1.4 | 0.4 | 0.7 | 0.5 | 0.1 | 0.2 |
| Total | 187.1 | 301.3 | 188.2 | 174.5 | 3.0 | 12.0 |
| Change in payables | (1.5) | (13.4) | 38.0 | 31.2 | - | - |
| Total investments in fixed assets | 185.6 | 287.9 | 226.2 | 205.7 | 3.0 | 12.0 |

In the half in question the significant investments made by the Group of 414.8 million euro, down by 90.8 million euro compared with the 1st half of 2006, were particularly aimed at enhancing and rationalizing the existing industrial structure and acquiring equity investments.

Investments in tangible and intangible assets, mainly referring to the construction materials sector, totaled 229.2 million euro, up by 11.5 million euro compared with the 1st half of 2006 (217.7 million euro).

Financial investments of 185.6 million euro (287.9 million euro in the 1st half of 2006) concerned the acquisitions made by the construction materials sector for 173.2 million euro, packaging and insulation sector for 1.4 million euro and the finance sector for 11.0 million euro.

Shareholders' equity

Total shareholders' equity at June 30, 2007 was 6,569.0 million euro and increased by 161.1 million euro compared with December 31, 2006, of which 77.7 million euro was for Group shareholders' equity and 83.4 million euro for minority interests. The overall change was mainly caused, in a positive sense, by the net profit in the half (367.0 million euro) and the increase in the translation reserves (+31.9 million euro), and, in the negative sense, by the dividends paid (195.5 million euro). The breakdown of the changes in total shareholders' equity is shown in the "Statement of movements in consolidated shareholders' equity".

Reconciliation between Parent company and Group net profit and shareholders' equity

| | | June 30, 2007 |
|--|--|------------------|
| (in thousands of euro) | | |
| Net profit for the period of the Parent company Italmobiliare S.p.A. | | 82,306 |
| Consolidation adjustments: | | |
| • Net profits of the consolidated companies (Group share) | | 117,728 |
| • Adjustment of the value of equity investments valued at equity | | 981 |
| • Elimination of dividends accounted for in the period | | (70,412) |
| • Elimination of intracompany (gains) losses and other changes | | 490 |
| Group net profit | | 131,093 |
| Shareholders' equity of Parent company Italmobiliare S.p.A. | | 1,667,827 |
| • Adjustment to Group accounting standards | | (2,507) |
| • Elimination of carrying amount of consolidated equity investments | | (1,234,518) |
| | <i>in companies consolidated on a line-by-line and proportionate basis</i> | (1,163,028) |
| | <i>in associates consolidated at equity</i> | (71,490) |
| • Recording of shareholders' equity of consolidated equity investments | | 2,590,775 |
| | <i>in companies consolidated on a line-by-line and proportionate basis</i> | 2,519,076 |
| | <i>in associates consolidated at equity</i> | 71,699 |
| • Surpluses allocated to the shareholders' equity of subsidiaries and associates | | 31,028 |
| • Elimination of effects of intragroup transactions | | 139 |
| Group shareholders' equity | | 3,052,744 |

Construction materials sector

This sector, which is Italmobiliare's core industrial business, includes the cement, prepacked ready mixed concrete and aggregates operations of the Italcementi group.

| (in millions of euro) | 1st half 2007 | 1st half 2006 | % change | Full year 2006 |
|---|----------------|----------------|--------------|----------------|
| Revenues | 3,073.1 | 2,909.9 | 5.6 | 5,854.1 |
| Recurring gross operating profit | 720.0 | 732.7 | (1.7) | 1,446.9 |
| <i>% of revenues</i> | 23.4 | 25.2 | | 24.7 |
| Other non-recurring income (expense) | 6.9 | 6.8 | 2.1 | (12.4) |
| Gross operating profit | 726.9 | 739.5 | (1.7) | 1,434.5 |
| <i>% of revenues</i> | 23.7 | 25.4 | | 24.5 |
| Amortization and depreciation | (218.3) | (203.8) | 7.1 | (420.3) |
| Impairment variation | (0.5) | (0.1) | n.s. | (1.9) |
| Operating profit | 508.1 | 535.6 | (5.1) | 1,012.3 |
| <i>% of revenues</i> | 16.5 | 18.4 | | 17.3 |
| Finance income (costs) | (58.7) | (56.8) | 3.3 | (105.4) |
| Share of results of associates | 4.0 | 2.8 | 44.5 | 11.3 |
| Profit before tax | 453.4 | 481.5 | (5.8) | 918.3 |
| <i>% of revenues</i> | 14.8 | 16.5 | | 15.7 |
| Income tax expense | (139.7) | (141.9) | (1.5) | (266.9) |
| Net profit for the period | 313.7 | 339.7 | (7.6) | 651.4 |
| <i>% of revenues</i> | 10.2 | 11.7 | | 11.1 |
| Group net profit | 208.0 | 229.9 | (9.5) | 449.5 |
| Minority interest | 105.7 | 109.7 | (3.7) | 201.9 |
| Cash flow from operating activities | 400.3 | 241.8 | | 890.5 |
| Investments in fixed assets | 397.0 | 441.6 | | 773.2 |
| n.s.: not significant | | | | |

| (in millions of euro) | June 30, 2007 | December 31, 2006 |
|-----------------------------------|---------------|-------------------|
| Total shareholders' equity | 4,790.1 | 4,660.2 |
| Group shareholders' equity | 3,427.8 | 3,298.5 |
| Net debt | 2,337.0 | 2,210.3 |
| Number of employees at period end | 23,483 | 22,868 |

The economic situation of the construction sector reflected conditions which became increasingly diversified during the half. In the United States the fall in the residential sector became significant, but was partly offset by the progress in other segments.

In the European countries of the Italcementi group, construction business was generally steady, albeit in some cases at lower levels in the second part of the half compared to those seen in the previous year. The residential sector was also solid despite the fears in some countries of a sharp reverse in the growth trend.

In the emerging countries of the Italcementi group, the construction business, despite the slowdown in the 2nd quarter in some markets, remained very positive during the half, with growth rates which were generally in double figures, except for Thailand where the difficult political situation did not encourage long-term investments such as those typical of the construction sector.

Performance of the construction materials sector in the half

| (in millions of euro) | 1st half 2007 ¹ | % change on 1H 2006 | |
|---|-------------------------------|---------------------|---------------|
| | | Historic | Constant size |
| Cement and clinker (millions of metric tons) | 32.4 | 1.5 | (0.7) |
| Aggregates ² (millions of metric tons) | 30.0 | 1.6 | 0.5 |
| Ready mixed concrete (millions of m ³) | 11.4 | 5.9 | 1.5 |

¹ amounts refer to companies consolidated on a line-by-line basis and, pro quota, to companies consolidated on a proportionate basis

² excluding outgoes on work-in-progress account

In the half in question the overall sales volumes of the Italcementi group in the various business sectors, on a constant size basis, did not see significant changes compared to the same period in 2006.

The slight decrease in **cement and clinker** was due to the fall in trading and export volumes in the presence of the overall rise in sales volumes on domestic markets (+2.6%).

Performance was extremely dynamic on the emerging markets, with healthy trends everywhere and a strong contribution to growth from Egypt, Morocco, Bulgaria and India. The sole exception was Thailand which fell owing to the aforementioned uncertainties.

The slight improvement in **aggregates** was driven largely by France-Belgium, compared with a slowdown in the other countries in Central Western Europe and stable sales volumes in Morocco.

In **ready mixed concrete**, the largest contribution to growth came from the Med Rim countries, notably Egypt and Morocco. Sales volumes were stable in Central Western Europe thanks to healthy performance in France-Belgium and Spain, which offset the downturn in Italy and Greece.

Overall **revenues** rose by 5.6% compared with the 1st half of 2006. This increase was due to: for 5.1% to the positive trend in business thanks to the price trend in most countries, for 2.2%, to changes in the consolidation area, while the change in exchange rates had a negative effect of 1.7%, as a result of the fall in the US dollar, Egyptian lira and Turkish lira against the euro, and a rise in the Thai baht.

As expected, **operating expenses** continued to rise in the 1st half, mainly as a result of the further increase in fuel prices and logistic costs and of larger purchases of third-party cement and clinker in order to boost product availability in some countries in response to growing demand.

Employee expenses and plant maintenance costs were also significantly higher than those of the year-earlier period. The growth in employee expenses is expected to slacken, however, as a result of measures to improve efficiency.

Conversely, charges relating to CO2 emissions, which refer mainly to Italy, were notably lower, largely as a result of the fall in trading prices on the emission rights market.

The rise in Italcementi group revenues illustrated above was insufficient to cover the sharp increase in costs and, although the effect of the enlarged consolidation area more than offset the negative exchange-rate effect, **recurring gross operating profit** (720.0 million euro) was down 1.7% on the year-earlier period. **Operating profit** was affected by higher amortization and depreciation charges, and decreased by 5.1%.

Net finance costs amounted to 58.7 million euro, a slight increase (+3.3%) over the year-earlier period (56.8 million euro) due entirely to expenses recognized in the 1st quarter for the

transactions at Ciments Français S.A. to improve borrowing conditions, illustrated hereafter in "Significant events in the half-year".

The share of results of associates, 4.0 million euro, was up on the year-earlier period (2.8 million euro) largely thanks to the improvement in results at Vassiliko (Cyprus) and Innocon (Canada).

Profit before tax in the 1st half of 2007 was 453.4 million euro, down by 5.8% on the 1st half 2006 (481.5 million euro). Income tax expense was 139.7 million euro (141.9 million euro in the year-earlier period).

Half-year **net profit** was 313.7 million euro, a decrease of 7.6% over the same period of the previous year (339.7 million euro).

Italcementi group net profit was 208.0 million euro (-9.5% on 229.9 million euro in the 1st half 2006); minority interests, at 105.7 million euro, were down 3.7% on the year-earlier period (109.7 million euro).

Total **investments in fixed assets** in the 1st half of 2007 were 397.0 million euro (441.6 million euro in the year-earlier period). Capital expenditure totaled 223.8 million euro (210.6 million euro in the previous year), and 173.2 million euro (231.0 million euro in the year-earlier period) consisted largely of equity investment acquisitions in Egypt, North America and China, illustrated in "Significant events in the period".

Net debt at June 30, 2007, was 2,337.0 million euro, down by 235.5 million euro from June 30, 2006. It was up by 126.7 million euro on December 31, 2006, largely as a result of the high level of investments in fixed assets (397.0 million euro) and dividends paid (173.9 million euro), and despite the strong rise in cash flow from operating activities (400.3 million euro compared with 241.8 million euro in the year-earlier period). Cash flows reflected also the positive impact 114.9 million euro of a decrease in working capital as a result of no-recourse disposal of trade receivables.

Total **shareholders' equity** at June 30, 2007, was 4,790.1 million euro, with an increase of 129.9 million euro on December 31, 2006 (4,660.2 million euro) arising almost entirely in group shareholders' equity (+129.3 million euro) as a result of net profit for the period (313.7 million euro) and the rise in the translation reserve (33.9 million euro), net of dividends (177.1 million euro). The increased portion of shareholders' equity attributable to the group arose mainly from the purchase of Suez Cement Company shares from minorities.

Quarterly trend

| (in millions of euro) | 1st half 2007 | 2nd quarter 2007 | 1st quarter 2007 |
|---|----------------|------------------|------------------|
| Revenues | 3,073.1 | 1,655.1 | 1,418.0 |
| % change on 2006 | 5.6 | 2.2 | 9.9 |
| Recurring gross operating profit | 720.0 | 437.4 | 282.6 |
| % change on 2006 | (1.7) | (6.3) | 6.4 |
| Gross operating profit | 726.9 | 442.6 | 284.3 |
| % change on 2006 | (1.7) | (6.0) | 5.8 |
| Operating profit | 508.1 | 332.0 | 176.1 |
| % change on 2006 | (5.1) | (9.8) | 5.1 |
| Total net profit | 313.7 | 220.8 | 92.9 |
| % change on 2006 | (7.6) | (12.3) | 5.6 |
| Group net profit | 208.0 | 152.7 | 55.3 |
| % change on 2006 | (9.5) | (15.0) | 9.8 |
| Net debt (at period end) | 2,337.0 | 2,337.0 | 2,051.7 |

The seasonal factors typical of the Italcementi group's core businesses normally produce stronger performance in the **2nd quarter** compared with the 1st quarter.

Although this trend was confirmed in the 1st half of 2007, it was attenuated by the particularly strong performance of the 1st quarter, followed by a slower 2nd quarter, especially in Central Western Europe and trading.

In a scenario where market trends varied from one geographical area to another, in the 2nd quarter of 2007 Italcementi group **sales volumes** at constant size were lower than those of the year-earlier period. This decrease was of a contingent nature in some countries and affected all the business segments.

However, cement sales volumes on the domestic markets were in line with the levels reported in the 2nd quarter of 2006, with the strong performance of the emerging countries counterbalancing the slowdowns reported in the industrialized countries; the downturn in the cement business was due entirely to lower export and trading operations.

Despite the decrease in sales volumes, 2nd quarter **revenues** were up 2.2% on the year-earlier period thanks to the positive sales price trend, although this did not offset in full the continuing increase in production costs, especially energy.

Overall, the quarter's **recurring gross operating profit** was down 6.3% over the year-earlier period.

Significant events in the period

Two separate acquisitions, worth an overall amount of 48.8 million euro, enabled the Italcementi group to achieve its goal of entering the US ready mixed concrete market and to strengthen its position in the corresponding Canadian market. In the USA, it acquired the **Arrow group**, the leading industry player in West Virginia with production facilities in other eastern states. In Canada the group completed the acquisition of **Cambridge Concrete Ltd**, active in the area west of Toronto, and **Brantford Ready Mix Inc**.

In May, **Medcem S.r.l.**, a joint venture with the Romeo shipping group, sold the White Shark carrier to Sider Navi, simultaneously acquiring a 20% investment in **Sider Navi**. By acquiring an interest in one of the top players in the Handysize segment (carriers with a capacity between 15,000 and 35,000 metric tons), the group has strengthened its presence in the shipping business.

During the 1st half, the Italcementi group gradually raised its equity interest in **Suez Cement Company** and its subsidiaries, for an overall investment of 71.5 million euro. At June 30, 2007, it held approximately 55.4% of Suez Cement Company (54.86% net of call options granted to minority investors).

In June, **Suez Cement** acquired 45% of the shares of **Tecno Gravel**, a company with its own quarry and crushing plant. The quarry, in the Suez area, is considered the best in Egypt for the quality of its aggregates.

At the end of June, with an investment of approximately 28.2 million euro, through Ciments Français the group acquired from China's Zhejiang Guangyu group 100% of **Fuping Cement Co. Ltd.**, located in the province of **Shaanxi (central China)**. Fuping Cement has more than 300 employees, a modern plant which began operations in June 2006, and its own limestone quarry. It has already obtained approvals to double current annual clinker production capacity of 1.7 million metric tons (with a grinding capacity of 2 million metric tons), in the near future.

In March, under its Euro Medium Term Note program, **Ciment Français S.A.** issued a 500 million euro **debenture** listed on the Luxembourg Stock Exchange, maturing in 2017 with a 60 b.p. spread on the mid-swap rate. On the same date, Ciments Français S.A. launched a **partial tender offer** for a maximum amount of 210 million euro in respect of the 350 million euro, 5.875% issue due in July 2009. Notes totaling 190.7 million euro were tendered. Both transactions were settled on April 4, 2007. Together, the debenture and the buyback optimized borrowing conditions, extended average debt maturity, and generated new funding for the group's important international investment program.

During the 1st half of 2007, in order to service its **stock option plans** and in line with the power granted to the Board of Directors by the Shareholders' Meeting of April 18, 2007, **Italcementi S.p.A.** purchased 423,988 **ordinary treasury shares**, representing approximately 0.24% of ordinary share capital, for an overall amount of 9.7 million euro. During the 1st half following the exercise of 571,625 **options** by the plan beneficiaries, Italcementi S.p.A. sold an equal number of ordinary treasury shares at an average price per share, determined on the basis of the grant prices in the various financial years, of 8.7908 euro. Consequently, at June 30, 2007, Italcementi S.p.A. held 3,213,946 ordinary treasury shares, representing 1.81% of its ordinary share capital. At June 30, 2007 Italcementi S.p.A. also held 105,500 saving treasury shares (0.1% of its saving share capital).

Performance by geographical area

| (in millions of euro) | Revenues | | Recurring GOP | | GOP | | Operating profit | |
|-------------------------------------|----------------|---------------------------|---------------|---------------------------|---------------|---------------------------|------------------|---------------------------|
| | 1st half 2007 | % change on 1st half 2006 | 1st half 2007 | % change on 1st half 2006 | 1st half 2007 | % change on 1st half 2006 | 1st half 2007 | % change on 1st half 2006 |
| Geographical area | | | | | | | | |
| Central Western Europe | 1,950.7 | 5.1 | 381.8 | (0.7) | 387.1 | (1.2) | 271.4 | (5.2) |
| North America | 286.5 | (11.5) | 51.2 | (29.8) | 51.1 | (30.0) | 28.0 | (43.3) |
| Eastern Europe and Southern Med Rim | 597.6 | 12.1 | 219.7 | 0.1 | 220.4 | 0.5 | 161.8 | 0.2 |
| Asia | 213.4 | 30.1 | 63.4 | 38.6 | 63.1 | 38.6 | 43.9 | 43.7 |
| Cement and clinker trading | 180.3 | 7.6 | 11.0 | 13.6 | 12.2 | 27.0 | 11.4 | 29.5 |
| Other and inter-area eliminations | (155.4) | n.s. | (7.1) | n.s. | (7.0) | n.s. | (8.4) | n.s. |
| Total | 3,073.1 | 5.6 | 720.0 | (1.7) | 726.9 | (1.7) | 508.1 | (5.1) |

n.s. not significant

Central Western Europe

Central Western Europe, with a 5.1% rise, is the area which in absolute terms made the greatest contribution to the growth in revenues in the 1st half of 2007, thanks to France, Belgium and Spain.

As for operating profit there was a fall of 5.2% as a consequence of the positive contribution from France and, to a lesser extent, from Belgium, while Italy saw a significant fall due to the unfavorable selling price-cost trend in the half, which may, nonetheless, be corrected in coming months owing to the ongoing improvement in prices.

North America

Following the aforementioned downturn in the residential construction sector in North America, Italcementi group cement sales volumes in the half dropped 13.5% compared with year-earlier period, largely as a result of the downturn in the 1st quarter compared with the positive 1st quarter of 2006. Consequently overall revenues in local currency decreased by 4.4% despite higher prices and the enlargement of the consolidation area.

The sharp fall in recurring gross operating profit (-24.1% in local currency) arose entirely on the negative performance of the 1st quarter, while the 2nd quarter was aligned with the year-earlier values, and was due above all to the sales volume effect described above; the rise in prices largely made up for the increase in variable costs.

Eastern Europe and Southern Med Rim

All the countries in the area recorded increases in revenues as a consequence of growth in the respective domestic markets.

As for operating profit, while Bulgaria and Morocco rose and managed to partly offset the increase in operating expenses with the rise in revenues, in Egypt and Turkey operating results were affected by the exchange rate effect when expressed in euro.

Asia

This area saw the highest growth rate in the group both in terms of revenues and of operating results owing to the enlargement of the consolidation area and the overall positive trend in revenues. However, there were differing performances within the area.

India and Kazakhstan saw a sharp improvement in revenues in the half owing to a general increase in volumes and prices on the domestic market, with a positive impact on the increase in operating results.

In Thailand, however, domestic sales volumes fell, while exports, which have tighter margins, rose. Overall this situation, together with the increase in some operating expenses, led to a fall in operating results, which was partly offset by a positive exchange rate effect.

Cement and clinker trading

2007 half-year intragroup and third-party cement and clinker sales volumes decreased by 13.5% due to limited product availability as a result of strong growth on the local Med Rim markets.

The rise in logistic costs was more than made up by higher sales prices on the international markets.

E-business initiatives

In the half in question BravoSolution S.p.A. and its subsidiaries confirmed the ongoing favorable trend in growth, achieving consolidated revenues up by 33.7% to 16.6 million euro, gross operating profit of 3.6 million euro (more than double compared with the 1st half of 2006) and operating profit of 3 million euro, with an even more significant improvement.

Energy project

Operations continued on a number of projects in Italy and abroad during the 1st half of the year. Regarding the Villa di Serio (province of Bergamo) power station, in May the Bergamo Provincial Authority approved the variation to the gas pipeline route; the detailed engineering project is currently underway.

In June, design work was completed on the plants in Salerno (453 kW) and Vibo Valentia (399 kW) for photovoltaic power generation. The plants will benefit from discounted tariffs.

In Morocco work continued on construction of a 10 MW wind park in Laayoune.

Disputes

Further to the information on this dispute provided in the 2006 Annual Report, after upholding the appeal filed by Calcestruzzi S.p.A. in August 2006, the Caltanissetta Review Court reinstated the preventive attachment orders on the Riesi and Gela plants, in compliance with the ruling issued by the Court of Cassation on the appeal presented by the Caltanissetta Public Prosecutor. The order reinstating the attachment was notified on July 30.

The new order does not assess the merit of the allegations, which in any case refer to parties who are no longer part of the company. Calcestruzzi S.p.A. will examine the possibility of an appeal.

Significant post balance-sheet events

In July, the **Standard & Poor's** ratings agency raised its long-term rating on Italcementi and its subsidiary Ciments Français to **BBB+**, and assigned a stable outlook to both companies.

Also in July, with a view to further strengthening Italcementi group ready mixed concrete operations in Egypt by establishing significant synergies with its cement operations, **Ready Mix Beton Egypt S.A.E.** (RMBE) acquired 100% of the share capital of **Decom S.A.E.** This company is one of the leading players in the Egyptian industry. The investment involved an outlay of approximately 5.5 million euro in respect of an enterprise value of approximately 14.5 million euro.

In early July, to service its stock option plans, **Italcementi S.p.A.** purchased 148,000 ordinary treasury shares, representing approximately 0.08% of its ordinary share capital, for an overall amount of approximately 3.4 million euro. At July 31, 2007, Italcementi S.p.A. held 3,361,946 ordinary treasury shares, representing 1.9% of its ordinary share capital.

Outlook

Although the **world economy** continues to develop at a vigorous rate, the sharp new increase in oil prices and the rigidity of monetary and credit policies could slow economic growth in some countries.

In the **construction sector**, the cyclical divergences of the various countries could widen.

In the **industrialized countries** in the euro zone, where the construction sector is generally at a very advanced cyclical phase, initial signs of weakening could emerge, while the decline in residential building in the USA could continue uninterrupted over the rest of the year.

In the **emerging countries**, excellent conditions are expected to continue in the construction sector almost everywhere, with the aforementioned exception of Thailand.

As far as the group's short-term outlook is concerned, demand is expected to remain favorable overall, whereas the pressure of rising energy prices could take cost increases to unexpectedly high levels.

In this context, taking account of the half-year results and subject to currently unforeseeable events, the group confirms its projection of reporting 2007 **operating results** in line with the very positive figures of 2006, despite increased difficulties. The comparison in terms of **consolidated net profit** will be affected by the fact that 2006 benefited from positive non-recurring fiscal items.

Packaging and insulation sector

The Group is present in the food packaging and thermal insulation sector through Sirap Gema S.p.A. and its subsidiaries.

The table below summarizes the income statement of the Sirap Gema group and the main balance sheet indicators. The comparison of the income statement figures for the two periods is not similar since the 1st half of 2006 does not include the Amprica group.

| (in millions of euro) | 1st half 2007 | 1st half 2006 | % change | Full year 2006 |
|---|---------------|---------------|---------------|----------------|
| Revenues | 120.7 | 86.6 | 39.4 | 208.6 |
| Recurring gross operating profit | 14.7 | 12.0 | 22.1 | 24.8 |
| <i>% of revenues</i> | <i>12.2</i> | <i>13.9</i> | | <i>11.9</i> |
| Other non-recurring income (expense) | - | 0.4 | <i>n.s.</i> | (0.2) |
| Gross operating profit | 14.7 | 12.4 | 18.7 | 24.6 |
| <i>% of revenues</i> | <i>12.2</i> | <i>14.3</i> | | <i>11.8</i> |
| Amortization and depreciation | (5.8) | (3.6) | 59.2 | (9.8) |
| Impairment variation | - | - | | - |
| Operating profit | 8.9 | 8.8 | 1.9 | 14.8 |
| <i>% of revenues</i> | <i>7.4</i> | <i>10.1</i> | | <i>7.1</i> |
| Finance income/(costs) | (3.8) | (1.5) | <i>n.s.</i> | (4.2) |
| Profit before tax | 5.1 | 7.3 | (29.5) | 10.6 |
| <i>% of revenues</i> | <i>4.3</i> | <i>8.4</i> | | <i>5.1</i> |
| Income tax expense | (3.2) | (3.5) | (6.8) | (5.5) |
| Net profit | 1.9 | 3.8 | (50.0) | 5.1 |
| <i>% of revenues</i> | <i>1.6</i> | <i>4.4</i> | | <i>2.4</i> |
| Group net profit | 1.9 | 3.8 | (50.0) | 4.9 |
| Minority interest | - | - | | 0.2 |
| Investments | 5.0 | 5.6 | | 14.0 |

| | June 30, 2007 | December 31, 2006 |
|-----------------------------------|---------------|-------------------|
| (in millions of euro) | | |
| Total shareholders' equity | 51.9 | 48.7 |
| Group shareholders' equity | 47.1 | 45.4 |
| Net debt | 120.7 | 129.2 |
| Number of employees at period end | 1,489 | 1,442 |

n.s. not significant

Revenues rose significantly (39.4%) largely thanks to the change in the consolidation area (25.7%), but also to the higher sales volumes in thermal insulation and food packaging in Italy and Eastern Europe. The increase in operating cost items (in particular raw materials, electricity and transport) nonetheless limited the improvement in operating results.

The half was affected by the trend in raw polymer costs which continued to rise (as had happened steadily in 2006), driven by significantly rising demand (above all for insulating materials) and by the process of reducing the number of producers. Compared with the 1st half of the previous year the average increase was approximately 23%.

These increases particularly affected the French subsidiary (food packaging), which operates in a very competitive environment and therefore had limited possibilities of increasing selling prices.

Gross operating profit rose by 18.7% compared with the same period in 2006 thanks to the contribution from the consolidation of Amprica, while operating profit, which was affected by the significant increase in amortization charges connected to the recent acquisition, only rose slightly.

Net finance costs (3.8 million euro) rose sharply following the increase in debt arising from the acquisition of the Amprica group in June 2006.

Net profit of 1.9 million euro therefore fell significantly compared with the 1st half of the previous year (3.8 million euro).

Debt (120.7 million euro) fell compared with December 31, 2006 (129.2 million euro) largely due to the cash flow generated from operations.

Significant events in the period

With regard to the acquisition of the Amprica group, it should be noted that Sirap Gema, pursuant to the purchase contract, informed the sellers of some compensation claims. In the absence of an agreement with the sellers, Sirap Gema decided to proceed to the enforcement of a guarantee issued for 4 million euro. A dispute is currently underway in regard to the enforcement of this guarantee as well as on the greater amount requested by Sirap Gema by way of compensation. The dispute has not yet reached the courts.

With reference to information in previous reports on the general tax audit of Sirap Gema S.p.A. by the Verolanuova Tax Agency (province of Brescia) during 2004, in response to the notice of assessment served on December 21, 2006, the company filed a self-help motion on January 24, 2007, to the Verolanuova Tax Agency and subsequently, on February 16, appealed to the Provincial Tax Commission of Brescia.

Finally the following operations should be noted in the half:

- acquisition at the end of May of a further 16.02% of the share capital of Universal Imballaggi Srl with an outlay of 0.9 million euro by Sirap Gema SpA which thus holds 40.92% of the equity investment. The company, which was previously consolidated on an equity basis, has been consolidated on a line-by-line basis since the date of the transaction;
- acquisition in June by Amprica SpA of Immobiliare F.C.M. Sas for 0.5 million euro, thus executing a preliminary agreement signed prior to the acquisition of the group by Sirap. This company owns land and a building adjoining the Amprica plant in Corciano (Province of Perugia);
- establishment of Sirap Gema Iberica S.L. with share capital of 0.3 million euro wholly held by Sirap Gema SpA; the company has been operative since June;
- establishment of Petruzalek Ltd. in Turkey by Petruzalek Ges.m.b.H. (Austria) and Petruzalek Com. S.r.l. (Romania) to market the range of products managed by the Petruzalek group on the Turkish market; the company has been operative since June;
- establishment of Petruzalek Srl (Moldova) by Petruzalek Com. Srl (Romania).

Quarterly performance

| (in millions of euro) | 1st half 2007 | 2nd quarter 2007 | 1st quarter 2007 |
|---|---------------|------------------|------------------|
| Revenues | 120.7 | 64.3 | 56.4 |
| % change on 2006 | 39.4 | 38.2 | 40.9 |
| Recurring gross operating profit | 14.7 | 8.7 | 6.0 |
| % change on 2006 | 22.1 | 31.9 | 10.3 |
| Gross operating profit | 14.7 | 8.7 | 6.0 |
| % change on 2006 | 18.7 | 31.2 | 4.5 |
| Operating profit | 8.9 | 6.0 | 2.9 |
| % change on 2006 | 1.9 | 25.4 | (26.2) |
| Total net profit | 1.9 | 1.8 | 0.1 |
| % change on 2006 | (50.0) | (9.2) | (93.1) |
| Group net profit | 1.9 | 1.8 | 0.1 |
| Net debt (at period end) | 120.7 | 120.7 | 124.5 |

The trend in the 2nd quarter of 2007 saw a recovery in profitability thanks to higher revenues and the improvement in the structure of operating expenses, despite the fact that raw material prices remained high.

Performance by sector and geographical area

| (in millions of euro) | Revenues | | Recurring GOP | | GOP | | Operating profit | |
|-----------------------------------|---------------|---------------------------|---------------|---------------------------|---------------|---------------------------|------------------|---------------------------|
| | 1st half 2007 | % change on 1st half 2006 | 1st half 2007 | % change on 1st half 2006 | 1st half 2007 | % change on 1st half 2006 | 1st half 2007 | % change on 1st half 2006 |
| Food packaging* | | | | | | | | |
| - Italy | 52.7 | 72.8 | 8.7 | 26.3 | 8.7 | 24.3 | 5.6 | 8.5 |
| - France | 13.0 | 6.0 | 0.0 | n.s. | 0.0 | n.s. | (0.6) | n.s. |
| - Other European Union countries | 28.4 | 33.6 | 1.8 | 114.5 | 1.8 | 69.1 | 1.0 | 22.2 |
| - Other non-EU countries | 10.1 | 78.1 | 0.6 | 11.0 | 0.6 | 11.0 | 0.1 | (64.6) |
| Eliminations | (9.3) | - | - | - | - | - | - | - |
| Total | 94.9 | 46.4 | 11.1 | 18.4 | 11.1 | 14.2 | 6.1 | (11.2) |
| Thermal insulation - Italy | 29.8 | 18.6 | 3.6 | 36.2 | 3.6 | 36.2 | 2.8 | 52.5 |
| Eliminations | (4.0) | - | - | - | - | - | - | - |
| Total | 120.7 | 39.4 | 14.7 | 22.1 | 14.7 | 18.7 | 8.9 | 2.0 |

* geographical areas for 2006 reclassified in accordance with new structure of European Union
n.s. not significant

Food packaging

In the half the segment was significantly penalized by the poor performance of the French market: a fall in meat consumption which was above the European average and the sharp increase in fierce competition between operators caused a serious deterioration in sales prices in France and rising costs for polymers.

The Italian market for expanded polystyrene containers also showed signs of competitive tension, albeit less marked; Sirap Gema was, however, able to limit these effects thanks to higher volumes and the improvement in the mix. As for rigid containers (Amprica), there was a gradual increase in volumes with rising profitability in the second part of the year.

On the Eastern European markets, the Petruzalek group experienced varying performance in the different countries: on the one hand, there was a significant improvement in countries such as Romania, and a confirmation of the excellent results in 2006 in countries such as Croatia, on the other hand, a poor performance was seen in countries such as Ukraine and the Czech Republic; the Inline group recorded solid sales volumes, in particular by the Polish company, which increased exports to Germany and recovered profitability in the second part of the half.

Overall revenues in the period thus rose by 46.4%, largely due to the enlargement of the consolidation area (approximately 27%), but also thanks to the growth in volumes and the improvement in the mix towards articles which offer better performance.

Operating profit fell by 11.2% owing in particular to the poor performance of the French company and the increase in production costs. These changes were partly offset by the profits of the Amprica group (1 million euro).

Investments totaled 4.6 million euro and were largely aimed at initiatives to improve production capacity and modernize plant, in addition to paying the advance for the purchase of the land on which the new Inline Polonia plant will be built.

Thermal insulation

The significant increase in revenues compared with the 1st half of 2006 (+18.6%) was achieved thanks to the higher volumes sold and the higher average prices. An important increase in turnover was recorded for products in extruded polystyrene and in particular for Stirodach, a prefabricated product for the restructuring and energy efficiency of pitched roofs.

On all the products there is an ongoing trend to increase the thicknesses requested, following the application of the regulation which imposed higher insulation parameters, which will increase further as from 2010, in implementation of energy-saving policies.

Despite the unfavorable trend in prices of polymers and electricity, operating profit rose sharply (+52.5%) owing to higher revenues, but also to the improvement in the efficiency of the production set-up.

Outlook

In the second half of 2007 it is expected that the main phenomena which distinguished the first part of the year will continue: the trend in the high cost of raw materials, rising demand on the insulation market and tensions, which vary from area to area, over sales prices in the expanded food packaging segment.

Subject to unforeseeable events, the consolidated result for the year should nonetheless stand at slightly higher levels than the previous year.

Financial sector

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

| (in millions of euro) | 1st half 2007 | 1st half 2006 | % change | Full year 2006 |
|----------------------------------|---------------|---------------|--------------|----------------|
| Revenues | 116.9 | 119.5 | (2.1) | 162.5 |
| Operating profit | 83.7 | 90.8 | (7.8) | 115.1 |
| Net profit for the period | 91.7 | 98.9 | (7.3) | 126.9 |

| | June 30, 2007 | December 31, 2006 |
|-----------------------------------|---------------|-------------------|
| (in millions of euro) | | |
| Net financial position | 377.6 | 383.9 |
| Shareholders' equity | 2,033.3 | 1,997.7 |
| Number of employees at period end | 44 | 42 |

Quarterly trend

| (in millions of euro) | 1st half 2007 | 2nd quarter 2007 | 1st quarter 2007 |
|---|---------------|------------------|------------------|
| Revenues | 116.9 | 90.7 | 26.2 |
| % change on 2006 | (2.1) | 0.8 | (11.1) |
| Operating profit | 83.7 | 68.7 | 15.0 |
| % change on 2006 | (7.8) | (2.2) | (27.0) |
| Net profit for the period | 91.7 | 72.0 | 19.6 |
| % change on 2006 | (7.3) | (3.6) | (18.7) |
| Net financial position (at period end) | 377.6 | 377.6 | 391.9 |

Results in accordance with the financial model

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

| (in millions of euro) | 1st half 2007 | 1st half 2006 | % change | Full year 2006 |
|--|---------------|---------------|---------------|----------------|
| Net income on equity investments | 77.7 | 94.3 | (17.6) | 113.3 |
| Net income from cash investments | 22.6 | 14.0 | 61.3 | 37.0 |
| Net debt charges | (9.1) | (6.5) | 39.8 | (13.7) |
| Total financial income and expenses | 91.2 | 101.8 | (10.4) | 136.6 |
| Operating income and expense | (6.6) | (5.5) | 20.4 | (12.9) |
| Income tax expense | 7.1 | 2.6 | n.s. | 3.2 |
| Net profit for the period | 91.7 | 98.9 | (7.3) | 126.9 |

n.s. not significant

Net income on equity investments fell in the half (-16.6 million euro), compared with the same period of the previous year, which benefited from the capital gain on the sale of Gemina shares (7.9 million euro), the significant results of the associates Mittel and Ses (5.1 million euro in the 1st half of 2006 and 1.0 million euro in the 1st half of 2007), as well as other capital gains which individually were of lower value. The non-recurrence of these contributions was only partly offset by the higher dividends received.

Net income from cash investments in the 1st half of 2007 was 22.6 million euro, markedly up by 8.6 million euro compared with the same period in 2006, despite the financial markets not being particularly favorable. In fact the bond market was affected by the rise in interest rates, while the share market in the last part of the half performed very poorly.

The very positive result was the consequence of the improvement in yields on bond portfolios, investments in mutual funds and the very positive performance of alternative funds. The result from share trading was negative, owing to the aforementioned deterioration in market prices in some sectors, while it was very positive in the same period in 2006.

Net debt charges were higher (+2.6 million euro) than those of 2006 owing to higher interest rates and the higher level of average debt.

However, the increase was limited by the positive outcome from interest rate swaps undersigned in the second half of 2006.

As a consequence of the data relating to the individual items **net total financial income** fell from 101.8 million euro in the 1st half of 2006 to 91.2 million euro at June 30, 2007.

The balance of **other income and expense** was a loss of 6.6 million euro (5.5 million euro), as a result of an increase in expense which was greater than the increase in income, also owing to the different applications and allocations of the risk funds made during the two periods. The tax item was positive, and was up compared with the 1st half of 2006, thanks also to the Group's national tax consolidation.

Net profit for the period therefore fell by 7.2 million euro compared with the same period in 2006, which benefited from some particularly positive items.

The companies which make up the financial sector hold significant equity investments, most of which are classified as "Available for sale". Changes in the fair value of these equity investments, with the exclusion of those consolidated at cost, are recorded under shareholders' equity in the "Fair value reserve". At the end of June 2007 the consolidated size of this reserve in the financial sector totaled 710.1 million euro, compared with 713.9 million euro at December 31, 2006.

Significant events in the period

In January 2007, the **Gim** extraordinary Shareholders' Meeting approved a project for the upstream merger of Gim S.p.A. into Intek S.p.A. The share swap rate is 10 Intek S.p.A. ordinary or savings shares for every 9 Gim S.p.A. ordinary or savings shares, and 10 Intek S.p.A. warrants for every 9 Gim S.p.A. warrants. Following the merger, the share swap took place at the beginning of April; as a result, the Italmobiliare Group, through the subsidiary **Franco Tosi S.r.l.**, which held 4.17% of Gim capital and 2.97% of outstanding warrants, now holds an equity investment of 2.82% of Intek ordinary share capital and an unchanged percentage of outstanding warrants.

During the first quarter of 2007 settlement procedures initiated in 2006 with regard to disputes on sales of companies in previous years were finalized. The settlements generated a charge of 11 million euro for **Italmobiliare S.p.A.**, already provided in previous periods. Consequently this does not produce any negative economic effect on 2007 or subsequently.

In March 2007, as part of the corporate restructuring program allocating specific duties to companies wholly owned by the parent company, under which the subsidiary S.r.l. Nuove Costruzioni Edilizie **Sance** is responsible for managing trading equity investments, Italmobiliare sold equity investments for an overall amount of 2.0 million euro to Sance. The price of the listed shares was determined on the basis of the average official stock market prices in the 30 days preceding the contract date.

In April, in order to finance the purchase of the Amprica group and consolidate other debts, **Société de Participation Financière Italmobiliare S.A.** provided Sirap Gema S.p.A. with a 56 million euro loan at market rates. This replaces the temporary loan provided at the time of the purchase, as well as other intragroup loans.

At the end of April Italmobiliare, with an overall outlay of 10.9 million euro, underwrote 3,316,661 **Gruppo Banca Leonardo** shares following the share capital increase approved by the Extraordinary shareholders' meeting of April 11, 2006. At June 30, 2007 Italmobiliare's equity investment in Gruppo Banca Leonardo was 3.027% of all shares issued.

At the end of April, in accordance with the contractual provisions and therefore without any additional charges, **Italmobiliare S.p.A.** settled the financing received from Calyon which was due to expire in December 2007. The financial resources were raised from drawings on the revocable credit lines arranged with Calyon itself. The spreads on these facilities are significantly lower than those on the previous borrowing.

In May **Italmobiliare S.p.A.** renegotiated the medium-term financing with Société Générale, redefining the contract and obtaining better overall conditions in terms of maturity and interest.

In May 2007 Franco Tosi, following the free assignment of **RCS MediaGroup S.p.A.** shares which are not part of the voting trust, sold the associate company Société de Participation Financière Italmobiliare S.A. 700,999 RCS shares for an overall amount of 2.8 million euro. The sale price was set on the basis of the average official stock market prices in the 30 days preceding the contract date.

In the 1st half of 2007 **Italmobiliare S.p.A.** did not buy any treasury shares, while in the same period, 39,720 options (granted in 2003) were exercised by Italmobiliare managers. Italmobiliare sold an equivalent number of ordinary shares at a price of 31.28 euro each, which was established when they were granted; consequently the company currently holds 871,411 ordinary treasury shares, representing 3.928% of the ordinary share capital, as well as 28,500 savings shares (0.174% of all savings shares).

Net financial position of Italmobiliare and the financial sector

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

| (in thousands of euro) | June 30, 2007 | | December 31, 2006 | |
|---|------------------|-------------------------------|-------------------|-------------------------------|
| | Italmobiliare | Financial sector ¹ | Italmobiliare | Financial sector ¹ |
| Cash, cash equivalents and current financial assets | 91,192 | 913,722 | 83,741 | 909,834 |
| Short-term financing | (129,143) | (175,751) | (84,484) | (149,840) |
| Short-term net financial position | (37,951) | 737,971 | (743) | 759,994 |
| Medium/long-term financial assets | 2,865 | 9,191 | 2,965 | 13,244 |
| Medium/long-term financing | (369,540) | (369,540) | (389,300) | (389,300) |
| Medium/long-term net financial position | (366,675) | (360,349) | (386,335) | (376,056) |
| Net financial position | (404,626) | 377,622 | (387,078) | 383,938 |

¹ consisting of: Italmobiliare S.p.A. - Italmobiliare International Finance Ltd. - Italmobiliare International B.V. - Société de participation Financière S.A. - Fincomind A.G. - Soparfinter S.A. - Franco Tosi S.r.l.

Italmobiliare had net debt of 404.6 million euro (387.1 million euro at December 31, 2006), up by 17.5 million euro, owing to acquisitions of equity investments, finance and operating costs and the difference between dividends received and distributed.

The consolidated financial position of the financial sector was positive at 377.6 million euro (383.9 million euro at December 31, 2006), down by 6.3 million euro, as a consequence of the aforementioned transactions and results.

| (in millions of euro) | Italmobiliare | Financial sector |
|--|---------------|------------------|
| Sale of equity investments | 1.4 | 1.6 |
| Equity investments acquired | (11.1) | (11.1) |
| Dividends paid | (55.8) | (55.8) |
| Dividends received | 84.1 | 79.3 |
| Finance income (costs) | (4.1) | 13.2 |
| Current operations and non-recurring items | (32.0) | (33.5) |
| Total | (17.5) | (6.3) |

Significant post balance sheet events

Following the sale by Gemina of all the **RCS MediaGroup** shares it held and which were bound to the RCS voting and consultation trust, Franco Tosi acquired 800,569 RCS ordinary shares with an outlay of 3.4 million euro, and allocated them to the voting trust.

At the end of July 2007 Italmobiliare sold 3% of the shares held in **Sesaab S.p.A.** for an overall sum of 4.7 million euro, thus realizing a capital gain of 1.9 million euro.

Outlook

As already highlighted in previous reports, results in the financial sector depend on dividend flows and trends in the financial markets. The flow of dividends is focused mainly in the 1st half and so the overall figure for 2007 can be forecast reasonably accurately. On the other hand, however, the future trend in interest rates, the performance of stock and bond markets, and opportunities for the sale and purchase of equity investments involve elements of uncertainty which make it difficult to currently formulate a reliable full-year forecast for results in this sector.

As shown also by the comparison with the results of the 1st half, the impressive performance in 2006 nonetheless constitutes a challenging reference that will not be easy to obtain. Subject to currently unforeseeable events, this is even truer given the difficulties of the financial markets which occurred in July and at the start of August.

Banking sector

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

| (in millions of euro) | 1st half 2007 | 1st half 2006 | % change | Full-year 2006 |
|----------------------------------|---------------|---------------|-------------|----------------|
| Revenues | 25.9 | 24.6 | 5.3 | 48.2 |
| Operating profit | 7.0 | 5.8 | 19.3 | 10.3 |
| Net profit for the period | 5.6 | 4.7 | 17.4 | 8.1 |

| (in millions of euro) | June 30, 2007 | December 31, 2006 |
|-----------------------------------|---------------|-------------------|
| Net financial position | 91.6 | 92.7 |
| Shareholders' equity | 91.5 | 93.2 |
| Group shareholders' equity | 90.9 | 92.7 |
| Number of employees at period end | 144 | 139 |

Quarterly trend

| (in millions of euro) | 1st half 2007 | 2nd quarter 2007 | 1st quarter 2007 |
|---|---------------|------------------|------------------|
| Revenues | 25.9 | 12.9 | 13.1 |
| % change on 2006 | 5.3 | 2.6 | 8.0 |
| Operating profit | 7.0 | 3.1 | 3.8 |
| % change on 2006 | 19.3 | 14.5 | 23.6 |
| Net profit for the period | 5.6 | 2.6 | 3.0 |
| % change on 2006 | 17.4 | 0.6 | 36.7 |
| Net financial position at period end | 91.6 | 91.6 | 88.4 |

Results in accordance with the banking model

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

| (in millions of euro) | 1st half 2007 | 1st half 2006 | % change | Full year 2006 |
|----------------------------------|---------------|---------------|-------------|----------------|
| Net interest income | 3.3 | 2.9 | 11.8 | 5.9 |
| Intermediation margin | 22.7 | 22.3 | 1.6 | 43.7 |
| Gross operating profit | 7.9 | 7.4 | 7.3 | 13.3 |
| Profit from operations | 6.6 | 5.4 | 20.7 | 9.3 |
| Net profit for the period | 5.6 | 4.7 | 17.4 | 8.1 |

The results in this sector have been making steady progress and consist almost entirely of the results of Finter Bank Zürich.

Finter Bank Zürich

In the 1st half of 2007 the Finter Bank Zürich group managed to profit from the continuing positive conditions on the financial markets, reporting consolidated revenues of 41.4 million Swiss francs (+10.0% compared with the 1st half of 2006). This result was achieved thanks to higher interest income, higher fees on client transactions and the increase in revenues on the securities portfolio.

Revenue growth together with the contained increase in operating expenses produced operating profit of 11.2 million Swiss francs, up on 9.1 million Swiss francs in the 1st half of 2006 (+23.7%).

The consolidated net profit, after finance costs and tax, was 9.0 million Swiss francs compared with 7.4 million Swiss francs in the 1st half of 2006 (+21.8%).

Note should be taken of the commencement in the 1st half of 2007 of business by the insurance company Finter Life (90% owned by Finter Bank Zürich), which was consolidated on a line-by-line basis. Its impact on the income statement for the half is currently negligible.

Consolidated shareholders' equity rose from 140.8 million Swiss francs at December 31, 2006 to 142.1 million Swiss francs at June 30, 2007, after the distribution of dividends totaling 8 million Swiss francs.

Assets under management at the end of the 1st half of 2007 stood at 5.7 billion Swiss francs.

Crédit Mobilier de Monaco

Crédit Mobilier de Monaco is a bank in Monaco whose main activity is guarantee-backed loans. In the 1st half of 2007 it saw a slight increase in net interest income and the containment of administrative and employee expenses.

Consequently the profit for the year of 70 thousand euro was up compared with the prior-year period (22 thousand euro).

Outlook

Despite the characteristic uncertainty of the financial markets, the results in the 1st half and the programs in place confirm the forecast that the result for full-year 2007 might surpass that achieved in 2006, subject to currently unforeseeable events.

Property sector, services and others

This sector includes a number of real estate companies and services companies. Assets held by the property companies include rented property and property and land held for sale.

The services companies essentially provide services within the Group.

At June 30, 2007 revenues for the sector totaled 1.1 million euro, largely in line with the prior-year period (1.3 million euro).

Operating profit of 0.1 million euro and aggregate net profit of 1.8 million euro fell compared to the 1st half of 2006, which benefited in the 1st half of 2006 from the release of some provisions for risks, deemed excessive, at Terfin S.A. in liquidation.

The sector is of marginal importance for the Group results.

Human resources

The number of employees at June 30, 2007 was 25,178 heads, compared with 24,509 at December 31, 2006 and 23,933 at June 30, 2006.

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

| (number of employees*) | June 30, 2007 | | December 31, 2006 | | June 30, 2006 | |
|-------------------------------|---------------|--------------|-------------------|--------------|---------------|--------------|
| | | % | | % | | % |
| Business sector | | | | | | |
| Construction materials | 23,483 | 93.2 | 22,868 | 93.3 | 22,332 | 93.3 |
| Packaging and insulation | 1,489 | 5.9 | 1,442 | 5.9 | 1,395 | 5.8 |
| Financial | 44 | 0.2 | 42 | 0.2 | 43 | 0.2 |
| Banking | 144 | 0.6 | 139 | 0.5 | 143 | 0.6 |
| Property, services and others | 18 | 0.1 | 18 | 0.1 | 20 | 0.1 |
| Total | 25,178 | 100.0 | 24,509 | 100.0 | 23,933 | 100.0 |
| Geographical area | | | | | | |
| European Union | 12,797 | 50.8 | 12,668 | 51.7 | 12,689 | 53.0 |
| Other European countries | 1,314 | 5.2 | 1,283 | 5.2 | 1,258 | 5.3 |
| North America | 2,114 | 8.4 | 1,697 | 6.9 | 1,700 | 7.1 |
| Asia | 2,392 | 9.5 | 2,387 | 9.8 | 2,406 | 10.0 |
| Africa | 6,203 | 24.7 | 6,148 | 25.1 | 5,545 | 23.2 |
| Other countries | 358 | 1.4 | 326 | 1.3 | 335 | 1.4 |
| Total | 25,178 | 100.0 | 24,509 | 100.0 | 23,933 | 100.0 |

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

Dealings with related parties

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

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

The summarized figures of dealings with related parties at June 30, 2007 are shown in the explanatory notes.

Disclosures on dealings with related parties of Italmobiliare S.p.A. are provided in the specific section in the Parent company notes.

Dealings with subsidiaries and associates

Among companies in the construction materials sector, dealings with related parties reflect the interest in leveraging the synergies in the sector to enhance production and commercial integration, employ competencies efficiently, and rationalize use of central structures and financial resources.

All dealings are of a business and/or financial nature.

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

Dealings with other related parties

Dealings with other related parties in the half were as follows:

- administrative, financial, contractual and fiscal consultancy services, as well as support services for the organization of company restructuring operations for the Italcementi group provided by Finsise S.p.A., a company whose majority shareholder is Italo Lucchini, Deputy Chairman of Italmobiliare. The Italmobiliare Group also used the services of Professional Auditing S.p.A., a trust company whose main shareholder is also Mr Lucchini;
- legal consultancy, judicial and extrajudicial assistance provided to Italmobiliare and to group companies by the associate professional studio Dewey Ballantine LLP, of which Italmobiliare director Luca Minoli is a partner;
- 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.

All dealings with related parties, whether for the exchange of goods and services, or financial services, are conducted at normal market conditions. With regard to the consolidated financial statements of Italmobiliare S.p.A., the extent of dealings with related parties is not significant.

In the 1st half of 2007 1.2 million euro was supplied to the Fondazione Italcementi Cav. Lav. Carlo Pesenti by Italmobiliare (0.3 million euro) and Italcementi (0.9 million euro).

Under the contract signed in 2005, Italcementi S.p.A. also provided the Fondazione Italcementi Cav. Lav. Carlo Pesenti with corporate administration services.

Atypical and/or unusual transactions

No atypical or unusual transactions took place in the half.

Disputes

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

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

Outlook

The results achieved in the 1st half of 2007, the trends in the individual markets where the Group operates and the forecasts for the individual sectors make it difficult to achieve the record results of 2006, subject to currently unforeseeable events. The results for 2006 benefited from particularly favorable conditions and positive contributions which cannot be repeated.

On the other hand, however, for the Parent company Italmobiliare S.p.A., we may confirm that the net profit in 2007 of the individual financial statements, on the basis of the information available and subject to unforeseeable events, is expected to increase compared with the figure for 2006, net of the capital gains realized on the intragroup sales to the subsidiary Franco Tosi.

Italmobiliare S.p.A. consolidated financial statements



Financial statements

Balance sheet

| (in thousands of euro) | Notes | 06.30.2007 | 12.31.2006 | Change |
|---|-------|-------------------|-------------------|-----------------|
| Non-current assets | | | | |
| Property, plant and equipment | 1 | 4,117,862 | 4,118,219 | (357) |
| Investment property | 2 | 29,241 | 28,014 | 1,227 |
| Goodwill | 3 | 1,970,654 | 1,894,932 | 75,722 |
| Intangible assets | | 46,385 | 59,013 | (12,628) |
| Investments in associates | 4 | 204,542 | 194,637 | 9,905 |
| Other equity investments | 5 | 1,648,685 | 1,601,245 | 47,440 |
| Non-current trade and other receivables | | 127,234 | 140,354 | (13,120) |
| Deferred tax assets | | 42,544 | 43,793 | (1,249) |
| Non-current receivables due from employees | | 470 | 517 | (47) |
| Total non-current assets | | 8,187,617 | 8,080,724 | 106,893 |
| Current assets | | | | |
| Inventories | | 799,117 | 723,736 | 75,381 |
| Trade receivables | 6 | 1,621,887 | 1,544,596 | 77,291 |
| Other assets | | 367,423 | 341,713 | 25,710 |
| Income tax assets | | 49,993 | 38,235 | 11,758 |
| Equity investments and financial receivables | 7 | 897,076 | 871,948 | 25,128 |
| Cash and cash equivalents | 8 | 519,915 | 533,269 | (13,354) |
| Total current assets | | 4,255,411 | 4,053,497 | 201,914 |
| Total assets | | 12,443,028 | 12,134,221 | 308,807 |
| Shareholders' equity | | | | |
| Share capital | 9 | 100,167 | 100,167 | |
| Reserves | 10 | 1,028,742 | 1,029,288 | (546) |
| Treasury shares | 11 | (21,226) | (22,176) | 950 |
| Retained earnings | 12 | 1,945,061 | 1,867,675 | 77,386 |
| Group shareholders' equity | | 3,052,744 | 2,974,954 | 77,790 |
| Minority interests | | 3,516,241 | 3,432,903 | 83,338 |
| Total shareholders' equity | | 6,568,985 | 6,407,857 | 161,128 |
| Non-current liabilities | | | | |
| Interest-bearing loans and long-term borrowings | 15 | 2,513,064 | 2,531,204 | (18,140) |
| Employee benefit liabilities | 13 | 211,163 | 213,709 | (2,546) |
| Non-current provisions | 14 | 313,164 | 343,511 | (30,347) |
| Other non-current liabilities | | 39,949 | 20,337 | 19,612 |
| Deferred tax liabilities | | 358,311 | 344,175 | 14,136 |
| Total non-current liabilities | | 3,435,651 | 3,452,936 | (17,285) |
| Current liabilities | | | | |
| Bank overdrafts and short-term borrowings | 15 | 561,976 | 469,915 | 92,061 |
| Interest-bearing loans and short-term borrowings | 15 | 275,157 | 199,980 | 75,177 |
| Trade payables | | 813,436 | 815,791 | (2,355) |
| Current provisions | 14 | 1,232 | 1,372 | (140) |
| Income tax liabilities | | 49,249 | 91,981 | (42,732) |
| Other current liabilities | | 737,342 | 694,389 | 42,953 |
| Total current liabilities | | 2,438,392 | 2,273,428 | 164,964 |
| Total liabilities | | 5,874,043 | 5,726,364 | 147,679 |
| Total shareholders' equity and liabilities | | 12,443,028 | 12,134,221 | 308,807 |

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

| | Notes | 1st half 2007 | % | 1st half 2006 | % | Change | % | 2006 | % |
|---|-------|------------------|--------------|------------------|--------------|-----------------|-------------|------------------|--------------|
| (in thousands of euro) | | | | | | | | | |
| Revenues | 16 | 3,283,028 | 100.0 | 3,087,577 | 100.0 | 195,451 | 6.3 | 6,216,515 | 100.0 |
| Other revenues | | 48,196 | | 37,312 | | 10,884 | | 83,177 | |
| Change in inventories | | 8,781 | | (24,727) | | 33,508 | | (7,933) | |
| Internal work capitalized | | 9,360 | | 11,194 | | (1,834) | | 37,663 | |
| Goods and utilities expenses | 17 | (1,177,539) | | (1,065,998) | | (111,541) | | (2,237,476) | |
| Services expenses | 18 | (768,015) | | (673,278) | | (94,737) | | (1,382,809) | |
| Employee expenses | 19 | (520,920) | | (482,988) | | (37,932) | | (980,063) | |
| Other operating income/(expense) | 20 | (108,819) | | (97,730) | | (11,089) | | (179,089) | |
| Recurring gross operating profit | | 774,072 | 23.6 | 791,362 | 25.6 | (17,290) | -2.2 | 1,549,985 | 24.9 |
| Net capital gains on sale of fixed assets | 24 | 6,740 | | 7,590 | | (850) | | 18,384 | |
| Non-recurring employee expenses for reorganizations | 24 | | | | | | | (25,449) | |
| Other non-recurring income/(expense) | 24 | 3,042 | | 2,920 | | 122 | | (1,907) | |
| Gross operating profit | | 783,854 | 23.9 | 801,872 | 26.0 | (18,018) | -2.2 | 1,541,013 | 24.8 |
| Amortization and depreciation | | (225,037) | | (208,792) | | (16,245) | | (433,316) | |
| Impairment variation | | (466) | | (124) | | (342) | | (1,977) | |
| Operating profit | | 558,351 | 17.0 | 592,956 | 19.2 | (34,605) | -5.8 | 1,105,720 | 17.8 |
| Finance income | 21 | 23,376 | | 21,350 | | 2,026 | | 48,077 | |
| Finance costs | 21 | (82,393) | | (73,765) | | (8,628) | | (149,996) | |
| Net exchange rate differences and net | 21 | (207) | | (4,832) | | 4,625 | | (4,925) | |
| Share of results of associates | 4 | 4,979 | | 7,899 | | (2,920) | | 20,451 | |
| Profit before tax | | 504,106 | 15.4 | 543,608 | 17.6 | (39,502) | -7.3 | 1,019,327 | 16.4 |
| Income tax expense | 22 | (137,108) | | (143,616) | | 6,508 | | (270,848) | |
| Income/(expense) from discontinued operations | | | | - | | | | | |
| Net profit for the period | | 366,998 | 11.2 | 399,992 | 13.0 | (32,994) | -8.2 | 748,479 | 12.0 |
| Attributable to: | | | | | | | | | |
| Group | | 131,093 | 4.0 | 146,441 | 4.8 | (15,348) | -10.5 | 264,427 | 4.2 |
| Minority interests | | 235,905 | 7.2 | 253,551 | 8.2 | (17,646) | -7.0 | 484,052 | 7.8 |
| Earnings per share | 23 | | | | | | | | |
| - Basic | | | | | | | | | |
| ordinary shares | | 3.468 € | | 3.879 € | | | | 7.001 € | |
| savings shares | | 3.507 € | | 3.918 € | | | | 7.079 € | |
| - Diluted | | | | | | | | | |
| ordinary shares | | 3.456 € | | 3.871 € | | | | 6.985 € | |
| savings shares | | 3.495 € | | 3.910 € | | | | 7.063 € | |

Statement of movements in consolidated total shareholders' equity

| | Attributable to equity holders of the Parent | | | | | | | | | | Minority interest | Total shareholders' equity |
|--|--|-----------------------|-----------------------------------|--|------------------------------------|----------------|-----------------|----------------------|-------------------|----------------------------|-------------------|----------------------------|
| | Share capital | Share premium reserve | Reserve for general banking risks | Reserves Fair value reserve for AFS | Fair value reserve for derivatives | Other reserves | Treasury shares | Translation reserves | Retained earnings | Total capital and reserves | | |
| (in thousands of euro) | | | | | | | | | | | | |
| Balances at December 31, 2005 | 100,167 | 177,191 | 16,719 | 675,570 | -944 | 27,958 | -22,176 | 46,794 | 1,675,010 | 2,696,289 | 3,220,459 | 5,916,748 |
| Change in fair value on: | | | | | | | | | | | | |
| Held-for-sale financial assets | | | | 42,317 | | | | | | 42,317 | 12,242 | 54,559 |
| Derivative financial instruments | | | | | 3,550 | | | | | 3,550 | 7,628 | 11,178 |
| Other | | | | | | 4,795 | | | -19,147 | -14,352 | 16,745 | 2,393 |
| Currency translation differences | | | -129 | | | | | -42,181 | | -42,310 | -137,354 | -179,664 |
| Net gains/(loss) recognized directly in equity | | | -129 | 42,317 | 3,550 | 4,795 | | -42,181 | -19,147 | -10,795 | -100,739 | -111,534 |
| Net profit for the period | | | | | | | | | 146,441 | 146,441 | 253,551 | 399,992 |
| Total gains/(losses) for the period | | | -129 | 42,317 | 3,550 | 4,795 | | -42,181 | 127,294 | 135,646 | 152,812 | 288,458 |
| Distribution of profits: Dividends | | | | | | | | | -49,007 | -49,007 | -172,155 | -221,162 |
| Treasury shares buyback | | | | | | | | | | | | |
| Reclassifications | | | | | | | | | | | | |
| Change in consolidation area and other changes | | | | | | | | | | | | |
| Balances at June 30, 2006 | 100,167 | 177,191 | 16,590 | 717,887 | 2,606 | 32,753 | -22,176 | 4,613 | 1,753,297 | 2,782,928 | 3,201,116 | 5,984,044 |
| Change in fair value on: | | | | | | | | | | | | |
| Held-for-sale financial assets | | | | 73,530 | | | | | | 73,530 | 1,960 | 75,490 |
| Derivative financial instruments | | | | | -65 | | | | | -65 | 24 | -41 |
| Other | | | 428 | | | 8,778 | | | 5,146 | 14,352 | -3,816 | 10,536 |
| Currency translation differences | | | -410 | | | | | -4,900 | | -5,310 | -30,375 | -35,685 |
| Net gains/(loss) recognized directly in equity | | | 18 | 73,530 | -65 | 8,778 | | -4,900 | 5,146 | 82,507 | -32,207 | 50,300 |
| Net profit for the period | | | | | | | | | 117,986 | 117,986 | 230,501 | 348,487 |
| Total gains/(losses) for the period | | | 18 | 73,530 | -65 | 8,778 | | -4,900 | 123,132 | 200,493 | 198,294 | 398,787 |
| Distribution of profits: Dividends | | | | | | | | | | | -2,645 | -2,645 |
| Treasury shares buyback | | | | | | | | | | | | |
| Reclassifications | | | | | | | | | | | | |
| Change in consolidation area and other changes | | | | | | | | -1,814 | -6,653 | -8,467 | 36,138 | 27,671 |
| Balances at December 31, 2006 | 100,167 | 177,191 | 16,608 | 791,417 | 2,541 | 41,531 | -22,176 | -2,101 | 1,869,776 | 2,974,954 | 3,432,903 | 6,407,857 |
| Change in fair value on: | | | | | | | | | | | | |
| Held-for-sale financial assets | | | | -5,658 | | | | | | -5,658 | 4,947 | -711 |
| Derivative financial instruments | | | | | 2,731 | | | | | 2,731 | 5,350 | 8,081 |
| Stock options | | | | | | 928 | | | | 928 | | 928 |
| Other | | | | | | 1,818 | | | | 1,818 | 349 | 2,167 |
| Currency translation differences | | | -365 | | | | | 7,203 | 365 | 7,203 | 24,729 | 31,932 |
| Net gains/(loss) recognized directly in equity | | | -365 | -5,658 | 2,731 | 2,746 | | 7,203 | 365 | 7,022 | 35,375 | 42,397 |
| Net profit for the period | | | | | | | | | 131,093 | 131,093 | 235,905 | 366,998 |
| Total gains/(losses) for the period | | | -365 | -5,658 | 2,731 | 2,746 | | 7,203 | 131,458 | 138,115 | 271,280 | 409,395 |
| Distribution of profits: Dividends | | | | | | | | | -55,830 | -55,830 | -139,648 | -195,478 |
| Exercise of options | | | | | | | 950 | | | 950 | | 950 |
| Change in consolidation area and other changes | | | | | | | | | -5,445 | -5,445 | -48,294 | -53,739 |
| Balances at June 30, 2007 | 100,167 | 177,191 | 16,243 | 785,759 | 5,272 | 44,277 | -21,226 | 5,102 | 1,939,959 | 3,052,744 | 3,516,241 | 6,568,985 |

Cash flow statement

| | 1st half 2007 | 1st half 2006 | 2006 |
|--|------------------|------------------|------------------|
| (in thousands of euro) | | | |
| A) Cash flow from operating activities: | | | |
| Profit before tax | 504,106 | 543,608 | 1,019,327 |
| Adjustments for: | | | |
| Amortization, depreciation and impairment | 225,449 | 208,911 | 435,993 |
| Reversal of undistributed results of associates | (648) | 7,899 | (7,782) |
| Capital (gains)/losses on sale of fixed assets | (10,932) | (18,379) | (35,617) |
| Change in employee benefit liabilities and other provisions | (27,120) | (2,883) | 23,805 |
| Stock options | 4,811 | 2,554 | 5,676 |
| Reversal of finance costs | 20,721 | 16,020 | 40,313 |
| in working capital | 716,387 | 757,730 | 1,481,715 |
| Change in working capital: | | | |
| Inventories | (72,330) | 12,087 | (32,384) |
| Trade receivables | (58,741) | (334,425) | (214,895) |
| Trade payables | 5,204 | 11,200 | 68,911 |
| Other receivables/payables, accruals and deferrals | 53,524 | (23,495) | (15,181) |
| Cash flow from operating activities before tax, finance income/costs: | 644,044 | 423,097 | 1,288,166 |
| Net finance costs paid | (57,616) | (53,858) | (103,150) |
| Dividends received | 31,960 | 36,572 | 60,098 |
| Taxes paid | (193,423) | (117,402) | (232,032) |
| Inflows from derivatives | | | 806 |
| | (219,079) | (134,688) | (274,278) |
| Total A) | 424,965 | 288,409 | 1,013,888 |
| B) Cash flow from investing activities: | | | |
| Investments in fixed assets: | | | |
| Property, plant and equipment and investment property | (226,234) | (205,702) | (501,850) |
| Intangible assets | (2,933) | (11,985) | (18,237) |
| Financial assets (equity investments) net of cash acquired | (185,053) | (277,814) | (337,592) |
| Total investments | (414,220) | (495,501) | (857,679) |
| Proceeds from divestments of fixed assets and repayment of loans | 51,170 | 47,235 | 82,580 |
| Total divestments | 51,170 | 47,235 | 82,580 |
| Total B) | (363,050) | (448,266) | (775,099) |
| C) Cash flow from financing activities: | | | |
| New interest-bearing loans and long-term borrowings | 175,304 | 400,680 | 135,009 |
| Change in financial receivables | (63,824) | (48,574) | (79,816) |
| Change in current equity investments | 3,076 | (3,198) | (3,349) |
| Net change on treasury shares | (3,388) | (14,963) | (4,581) |
| Share capital increases by minorities | (405) | 207 | 696 |
| Dividends paid | (192,272) | (221,162) | (223,807) |
| Other movements | 4,064 | 6,939 | 7,253 |
| Total C) | (77,445) | 119,929 | (168,595) |
| D) Currency translation differences and other changes | Total D) | 2,176 | (13,769) |
| E) Change in cash and cash equivalents | (A+B+C+D) | (13,354) | (53,697) |
| F) Opening cash and cash equivalents | | 533,269 | 518,170 |
| Closing cash and cash equivalents | (E+F) | 519,915 | 533,269 |

Notes

The Italmobiliare S.p.A. interim consolidated financial statements as at and for the half-year to June 30, 2007, were approved by the Board of Directors on August 10, 2007. At the meeting, the Board authorized publication of a press release dated August 10, 2007, containing key information from the interim financial statements.

Declaration of compliance with the IFRS – Accounting policies

The consolidated financial statements have been drawn up in compliance with the International Financial Reporting Standards (IFRS) applicable at June 30, 2007, adopted by the EC Commission; specifically, these interim consolidated financial statements have been drawn up in compliance with International Accounting Standard 34 governing interim financial reporting.

The interim consolidated financial statements do not set out all the information and notes published in the annual report, and therefore should be read in conjunction with the Italmobiliare S.p.A. consolidated financial statements as at and for the year to December 31, 2006.

The amendments to the standards and interpretations adopted by the EC Commission that apply to financial year 2007 concern IFRS 7 “Financial instruments: disclosures”, which is not applied to the interim financial statements at June 30, 2007, and IFRIC 7, 8, 9 and 10, which have no impact on the 2007 half-year report.

No changes have been adopted in the Italmobiliare S.p.A. interim consolidated financial statements with respect to the options elected in the consolidated financial statements at December 31, 2006.

Use of estimates

The preparation of the consolidated financial statements and the notes in compliance with the international accounting policies requires management to make estimates affecting the value of assets, liabilities, income and expense, such as amortization, depreciation and provisions, and the disclosures in the notes relating to contingent assets and liabilities.

Changes to accounting schedules

In accordance with Consob resolution no. 15519 of 07.27.2006, the consolidated income statement presents line items reflecting the most significant non-recurring transactions in the first half; for comparative purposes, line items reflecting non-recurring transactions, previously classified under a single line item captioned “Other income (expense)”, have been opened on the face of the 2006 first-half income statement.

The “Finance income (costs)” caption has been opened into three line items: “Finance income”, “Finance costs” and “Net exchange rate differences and derivatives”; for comparative purposes, corresponding line items have been opened on the face of the 2006 first-half income statement.

These changes have not generated any variations in Gross operating profit, Operating profit, Profit before tax and consolidated Net profit for the period.

Exchange rates used to translate the financial statements of foreign entities

Exchange rates for one euro:

| Currency | Average | | | Period end | | |
|----------------------|---------------|----------------|---------------|---------------|-------------------|---------------|
| | 1st half 2007 | Full year 2006 | 1st half 2006 | June 30, 2007 | December 31, 2006 | June 30, 2006 |
| US dollar | 1.32944 | 1.25559 | 1.22980 | 1.35050 | 1.31700 | 1.27130 |
| Pound sterling | 0.67478 | 0.68178 | 0.68705 | 0.67400 | 0.67150 | 0.69210 |
| Swiss franc | 1.63185 | 1.57287 | 1.56108 | 1.65530 | 1.60690 | 1.56720 |
| Thai baht | 44.27028 | 47.59148 | 47.61400 | 42.61500 | 46.77000 | 48.57500 |
| Moroccan dirham | 11.16055 | 11.03714 | 10.98956 | 11.18900 | 11.14700 | 11.07520 |
| Canadian dollar | 1.50842 | 1.42363 | 1.39994 | 1.42450 | 1.52810 | 1.41320 |
| Albanian lek | 125.06319 | 123.09208 | 123.00184 | 122.26400 | 124.13400 | 123.25200 |
| Egyptian lira | 7.57462 | 7.21051 | 7.07062 | 7.69535 | 7.52399 | 7.33067 |
| New Turkish lira | 1.81863 | 1.79888 | 1.71043 | 1.76960 | 1.85860 | 2.00950 |
| Mauritanian ougulyia | 352.49988 | 337.25189 | 330.32431 | 348.29400 | 353.74600 | 341.47100 |
| Indian rupee | 56.73399 | 56.90788 | 55.26850 | 55.01530 | 58.29750 | 58.55140 |
| Sri Lankan rupee | 145.75745 | 130.55918 | 126.28000 | 150.41600 | 141.51700 | 132.17100 |
| Cypriot pound | 0.58092 | 0.57578 | 0.57493 | 0.58370 | 0.57820 | 0.57500 |
| Bosnian mark | 1.95583 | 1.95583 | 1.95583 | 1.95583 | 1.95583 | 1.95583 |
| Bulgarian lev | 1.95583 | 1.95583 | 1.95583 | 1.95583 | 1.95583 | 1.95583 |
| Czech crown | 28.14914 | 28.34196 | 28.49091 | 28.71800 | 27.48500 | 28.49300 |
| Slovak crown | 34.04090 | 37.23610 | 37.57170 | 33.63500 | 34.43500 | 38.35000 |
| Serbian dinar | 80.52490 | 84.45830 | 87.27680 | 78.79690 | 79.28600 | 85.89980 |
| Hungarian florin | 250.24900 | 264.28600 | 260.62200 | 246.15000 | 251.77000 | 283.35000 |
| Ukrainian hryvna | 6.69804 | 6.32867 | 6.20938 | 6.80146 | 6.64623 | 6.37515 |
| Croatian kuna | 7.35843 | 7.32445 | 7.31103 | 7.30350 | 7.35040 | 7.24450 |
| New Romanian leu | 3.33090 | 3.52591 | 3.56376 | 3.13400 | 3.38350 | 3.51980 |
| Kazakh tange | 163.59834 | 158.10469 | 155.88377 | 164.73100 | 167.23300 | 150.55200 |
| Russian ruble | 34.66980 | 34.25140 | 34.01270 | 34.80700 | 34.68000 | 34.24000 |
| Polish zloty | 3.84352 | 3.92111 | 3.89043 | 3.76770 | 3.83100 | 4.05460 |

The exchange rates used to translate the financial statements of the foreign entities are those published by the Ufficio Italiano Cambi (UIC), with the exception of the "New Turkish lira," published by the Turkish Central Bank.

Consolidation area

Changes

The main changes with respect to June 30, 2006, are the line-by-line consolidation as from June 1, 2006, of the Indian Zuari Cement Ltd and its subsidiaries (previously consolidated on a proportionate basis), the line-by-line consolidation as from July 1, 2006 of Amprica and its subsidiaries, the line-by-line consolidation as from October 1, 2006, of the Ready Mix Beton Egypt S.A.E. and Ready Mix Beton S.A.E. companies in Egypt and the latest acquisitions in Canada (Cambridge and Brantford) and in the USA (Arrow), consolidated line-by-line as from March 1 and April 1, 2007, respectively.

During the half-year, the Group raised its interest in the Egyptian companies, Suez Cement Co. and its subsidiaries, with an investment of 71.5 million euro; this generated additional goodwill of 40.8 million euro.

The significant equity investments in subsidiaries, joint ventures and associates, and the respective method of consolidation, are listed in the annex.

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 1st half is not necessarily a reliable indicator of the full-year trend.

Sector reporting

Primary sector

The following table sets out primary sector revenues and results at June 30, 2007:

| | Revenues | Intragroup sales | Contributive revenues | Recurring gross operating profit | Gross operating profit | Operating profit |
|-------------------------------|------------------|------------------|-----------------------|----------------------------------|------------------------|------------------|
| (in thousands of euro) | | | | | | |
| Construction materials | 3,073,121 | (2,722) | 3,070,399 | 720,007 | 726,899 | 508,126 |
| Packaging and insulation | 120,681 | (4) | 120,677 | 14,685 | 14,685 | 8,942 |
| Finance | 116,937 | (51,877) | 65,060 | 81,021 | 83,731 | 83,697 |
| Banking | 25,928 | | 25,928 | 7,807 | 7,806 | 6,960 |
| Property, services and others | 1,058 | (94) | 964 | 45 | 228 | 120 |
| Inter-sector eliminations | (54,697) | 54,697 | | (49,493) | (49,495) | (49,494) |
| Total | 3,283,028 | | 3,283,028 | 774,072 | 783,854 | 558,351 |

The following table sets out primary sector revenues and results at June 30, 2006:

| | Revenues | Intragroup sales | Contributive revenues | Recurring gross operating profit | Gross operating profit | Operating profit |
|-------------------------------|------------------|------------------|-----------------------|----------------------------------|------------------------|------------------|
| (in thousands of euro) | | | | | | |
| Construction materials | 2,909,938 | (2,417) | 2,907,521 | 732,706 | 739,456 | 535,588 |
| Packaging and insulation | 86,551 | (2) | 86,549 | 12,026 | 12,370 | 8,771 |
| Finance | 119,462 | (51,328) | 68,134 | 87,429 | 90,813 | 90,781 |
| Banking | 24,628 | | 24,628 | 7,133 | 7,137 | 5,834 |
| Property, services and others | 1,235 | (490) | 745 | 1,687 | 1,710 | 1,598 |
| Inter-sector eliminations | (54,237) | 54,237 | | (49,619) | (49,614) | (49,616) |
| Total | 3,087,577 | | 3,087,577 | 791,362 | 801,872 | 592,956 |

The table below sets out other sector data at June 30, 2007:

| | June 30, 2007 | | June 30, 2007 | | | |
|-------------------------------|-------------------|-------------------|---------------------|-----------------------|---|----------------------|
| | Total assets | Total liabilities | Capital expenditure | Financial investments | Amortization/depreciation of fixed assets | Impairment variation |
| (in thousands of euro) | | | | | | |
| Construction materials | 9,709,073 | 4,918,956 | 185,844 | 174,677 | (218,320) | (452) |
| Packaging and insulation | 267,870 | 216,017 | 4,962 | 1,400 | (5,729) | (14) |
| Finance | 2,627,146 | 593,852 | 21 | 11,083 | (34) | |
| Banking | 310,394 | 218,920 | 202 | | (846) | |
| Property, services and others | 50,548 | 32,173 | 125 | | (108) | |
| Inter-sector eliminations | (522,003) | (105,875) | | | | |
| Total | 12,443,028 | 5,874,043 | 191,154 | 187,160 | (225,037) | (466) |

The table below sets out other sector data at December 31, 2006 and June 30, 2006:

| | December 31, 2006 | | June 30, 2006 | | | | |
|-------------------------------|-------------------|--------|-------------------|---------------------|-----------------------|--|-------------------------|
| | Total | assets | Total liabilities | Capital expenditure | Financial investments | Amortization/ depreciation of fixed assets | Impairment variation |
| (in thousands of euro) | | | | | | | |
| Construction materials | 9,414,097 | | 4,753,928 | 179,434 | 230,823 | (203,776) | (92) |
| Packaging and insulation | 263,430 | | 214,697 | 5,625 | 42,621 | (3,599) | |
| Finance | 2,617,054 | | 619,311 | 71 | 27,409 | (32) | |
| Banking | 311,178 | | 217,967 | 1,129 | 415 | (1,303) | |
| Property, services and others | 56,054 | | 31,390 | 217 | | (82) | (32) |
| Inter-sector eliminations | (527,592) | | (110,929) | | | | |
| Total | 12,134,221 | | 5,726,364 | 186,476 | 301,268 | (208,792) | (124) |

Secondary sector

| | Contributive revenues | | Capital expenditure | | Financial investments | | Total assets | | Total liabilities | |
|--------------------------|-----------------------|------------------|---------------------|----------------|-----------------------|----------------|-------------------|-------------------|-------------------|------------------|
| | 06/30/07 | 06/30/06 | 06/30/07 | 06/30/06 | 06/30/07 | 06/30/06 | 06/30/07 | 12/31/06 | 06/30/07 | 12/31/06 |
| (in thousands of euro) | | | | | | | | | | |
| European Union | 2,155,763 | 2,028,188 | 116,719 | 132,774 | 24,871 | 116,555 | 9,932,232 | 9,833,239 | 3,323,729 | 3,237,454 |
| Other European countries | 162,380 | 139,566 | 3,038 | 5,769 | 5,376 | 71,611 | 652,228 | 620,455 | 298,149 | 292,537 |
| North America | 286,521 | 323,872 | 39,281 | 25,546 | 49,220 | | 874,880 | 825,952 | 307,755 | 276,752 |
| Asia | 200,369 | 152,208 | 19,117 | 8,249 | 28,209 | 112,745 | 807,002 | 731,404 | 159,505 | 146,624 |
| Africa | 379,992 | 333,873 | 10,009 | 12,187 | 75,455 | | 2,023,819 | 2,030,743 | 555,087 | 581,132 |
| Trading | 98,003 | 109,870 | 2,990 | 1,951 | 4,029 | 357 | 129,614 | 117,702 | 64,988 | 60,749 |
| Inter-area eliminations | | | | | | | (1,976,747) | (2,025,274) | 1,164,828 | 1,131,116 |
| Total | 3,283,028 | 3,087,577 | 191,154 | 186,476 | 187,160 | 301,268 | 12,443,028 | 12,134,221 | 5,874,041 | 5,726,364 |

Since January 1, 2007 Bulgaria and Romania have been part of the European Union; for comparative purposes the 2006 figures have been duly reclassified.

Assets

Non-current assets

1) Property, plant and equipment

Property, plant and equipment totaled 4,117,862 thousand euro (4,118,219 thousand euro at December 31, 2006). Additions of 188,183 thousand euro were mainly focused in Europe for 114,051 thousand euro, including Italy for 60,934 thousand euro, France for 29,155 thousand euro and Spain for 13,443 thousand euro and North America for 39,281 thousand euro.

Additions from changes in the consolidation area mainly related to the companies acquired in North America.

The net carrying amount at June 30, 2007, of property, plant and equipment securing bank borrowings was 361.6 million euro (388.7 million euro at December 31, 2006), of which 255 million euro referred to property, plant and equipment of the Egyptian subsidiary Helwan.

2) Investment property

Investment property of 29,241 thousand euro (28,014 thousand euro at December 31, 2006) is valued at cost.

3) Goodwill

Business combinations

Acquisitions in the period

The table below shows the balance sheet values and the provisional fair value of the companies acquired in North America (Arrow, Brantford and Cambridge):

| (in millions of euro) | Book value of acquisitions | Change in fair value | Fair value attributed to acquisition |
|--|----------------------------|----------------------|--------------------------------------|
| Net PPE and other non-current assets | 19.4 | 2.1 | 21.5 |
| Current assets | 10.6 | | 10.6 |
| Trade payables and other current liabilities | (7.9) | | (7.9) |
| Provisions and deferred tax liabilities | (0.1) | (0.7) | (0.8) |
| Fair value of acquired net assets | | | 23.4 |
| Goodwill | | | 25.4 |
| Total cost of acquisition | | | 48.8 |

The cost of the acquisition was as follows:

| | |
|------------------------------------|-------------|
| (in millions of euro) | |
| Share purchase price | 47.3 |
| Cost relating to acquisition | 1.5 |
| Cost of acquisition | 48.8 |
| Cash and cash equivalents acquired | |
| Net outlay for acquisition | 48.8 |

Final allocation of values for acquisitions made in 2006

During the 1st half of 2007 the accounting for the purchase of the Amprica group was completed. The values of the Amprica group attributed at the acquisition date are as follows:

| Amprica group | | Consolidated financial statements | |
|--|--|-----------------------------------|--|
| | Provisional fair value attributed to the acquisition | Change in fair value | Fair value attributed to the acquisition |
| (in millions of euro) | | | |
| Net PPE and other non-current assets | 36.0 | 2.3 | 38.3 |
| Inventories | 11.6 | (2.3) | 9.3 |
| Trade receivables and other current assets | 13.0 | 2.2 | 15.2 |
| Cash and cash equivalents | 4.6 | (2.4) | 2.2 |
| Trade payables and other current liabilities | (10.8) | (4.7) | (15.5) |
| Deferred tax liabilities | (4.3) | (1.7) | (6.0) |
| Provisions for risks and charges | (0.4) | 0.2 | (0.2) |
| Loans and borrowings and other financial liabilities | (35.3) | 4.5 | (30.8) |
| Minority interests | (2.6) | 0.1 | (2.5) |
| Fair value of acquired net assets | 11.8 | (1.8) | 10.0 |
| Goodwill | 30.8 | 6.9 | 37.7 |
| Total cost of acquisition | 42.6 | 5.1 | 47.7 |

Impact on the result for the half-year from the acquisitions in 2007

The impact on the consolidated accounts for the 1st half of 2007 from the line-by-line consolidation of the companies acquired in North America was as follows:

| | |
|----------------------------------|------|
| (in millions of euro) | |
| Revenues (*) | 20.2 |
| Recurring gross operating profit | 2.2 |
| Operating profit | 1.7 |
| Group net profit | 1.1 |

(*) after intragroup eliminations

If the financial statements of the North American companies had been consolidated as from January 1, 2007, the additional contribution from these entities to the consolidated results for the 1st half would have been as follows:

| | |
|----------------------------------|------|
| (in millions of euro) | |
| Revenues * | 28.9 |
| Recurring gross operating profit | 1.9 |
| Operating profit | 0.9 |

* after intragroup eliminations

4) Investments in associates

This heading includes equity interests, including goodwill, in associates. The table below lists the main associates:

| | Value of investments | | Share of result | |
|------------------------|----------------------|-------------------|-----------------|---------------|
| | June 30, 2007 | December 31, 2006 | 1st half 2007 | 1st half 2006 |
| (in thousands of euro) | | | | |
| Ciment Québec | 59,900 | 55,300 | 2,147 | 2,282 |
| Vassiliko Cement Works | 57,500 | 54,800 | 2,998 | 2,460 |
| Mittel | 53,421 | 51,862 | 364 | 3,569 |
| S.E.S. | 16,436 | 16,941 | 622 | 1,575 |
| Other | 17,285 | 15,734 | (1,152) | (1,987) |
| Total | 204,542 | 194,637 | 4,979 | 7,899 |

5) Equity investments in other companies

This item, classified under non-current assets, includes the equity investments recorded in the “available-for-sale” category as envisaged by IAS 39.

| | |
|--|------------------|
| (in thousands of euro) | |
| At December 31, 2006 | 1,601,245 |
| Acquisitions | 49,840 |
| Sales | (565) |
| Fair value taken to equity | 858 |
| Change in consolidation area and other | (1,869) |
| Currency translation differences | (824) |
| At June 30, 2007 | 1,648,685 |

Acquisitions in the half-year referred mainly to the acquisition of 100% of Shaanxi Fuping Cement Co. Ltd. (China) for 28.2 million euro; the acquisition took place on June 27, 2007, and the company will be consolidated line-by-line as from July 1, 2007; the estimated provisional value of goodwill is approximately 18 million euro and debt is approximately 28 million euro.

The Group also raised its equity investment in Goltas with an investment of 5.4 million euro and, to the extent of its interest (10.9 million euro), took part in the Banca Leonardo share capital increase and the purchase of the equity investment in Atmos Venture for 0.2 million euro.

The breakdown of the equity investments held at June 30, 2007 was as follows:

| | Number of shares | June 30, 2007 |
|--|------------------|------------------|
| (in thousands of euro) | | |
| Investments in listed companies | | |
| Mediobanca | 21,494,278 | 361,298 |
| RCS MediaGroup | 52,134,724 | 213,126 |
| Unicredito | 85,626,509 | 566,933 |
| UBI | 3,183,666 | 59,732 |
| Capitalia | 6,456,343 | 47,454 |
| Intek | 9,821,000 | 8,964 |
| Intek Warrant | 3,480,820 | 659 |
| Others | | 92,695 |
| | Total | 1,350,861 |
| Investments in non-listed companies | | |
| Fin Priv | | 32,469 |
| Burgo Group | | 77,560 |
| Banca Leonardo group | | 24,722 |
| Sesaab | | 15,700 |
| Others | | 147,373 |
| | Total | 297,824 |
| At June 30, 2007 | | 1,648,685 |

The fair value of the listed companies was determined on the basis of the official share price on the last trading day, while the fair value of non-listed companies was determined in accordance with the methods envisaged by IAS 39.

6) Trade receivables

Trade receivables factored under the factoring programs stipulated by Ciments Calcia and Unibeton in December 2006 amounted to 154.9 million euro at June 30, 2007.

Risk equivalent to approximately 90% of the factored amount is transferred with the receivables; consequently, the following amounts continue to be recognized on the face of the balance sheet:

- arranged subordinated deposits for 8.5 million euro reflected under other current liabilities;
- non-transferred receivables in the form of arranged guarantees for 12.9 million euro reflected under trade receivables, with balancing entries of 12.1 million euro in loans and borrowings and 0.8 million euro in miscellaneous payables.

7) Equity investments and financial receivables

“Equity investments and financial receivables” were as follows:

| | June 30, 2007 | December 31, 2006 | Change |
|-----------------------------|----------------|-------------------|---------------|
| (in thousands of euro) | | | |
| Securities and debentures | 624,820 | 638,699 | (13,879) |
| Trading equity investments | 54,061 | 56,907 | (2,846) |
| Bank receivables | 102,551 | 98,501 | 4,050 |
| Other financial receivables | 115,644 | 77,841 | 37,803 |
| Net amount | 897,076 | 871,948 | 25,128 |

8) Cash and cash equivalents

| | June 30, 2007 | December 31, 2006 | Change |
|--------------------------|----------------|-------------------|-----------------|
| (in thousands of euro) | | | |
| Cash and checks on hand | 11,387 | 11,812 | (425) |
| Bank and postal accounts | 360,833 | 405,969 | (45,136) |
| Short-term deposits | 147,695 | 115,488 | 32,207 |
| Net amount | 519,915 | 533,269 | (13,354) |

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

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

Shareholders' equity and liabilities

Share capital, reserves and retained earnings

9) Share capital

At June 30, 2007 parent company fully paid-up share capital amounted to 100,166,937 euro represented by 38,525,745 shares with a par value of 2.6 euro each.

10) Reserves

Share premium reserve

The reserve stood at 177,191 thousand euro and was unchanged from December 31, 2006.

11) Treasury shares

At June 30, 2007 the value of treasury shares held was 21,226 thousand euro, down by 950 thousand euro compared with December 31, 2006 (22,176 thousand euro), and were deducted against equity.

Ordinary treasury shares held at June 30, 2007 will service stock option plans for directors and managers.

12) Retained earnings

Dividends paid

Dividends declared and paid by the parent company Italmobiliare S.p.A in 2007 and 2006 are detailed below:

| | 2007 (euro per share) | 2006 (euro per share) | June 30, 2007 (in thousands of euro) | December 31, 2006 (in thousands of euro) |
|------------------------|---------------------------------|---------------------------------|--|--|
| Ordinary shares | 1.450 | 1.270 | 30,901 | 27,015 |
| Savings shares | 1.528 | 1.348 | 24,929 | 21,992 |
| Total dividends | | | 55,830 | 49,007 |

Translation reserve

This reserve reflects exchange rate differences on the translation of the financial statements of consolidated foreign entities. At June 30, 2007, it stood at 5,012 thousand euro, referring to the following currencies:

| | June 30, 2007 | December 31, 2006 | Change |
|-------------------------|---------------|-------------------|------------|
| (in millions of euro) | | | |
| Egypt (lira) | (9.5) | (5.3) | (4.2) |
| USA and Canada (dollar) | (2.6) | (3.0) | 0.4 |
| Thailand (baht) | 11.7 | 4.7 | 7.0 |
| Morocco (dirham) | (0.9) | (0.5) | (0.4) |
| India (rupee) | 4.3 | 1.0 | 3.3 |
| Turkey (lira) | 7.1 | 3.7 | 3.4 |
| Switzerland (franc) | (5.2) | (3.4) | (1.8) |
| Other countries | 0.2 | 0.7 | (0.5) |
| Net amount | 5.1 | (2.1) | 7.2 |

Non-current liabilities

13) Employee benefit liabilities

As a result of changes in Italian laws during the 1st half of 2007 (the reform on employee leaving entitlements), the liabilities of the Group's Italian companies with regard to leaving entitlements accrued and optioned by employees as from January 1, 2007, no longer qualify as defined benefit plans. They are treated as quotas of a defined contribution plan, as are all leaving entitlements accruing as from July 1, 2007.

An assessment of the impact of the reform on the provision accrued in compliance with IAS 19 is underway; although full information is not yet available, the estimated benefit included in the half-year provision amounts to 2.8 million euro, including the curtailment of the provision and the related pro-quota portion of previously unrecognized actuarial gains and losses.

14) Provisions

Movements in current and non-current provisions during the half-year were not significant, except for the use of the specific fund to cover the risks related to the 11 million euro transaction completed in the 1st quarter of 2007.

The provisions mainly referred to the liabilities for environmental restoration of quarries, provisions for industrial re-organizations and provisions for tax and legal disputes.

Net financial position

The net financial position at June 30, 2007 was reflected in the following financial statement items:

| | Balance sheet item | Non NFP | NFP | Short-term assets | Short-term financing | Long-term assets | Long-term financing | Total |
|---|-----------------------|------------------|--------------------|----------------------|-------------------------|---------------------|------------------------|--------------------|
| (in thousands of euro) | | | | | | | | |
| Non-current trade and other receivables | 127,234 | 54,254 | 72,980 | 78 | | 72,902 | | 72,980 |
| Other current financial assets | 367,423 | 240,259 | 127,164 | 127,164 | | | | 127,164 |
| Financial receivables and equity investments for trading | 897,076 | 296 | 896,780 | 896,780 | | | | 896,780 |
| Cash and cash equivalents | 519,915 | | 519,915 | 519,915 | | | | 519,915 |
| Interest-bearing loans and long-term borrowings | (2,513,064) | | (2,513,064) | | | | (2,513,064) | (2,513,064) |
| Other non-current liabilities | (39,949) | (4,178) | (35,771) | | | | (35,771) | (35,771) |
| Bank overdrafts and short-term borrowings | (561,976) | | (561,976) | | (561,976) | | | (561,976) |
| Interest-bearing loans and short- term borrowings | (275,157) | | (275,157) | | (275,157) | | | (275,157) |
| Other current liabilities | (737,342) | (520,561) | (216,781) | | (216,781) | | | (216,781) |
| Total | (2,215,840) | (229,930) | (1,985,910) | 1,543,937 | (1,053,914) | 72,902 | (2,548,835) | (1,985,910) |

The net financial position at June 30, 2007 reflected net debt of 1,985,910 thousand euro, as follows:

| (in thousands of euro) | | | |
|--|--------------------|--------------------|------------------|
| Financial asset and liability category | June 30, 2007 | December 31, 2006 | Change |
| Cash, cash equivalents and current financial assets | 1,543,937 | 1,504,486 | 39,451 |
| Cash and cash equivalents | 519,915 | 533,269 | (13,354) |
| Derivative assets | 18,841 | 5,835 | 13,006 |
| Other current financial assets | 1,005,181 | 965,382 | 39,799 |
| Short-term financing | (1,053,914) | (879,228) | (174,686) |
| Bank overdrafts | (561,976) | (469,915) | (92,061) |
| Interest-bearing loans and short-term borrowings | (479,157) | (405,656) | (73,501) |
| Derivative liabilities | (12,781) | (3,657) | (9,124) |
| Medium/long-term financial assets | 72,902 | 68,755 | 4,147 |
| Long-term financial assets | 47,157 | 48,891 | (1,734) |
| Long-term derivative assets | 25,745 | 19,864 | 5,881 |
| Medium/long-term financing | (2,548,835) | (2,551,269) | 2,434 |
| Interest-bearing loans and long-term borrowings | (2,513,064) | (2,531,204) | 18,140 |
| Long-term derivative liabilities | (35,771) | (20,065) | (15,706) |
| Net financial position | (1,985,910) | (1,857,256) | (128,654) |

15) Loans and borrowings

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

| | June 30, 2007 | December 31, 2006 |
|--|------------------|-------------------|
| (in thousands of euro) | | |
| Amounts due to banks | 1,366,186 | 1,494,398 |
| Debentures | 1,074,235 | 791,785 |
| Financing entities | 58,838 | 229,546 |
| Finance lease payables | 13,805 | 15,475 |
| Interest-bearing loans and long-term borrowings | 2,513,064 | 2,531,204 |
| Fair value non-current hedging derivatives | 35,771 | 20,065 |
| Total interest-bearing loans and long-term borrowings | 2,548,835 | 2,551,269 |
| Amounts due to banks | 561,976 | 469,915 |
| Current portion loans and borrowings | 239,308 | 168,934 |
| Debentures | 9 | 9 |
| Financing entities | 228,860 | 229,178 |
| Finance lease payables | 2,868 | 3,090 |
| Financial accruals and deferred income | 8,112 | 4,445 |
| Short-term loans and borrowings | 1,041,133 | 875,571 |
| Fair value current hedging derivatives | 12,781 | 3,657 |
| Total short-term loans and borrowings | 1,053,914 | 879,228 |
| Total loans and borrowings | 3,602,749 | 3,430,497 |

The main changes in loans and borrowings in the half-year were as follows:

- In accordance with the contractual provisions and therefore without any additional charges, Italmobiliare settled the financing received from Calyon (25.3 million euro) which was due to expire in December 2007. The financial resources were raised from drawings on the revocable credit lines arranged with Calyon itself. The spreads on these facilities are significantly lower than those on the previous borrowing;
- Italmobiliare renegotiated the medium-term financing with Société Générale (25.0 million euro), redefining the contract and obtaining better overall conditions in terms of maturity and interest;
- Italcementi S.p.A. re-negotiated a 200 million euro loan and increased a line of credit from 180 million to 200 million euro; on both facilities, maturity was extended by three years, better conditions were obtained and the related financial covenants were annulled. No drawings had been made on the line of credit at June 30, 2007;
- Italcementi S.p.A. arranged a six-year 50 million euro line of credit with no financial covenants; no drawings had been made on the line of credit at June 30, 2007;
- Ciments Français S.A. issued a new non-amortizable debenture for 500 million euro, bearing interest at a fixed rate of 4.75%, with a 10-year maturity, under its Euro Medium Term Note program; the transaction was settled on April 4, 2007. Simultaneously, Ciments Français made early repayment, for 190.7 million euro, of part of a debenture issued in July 2002 maturing in July 2009.

Loans secured by mortgages and liens on property, plant and equipment at June 30, 2007, amounted to 101.9 million euro.

Confirmed and undrawn lines of credit

At June 30, 2007, in addition to the loans and borrowings on the face of the balance sheet, the Group had confirmed and undrawn lines of credit for 2,750 million euro (2,462 million euro at December 31, 2006).

Non-current loans and borrowings by currency

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

| | June 30, 2007 | December 31, 2006 | Change |
|------------------------|------------------|-------------------|-----------------|
| (in thousands of euro) | | | |
| Euro | 1,969,840 | 1,961,561 | 8,279 |
| US and Canadian dollar | 386,114 | 411,619 | (25,505) |
| Egyptian lira | 126,000 | 135,200 | (9,200) |
| Indian rupee | 30,100 | 21,671 | 8,429 |
| Hungarian florin | 623 | 634 | (11) |
| Swiss franc | 111 | 136 | (25) |
| Polish zloty | 98 | 219 | (121) |
| Slovak crown | 98 | 97 | 1 |
| Ukrainian hryvna | 49 | 50 | (1) |
| Bulgarian lev | 31 | 17 | 14 |
| Total | 2,513,064 | 2,531,204 | (18,140) |

Financial instruments

Fair value of derivative financial instruments

The fair value of the financial instruments in the balance sheet, subdivided by type of hedge, is set out below:

| (in thousands of euro) | June 30, 2007 | | December 31, 2006 | |
|--|---------------|-----------------|-------------------|-----------------|
| | Assets | Liabilities | Assets | Liabilities |
| Interest-rate derivatives hedging cash flows | 655 | | 396 | |
| Interest-rate derivatives hedging fair value | 3,797 | | | |
| Trading interest-rate derivatives | 12,434 | (9,937) | 3,175 | (564) |
| Interest-rate derivatives | 16,886 | (9,937) | 3,571 | (564) |
| Exchange-rate derivatives hedging cash flows | 137 | (1,910) | 278 | (1,065) |
| Exchange-rate derivatives hedging fair value | 7 | (78) | 2 | (73) |
| Trading exchange-rate derivatives | 929 | (275) | 377 | (414) |
| Exchange-rate derivatives | 1,073 | (2,263) | 657 | (1,552) |
| Total current instruments | 17,959 | (12,200) | 4,228 | (2,116) |
| Interest-rate derivatives hedging cash flows | 25,714 | (795) | 17,153 | (4,868) |
| Interest-rate derivatives hedging fair value | | (8,641) | 2,711 | |
| Interest-rate derivatives | 25,714 | (9,436) | 19,864 | (4,868) |
| Exchange-rate derivatives hedging cash flows | 31 | (67) | | |
| Exchange-rate derivatives hedging fair value | | (26,268) | | (15,197) |
| Exchange-rate derivatives | 31 | (26,335) | | (15,197) |
| Total non-current instruments | 25,745 | (35,771) | 19,864 | (20,065) |
| Banking derivatives - forwards | 680 | (379) | 1,162 | (1,095) |
| Banking derivatives - options | 202 | (202) | 445 | (446) |
| Banking derivatives | 882 | (581) | 1,607 | (1,541) |
| Total | 44,586 | (48,552) | 25,699 | (23,722) |

Covenants

In addition to the customary clauses, some of the construction material companies' financing contracts include covenants requiring compliance with financial ratios.

At June 30, 2007, lines of credit and loans subject to covenants accounted for 44% of total gross debt (nominal value of short- and long-term borrowings, equivalent to 2,792 million euro at June 30, 2007).

At June 30, 2007, the ratios in question were well within the limits set by the covenants.

The lines of credit and financing contracts do not contain clauses that would require early repayment or rating triggers that would cause interest rates to rise in the event of a rating downgrade. Equally, they do not contain negative pledges or similar commitments that might affect the ability to finance or refinance operations.

Commitments

| (in millions of euro) | June 30, 2007 | | | |
|--|---------------|--------------|--------------|--------------|
| | | under 1 year | 1 to 5 years | over 5 years |
| Commitments for purchases of property, plant and equipment | 143.4 | 131.0 | 12.4 | |

Income statement

16) Revenues

Revenues from sales and services totaled 3,283,028 thousand euro, as follows:

| (in thousands of euro) | 1st half 2007 | 1st half 2006 | Change | % change |
|---------------------------------------|------------------|------------------|----------------|--------------|
| Industrial revenues | | | | |
| Product sales | 3,096,073 | 2,908,395 | 187,678 | 6.5% |
| Revenues from services | 93,610 | 85,891 | 7,719 | 9.0% |
| Other revenues | 1,624 | 35 | 1,589 | 4540.0% |
| Total | 3,191,307 | 2,994,321 | 196,986 | 6.6% |
| Financial revenues | | | | |
| Interest | 16,589 | 8,345 | 8,244 | 98.8% |
| Dividends | 26,983 | 31,335 | (4,352) | -13.9% |
| Capital gains | 542 | 20,672 | (20,130) | -97.4% |
| Other revenues | 20,919 | 7,647 | 13,272 | 173.6% |
| Total | 65,033 | 67,999 | (2,966) | -4.4% |
| Banking revenues | | | | |
| Interest | 4,357 | 3,410 | 947 | 27.8% |
| Commissions | 17,092 | 17,322 | (230) | -1.3% |
| Other revenues | 4,298 | 3,791 | 507 | 13.4% |
| Total | 25,747 | 24,523 | 1,224 | 5.0% |
| Property and services revenues | 941 | 734 | 207 | 28.2% |
| Grand total | 3,283,028 | 3,087,577 | 195,451 | 6.3% |

17) Goods and utilities expenses

Goods and utilities expenses amounted to 1,177,539 thousand euro, as follows:

| (in thousands of euro) | 1st half 2007 | 1st half 2006 | Change | % change |
|--|------------------|------------------|----------------|--------------|
| Raw materials and semi-finished goods | 398,166 | 337,181 | 60,985 | 18.1% |
| Fuel | 245,582 | 183,879 | 61,703 | 33.6% |
| Packaging, materials and machinery | 187,695 | 169,592 | 18,103 | 10.7% |
| Finished goods | 169,263 | 169,065 | 198 | 0.1% |
| Electricity, water, gas | 227,152 | 223,772 | 3,380 | 1.5% |
| Change in inventories of raw materials, consumables, other | (50,319) | (17,491) | (32,828) | 187.7% |
| Total | 1,177,539 | 1,065,998 | 111,541 | 10.5% |

18) Services expenses

Services expenses amounted to 768,015 thousand euro, as follows:

| (in thousands of euro) | 1st half 2007 | 1st half 2006 | Change | % change |
|-----------------------------------|----------------|----------------|---------------|--------------|
| External services and maintenance | 275,089 | 241,267 | 33,822 | 14.0% |
| Transport | 296,193 | 267,208 | 28,985 | 10.8% |
| Legal fees and consultancy | 38,928 | 25,584 | 13,344 | 52.2% |
| Rents | 52,458 | 46,030 | 6,428 | 14.0% |
| Insurance | 23,994 | 22,735 | 1,259 | 5.5% |
| Subscriptions | 5,586 | 5,324 | 262 | 4.9% |
| Other | 75,767 | 65,130 | 10,637 | 16.3% |
| Total | 768,015 | 673,278 | 94,737 | 14.1% |

19) Employee expenses

Employee expenses totaled 520,920 thousand euro, as follows:

| (in thousands of euro) | 1st half 2007 | 1st half 2006 | Change | % change |
|-------------------------------|----------------|----------------|---------------|-------------|
| Wages and salaries | 343,714 | 318,397 | 25,317 | 8.0% |
| Social security contributions | 111,136 | 105,131 | 6,005 | 5.7% |
| Provisions and pension funds | 14,344 | 15,278 | (934) | -6.1% |
| Cost of stock option plans | 4,811 | 2,554 | 2,257 | 88.4% |
| Other expenses | 46,915 | 41,628 | 5,287 | 12.7% |
| Total | 520,920 | 482,988 | 37,932 | 7.9% |

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

The number of employees is shown below:

| (heads) | 1st half 2007 | 1st half 2006 |
|-----------------------------------|---------------|---------------|
| Number of employees at period end | 25,178 | 23,933 |
| Average number of employees | 24,811 | 22,955 |

Stock options

Based on the results reported in 2006, on March 21, 2007, the Italmobiliare S.p.A. Board of Directors granted a total of 122,479 options vesting after January 1, 2010, to directors and managers.

The following table sets out the assumptions used and the results obtained in measuring the Italmobiliare S.p.A. options:

| | 2007 plan |
|-------------------------------|-----------|
| Value of option on grant date | € 23.640 |
| Value of share | € 87.410 |
| Exercise price | € 86.069 |
| Volatility as % | 17.50% |
| Length of option (in years) | 9.75 |
| Dividend % | 1.45% |
| BTP 10-year risk free rate | 3.652% |

The terms and conditions of the Italmobiliare S.p.A. stock option plans at June 30, 2007 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 | 1/1/2006 - 12/31/2012 | 39,720 | | 9,563 | € 31.2800 |
| March 30, 2004 | 96,080 | 1/1/2007 - 12/31/2013 | | | 96,080 | € 35.1990 |
| March 30, 2005 | 108,437 | 1/1/2008 - 12/31/2014 | | | 108,437 | € 54.5355 |
| March 21, 2006 | 109,880 | 1/1/2009 - 12/31/2015 | | | 109,880 | € 65.7010 |
| March 21, 2007 | 122,479 | 1/1/2010 - 12/31/2016 | | | 122,479 | € 86.0685 |
| Total | 486,159 | | 39,720 | - | 446,439 | |

20) Other operating income/(expense)

Other operating expense, net of income, stood at 108,819 thousand euro, as follows:

| (in thousands of euro) | 1st half 2007 | 1st half 2006 | Change | % change |
|--|----------------|---------------|---------------|--------------|
| Other taxes | 34,313 | 35,501 | (1,188) | -3.3% |
| Provision for bad debts | 3,789 | 4,498 | (709) | -15.8% |
| Provision for environmental restoration - quarries | 14,021 | 10,208 | 3,813 | 37.4% |
| Miscellaneous expense | 58,391 | 50,187 | 8,204 | 16.3% |
| Miscellaneous income | (1,695) | (2,664) | 969 | -36.4% |
| Total | 108,819 | 97,730 | 11,089 | 11.3% |

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

Finance costs, net of income, totaled 59,224 thousand euro, as follows:

| (in thousands of euro) | 1st half 2007 | | 1st half 2006 | |
|--|---------------|-----------------|---------------|-----------------|
| | Income | Costs | Income | Costs |
| Net interest in respect of NFP: | | | | |
| Interest income | 11,221 | | 13,117 | |
| Interest expense | | (70,146) | | (66,919) |
| Subtotal | 11,221 | (70,146) | 13,117 | (66,919) |
| Net dividends | 7,736 | | 4,991 | |
| Capital gains from sale of equity investments | 1,983 | | 1,277 | |
| Other finance income | 2,436 | | 1,965 | |
| Other finance costs | | (12,247) | | (6,846) |
| Subtotal | 12,155 | (12,247) | 8,233 | (6,846) |
| Total finance income and costs | 23,376 | (82,393) | 21,350 | (73,765) |
| Gains/(losses) from interest-rate derivative contracts | 2,477 | | | (250) |
| Gains/(losses) from exchange-rate derivative contracts | | (333) | | (186) |
| Net exchange rate differences | | (2,351) | | (4,396) |
| Net exchange rate differences and net derivatives | | (207) | | (4,832) |
| Total finance income and (costs), net exchange rate differences and net derivatives | | (59,224) | | (57,247) |

The increase in net finance costs related essentially to costs for early repayment of the 2002 debenture for 5.2 million euro. Net interest in respect of the net financial position reflected the rise in rates offset only in part by the decrease in 2007 half-year average net debt compared with the year-earlier period.

22) Income tax expense

Income tax expense for the period of 137,108 thousand euro was as follows:

| (in thousands of euro) | 1st half 2007 | 1st half 2006 | Change | % change |
|--------------------------|----------------|----------------|----------------|--------------|
| Current tax | 129,546 | 161,496 | (31,950) | -19.8% |
| Deferred tax liabilities | 7,562 | (17,880) | 25,442 | -142.3% |
| Total | 137,108 | 143,616 | (6,508) | -4.5% |

The reduction in income tax expense, despite the decrease in the positive effect of non-recurring prior-year fiscal items mainly in the construction materials sector, arose largely as a result of the decrease in tax rates in Spain, Greece and Bulgaria.

23) Earnings per share

Earnings per share at June 30, 2007 and 2006 is computed separately for ordinary shares and for savings shares, on the basis of the net profit for the respective periods attributable to the Parent Company.

Basic earnings per share

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

| | June 30, 2007 | | June 30, 2006 | |
|--|-----------------|----------------|-----------------|----------------|
| (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 | (911) | (29) | (911) | (29) |
| Weighted average number of treasury shares purchased during the period | 34 | | | |
| Total | 21,306 | 16,314 | 21,272 | 16,314 |
| Attributable net profit in thousands of euro | 73,883 | 57,210 | 82,517 | 63,924 |

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

| | June 30, 2007 | | June 30, 2006 | |
|---|-----------------|----------------|-----------------|----------------|
| (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 | 73,883 | 56,574 | 82,517 | 63,288 |
| Total | 73,883 | 57,210 | 82,517 | 63,924 |
| Net profit per share | 3.468 | 3.507 | 3.879 | 3.918 |

Diluted earnings per share

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

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

| | June 30, 2007 | | June 30, 2006 | |
|--|-----------------|----------------|-----------------|----------------|
| (in thousands of shares) | Ordinary shares | Savings shares | Ordinary shares | Savings shares |
| Weighted average no. of shares at December 31 | 21,306 | 16,315 | 21,271 | 16,315 |
| Dilution effect of stock options | 124 | | 78 | |
| Total | 21,430 | 16,315 | 21,349 | 16,315 |
| Attributable net profit for diluted earnings per share in thousands of euro | 74,069 | 57,024 | 82,648 | 63,793 |

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

| | June 30, 2007 | | June 30, 2006 | |
|---|-----------------|----------------|-----------------|----------------|
| (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 | 74,069 | 56,388 | 82,648 | 63,157 |
| Total | 74,069 | 57,024 | 82,648 | 63,793 |
| Diluted net profit per share in euro | 3.456 | 3.495 | 3.871 | 3.910 |

Dealings with related parties

The following table sets out data on dealings with related parties at June 30, 2007:

| June 30, 2007 | | | | | |
|---|--|-----------------------------|--------------------------------|--|--|
| (in thousands of euro) | Revenues (purchases) goods and services | Other income / (expense) | Interest income / (expense) | Trade and other receivables (payables) | Financial receivables (payables) |
| Subsidiaries and associates not consolidated on a line-by-line basis | 11,855 | 369 | 82 | 9,259 | 2,689 |
| | (22,304) | (1) | (7) | (2,147) | (676) |
| Other related parties | 97 | 2,354 | | 50 | |
| | (318) | (1,200) | | (193) | |
| Total | 11,952 | 2,723 | 82 | 9,309 | 2,689 |
| | (22,622) | (1,201) | (7) | (2,340) | (676) |
| % of financial statement items | 0.4% | 2.5% | 0.4% | 0.6% | 0.2% |
| | 0.9% | 1.1% | 0.0% | 0.3% | 0.0% |

| June 30, 2006 | | | | | |
|---|--|-----------------------------|--------------------------------|--|--|
| (in thousands of euro) | Revenues (purchases) goods and services | Other income / (expense) | Interest income / (expense) | Trade and other receivables (payables) | Financial receivables (payables) |
| Subsidiaries and associates not consolidated on a line-by-line basis | 11,695 | 269 | 110 | 10,035 | 4,329 |
| | (20,742) | | (26) | (3,123) | (111) |
| Other related parties | 90 | | | 43 | |
| | (950) | (1,200) | | (601) | |
| Total | 11,785 | 269 | 110 | 10,078 | 4,329 |
| | (21,692) | (1,200) | (26) | (3,724) | (111) |
| % of financial statement items | 0.4% | 0.3% | 0.5% | 0.6% | 0.3% |
| | 0.9% | 1.2% | 0.0% | 0.5% | 0.0% |

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 Carrières 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 Italsigma S.r.l.

At June 30, 2007, other expense of 1,200 thousand euro in respect of "Other related parties" (1,200 thousand euro at June 30, 2006) consisted of the payments made by Italcementi S.p.A. of 900 thousand euro and Italmobiliare S.p.A. of 300 thousand euro to the Fondazione Italcementi Cav. Lav. Carlo Pesenti.

Other income of 2,354 thousand euro referred to the capital gain reported by Italcementi S.p.A. on the sale of a portion of the Via Vivaldi property in Bergamo to the River S.p.A. company.

24) Non-recurring transactions

Details on and the impact of the most significant non-recurring transactions on the Group's equity, income and financial position are set out below:

| (in thousands of euro) | 1st half 2007 | | | | | |
|--|----------------------|--------------|---------------------------|--------------|--------------------|--------------|
| | Shareholders' equity | | Net profit for the period | | Net debt | |
| | amount | % | amount | % | amount | % |
| Book values | 6,568,985 | | 366,998 | | (1,985,910) | |
| Net capital gains on sale of fixed assets | 6,740 | 0.10% | 6,740 | 1.84% | 23,834 | 1.20% |
| Non-recurring employee expenses for reorganizations | | | | | (4,379) | -0.22% |
| Other non-recurring income (expense) | 3,042 | 0.05% | 3,042 | 0.83% | | |
| Tax on non-recurring transactions | 1,499 | 0.02% | 1,499 | 0.41% | | |
| Non-recurring tax | | | | | | |
| Total | 11,281 | 0.17% | 11,281 | 3.07% | 19,455 | 0.98% |
| Figurative value without non-recurring transactions | 6,557,704 | | 355,717 | | (2,005,365) | |

| (in thousands of euro) | 1st half 2006 | | | | | |
|--|----------------------|--------------|---------------------------|--------------|--------------------|--------------|
| | Shareholders' equity | | Net profit for the period | | Net debt | |
| | amount | % | amount | % | amount | % |
| Book values | 5,984,044 | | 399,992 | | (2,269,531) | |
| Net capital gains on sale of fixed assets | 7,590 | 0.13% | 7,590 | 1.90% | 16,552 | 0.73% |
| Non-recurring employee expenses for reorganizations | | | | | | |
| Other non-recurring income (expense) | 2,920 | 0.05% | 2,920 | 0.73% | 2,527 | 0.11% |
| Tax on non-recurring transactions | (3,661) | 0.06% | (3,661) | 0.92% | | |
| Non-recurring tax | 14,002 | 0.23% | 14,002 | 3.50% | | |
| Total | 20,851 | 0.35% | 20,851 | 5.21% | 19,079 | 0.84% |
| Figurative value without non-recurring transactions | 5,963,193 | | 379,141 | | (2,288,610) | |

Post balance-sheet events

No significant events occurred whose effects would warrant amendments to or additional comments on the Group balance sheet, income statement and financial position at June 30, 2007.

Annex

The following table has been prepared in accordance with CONSOB Resolution no. 11971, art. 126, of May 14, 1999, which requires listed companies to disclose their investments in unlisted companies when such investments exceed 10% of the companies' voting capital.

For the purpose of a full description of the consolidated companies, the table also sets out equity investments held in listed companies when such investments exceed 10% of the companies' voting capital.

The table also shows the consolidation method and indicates investments valued with the equity method.

| Company | Registered office | | Share capital | Interest held by Group companies | | | Method |
|---|-----------------------|----|---|----------------------------------|----------|----------------|--|
| | | | | Direct | Indirect | % | |
| Parent company Italmobiliare S.p.A. | Milan | IT | EUR 100,166,937.00 | | | | |
| Amprica S.p.A. | Castelforte | IT | EUR 7,362,470.44 | | 100.00 | 100.00 | Sirap Gema S.p.A. |
| Azienda Vendite Acquisti A.V.A. S.r.l. | Milan | IT | EUR 2,550,000.00 | 100.00 | - | 100.00 | Italmobiliare S.p.A. |
| Bulgariapack S.r.l. | Sofia | BG | BGN 5,000.00 | - | 100.00 | 100.00 | Petruzalek Gesellschaft mbH (Austria) |
| Burgo Group S.p.A. | Altavilla Vicentina | IT | EUR 205,443,391.40 | - | 11.68 | 11.68 | Société de Participation Financière Italmobiliare SA |
| CJSC INLINE-R | Moscow | RU | RUB 30,230,640.00 | | 72.22 | 72.22 | Inline Poland Sp. z o.o. |
| Compagnia Fiduciaria Nazionale S.p.A. | Milan | IT | EUR 312,000.00 | 16.67 | - | 16.67 | Italmobiliare S.p.A. |
| Credit Mobilier de Monaco S.A. | Montecarlo | PM | EUR 5,355,000.00 | - | 99.91 | 99.91 | Société de Participation Financière Italmobiliare SA |
| Enhanced Frontier Limited | Nassau | BS | EUR 100.00 | - | 100.00 | 100.00 | Finter Bank Zurich S.A. |
| Fin.Priv. S.r.l. | Milan | IT | EUR 20,000.00 | 14.28 | - | 14.28 | Italmobiliare S.p.A. |
| Fincomind AG | Zurich | CH | CHF 10,010,000.00 | 69.93 | 30.07 | 69.93 30.07 | Italmobiliare S.p.A. Société de Participation Financière Italmobiliare SA |
| Finconsult AG | Zurich | CH | CHF 500,000.00 | - | 100.00 | 100.00 | Finter Bank Zurich S.A. |
| Finter Bank & Trust (Bahamas) Ltd. | Nassau | BS | USD 5,000,000.00 | - | 100.00 | 100.00 | Finter Bank Zurich S.A. |
| Finter Bank Zurich S.A. | Zurich | CH | CHF 45,000,000.00 | - | 100.00 | 100.00 | Fincomind A.G. |
| Finter Fund Management Company S.A. | Luxembourg | LU | CHF 250,000.00 | - | 100.00 | 100.00 | Finter Bank Zurich S.A. |
| FinterLife Lebensversicherungs-Aktiengesellschaft | Vaduz | LI | CHF 7,000,000.00 | - | 90.00 | 90.00 | Finter Bank Zurich S.A. |
| Franco Tosi S.r.l. | Milan | IT | EUR 90,000,000.00 | 100.00 | - | 100.00 | Italmobiliare S.p.A. |
| GESVIM S.r.l. | Milan | IT | Resolved 1,500,000 EUR Subscribed and paid-up: 10,000 | - | 50.00 | 50.00 | Azienda Vendite Acquisti A.V.A. S.r.l. |
| GIST S.r.l. Gamma Iniziative Sportive Turistiche | Milan | IT | EUR 389,200.00 | - | 50.00 | 50.00 | Franco Tosi S.r.l. |
| Hungaropack Kft | Budapest | HU | HUF 4,800,000.00 | - | 100.00 | 69.80 30.20 | Petruzalek Kft (Ungheria) Sirap Gema Finance S.A. |
| ICS Petruzalek Srl | Chisinau | MD | MDL 81,518.50 | - | 100.00 | 100.00 | Petruzalek Com S.r.l. (Romania) |
| Immobiliare F.C.M. di Ferrari Elena & C. sas | Verolanuova | IT | EUR 2,582.28 | - | 100.00 | 100.00 | Amprica S.p.A. |
| Immobiliare Golf Punta Ala S.p.A. | Punta Ala (GR) | IT | EUR 5,164,000.00 | - | 33.50 | 8.75 24.75 | Punta Ala Promozione e Sviluppo Immobiliare S.r.l. Azienda Vendite Acquisti A.V.A. S.r.l. |
| Immobiliare Lido di Classe S.p.A. in liq. | Rome | IT | EUR 255,000.00 | 18.04 | - | 18.04 | Italmobiliare S.p.A. |
| Inline Balkans o.o.d. | Sofia | BG | BGN 50,000.00 | | 60.00 | 60.00 | Inline Poland Sp. z o.o. |
| Inline Czechia s.r.o. | Grygov o/Olomuniec | CZ | CZK 500,000.00 | | 100.00 | 100.00 | Petruzalek Srl (Rep. Ceca) |

| Company | Registered office | | Share capital | | Interest held by Group companies | | | Method |
|---|-------------------|----|--|--------|----------------------------------|----------|---|--------------|
| | | | | | Direct | Indirect | % | |
| Inline Poland Sp. z o.o. | Poznan | PL | PLN 3,846,000.00 | - | 91.00 | 91.00 | Amprica S.p.A. | Line-by-line |
| Inline Ukraine Ltd | Dniepropetrovsk | UA | UAH 17,959,028.15 | - | 60.00 | 60.00 | Inline Poland S.p. z o.o. | Line-by-line |
| Italmobiliare International BV | Amsterdam | NL | EUR Resolved 75.000 Subscribed 19.500 | 100.00 | - | 100.00 | Italmobiliare S.p.A. | Line-by-line |
| Italmobiliare International Finance Ltd. | Dublin | IE | EUR 1,336,400.00 | 97.27 | 2.73 | 97.27 | Italmobiliare S.p.A. | Line-by-line |
| | | | | | | 2.73 | Société de Participation Financière Italmobiliare SA | |
| Italmobiliare Servizi S.r.l. | Milan | IT | EUR 260,000.00 | 100.00 | - | 100.00 | Italmobiliare S.p.A. | Line-by-line |
| Meltemi S.r.l. | Milan | IT | EUR 119,000.00 | 10.91 | - | 10.91 | Italmobiliare S.p.A. | At cost |
| Mittel S.p.A. | Milan | IT | EUR 66,000,000.00 | 12.91 | - | 12.91 | Italmobiliare S.p.A. | Equity |
| Neyrtec Industrie SA | Le Pont de Claix | FR | FF 10,000,000.00 | 100.00 | - | 100.00 | Italmobiliare S.p.A. | At cost |
| Petruszalek Ltd (Turchia) | Istanbul | TR | YTL 40,000.00 | - | 100.00 | 90.00 | Petruszalek Gesellschaft mbH (Austria) | At cost |
| | | | | | | 10.00 | Petruszalek Com S.r.l. (Romania) | |
| Petruszalek Com S.r.l. (Romania) | Bucharest | RO | ROL 26,000,000.00 | - | 100.00 | 100.00 | Petruszalek Gesellschaft mbH (Austria) | Line-by-line |
| Petruszalek d.o.o. (Croazia) | Samobor | HR | HRK 129,500.00 | - | 100.00 | 100.00 | Petruszalek Gesellschaft mbH (Austria) | Line-by-line |
| Petruszalek d.o.o. (Serbia) | Zemun (Batajnica) | YU | CSD 878,427.00 | - | 100.00 | 100.00 | Petruszalek Gesellschaft mbH (Austria) | Line-by-line |
| Petruszalek d.o.o. (Slovenia) | Maribor | SI | EUR 9,959.08 | - | 100.00 | 100.00 | Petruszalek Gesellschaft mbH (Austria) | Line-by-line |
| Petruszalek Gesellschaft mbH (Austria) | Tattendorf | AT | EUR 1,000,000.00 | - | 100.00 | 100.00 | Sirap Gema Finance S.A. | Line-by-line |
| Petruszalek Kft (Ungheria) | Budapest | HU | HUF 600,000,000.00 | - | 100.00 | 100.00 | Sirap Gema Finance S.A. | Line-by-line |
| Petruszalek o.o.o. (Ucraina) | Odessa | UA | UAH 214,831.00 | - | 90.00 | 90.00 | Petruszalek Gesellschaft mbH (Austria) | Line-by-line |
| Petruszalek S.r.l. (Bosnia) | Sarajevo | BA | BAM 10,000.00 | - | 100.00 | 100.00 | Petruszalek Gesellschaft mbH (Austria) | Line-by-line |
| Petruszalek S.r.o. (Rep. Slovacca) | Bratislava | SK | SKK 460,000.00 | - | 100.00 | 100.00 | Sirap Gema Finance S.A. | Line-by-line |
| Petruszalek spol. S.r.o. (Rep. Ceca) | Breclav | CZ | CZK 2,300,000.00 | - | 100.00 | 100.00 | Sirap Gema Finance S.A. | Line-by-line |
| Populonia Italica S.r.l. | Milan | IT | EUR 1,040,000.00 | 100.00 | - | 100.00 | Italmobiliare S.p.A. | Line-by-line |
| Punta Ala Promozione e Sviluppo Immobiliare S.r.l. | Milan | IT | EUR 1,300,000.00 | 99.48 | 0.52 | 99.48 | Italmobiliare S.p.A. | Line-by-line |
| | | | | | | 0.52 | SICIL.FIN. S.r.l. | |
| S.r.l. Nuove Costruzioni Edilizie Sance | Milan | IT | EUR 139,725.00 | 100.00 | - | 100.00 | Italmobiliare S.p.A. | Line-by-line |
| Sirap Gema Finance SA | Luxembourg | LU | EUR 7,797,220.00 | - | 100.00 | 0.03 | Franco Tosi S.r.l. | Line-by-line |
| | | | | | | 99.97 | Sirap Gema S.p.A. | |
| Sirap Gema France SAS | Noves | FR | EUR 3,520,000.00 | - | 100.00 | 100.00 | Sirap Gema S.p.A. | Line-by-line |
| Sirap-Gema Iberica S.L. | Barcelona | ES | EUR 300,000.00 | - | 100.00 | 100.00 | Sirap Gema S.p.A. | Line-by-line |
| Sirap Gema Insulation Systems S.r.l. | Verolanuova (BS) | IT | EUR 2,715,000.00 | - | 100.00 | 100.00 | Sirap Gema S.p.A. | Line-by-line |
| Sirap Gema S.p.A. | Verolanuova (BS) | IT | EUR 17,020,905.00 | 100.00 | - | 100.00 | Italmobiliare S.p.A. | Line-by-line |
| Soc. Civile Immobilière d'Investissement et de Placements | Nice | FR | EUR 15,244.90 | - | 100.00 | 99.00 | Soc.d'Etudes de Participations et de Courtages | Line-by-line |
| | | | | | | 1.00 | Soc. Civile Particulière Immobil | |
| Soc. Civile Particulière Immobil | Cagnes sur Mer | FR | EUR 94,518.39 | - | 100.00 | 99.84 | Soc.d'Etudes de Participations et de Courtages | Line-by-line |
| | | | | | | 0.16 | Soc. Civile Immobilière d'Investissement et de Placements | |
| Soc. Editrice Siciliana S.E.S. S.p.A | Messina | IT | EUR 5,112,900.00 | 33.00 | - | 33.00 | Italmobiliare S.p.A. | Equity |
| Société d'Etudes de Participations et de Courtages | Monte Carlo | PM | EUR 1,290,000.00 | - | 99.84 | 99.84 | Société de Participation Financière Italmobiliare SA | Line-by-line |
| Société de Participation Financière Italmobiliare S.A. | Luxembourg | LU | EUR 103,118,928.00 | 99.94 | 0.06 | 99.94 | Italmobiliare S.p.A. | Line-by-line |
| | | | | | | 0.06 | Franco Tosi S.r.l. | |

| Company | Registered office | | Share capital | Interest held by Group companies | | | | Method |
|--|----------------------|----|--------------------|----------------------------------|----------|---------------|--|--------------|
| | | | | Direct | Indirect | % | | |
| Soparfinter S.A. | Luxembourg | LU | EUR 3,111,600.00 | - | 100.00 | 97.85 2.15 | Fincomind A.G. Société de Participation Financière Italmobiliare S.A. | Line-by-line |
| Terfin S.A. in liquidation | Paris | FR | EUR 440,400.00 | - | 100.00 | 98.40 1.60 | Soparfinter S.A. Fincomind A.G. | Line-by-line |
| Universal Imballaggi Sr.l. | Palermo | IT | EUR 1,731,588.00 | - | 40.92 | 40.92 | Sirap Gema S.p.A. | Line-by-line |
| | | | | | | | | |
| Italcementi S.p.A. | Bergamo | IT | EUR 282,548,942.00 | 36.82 | 1.14 | 36.82 | Italmobiliare S.p.A. | Line-by-line |
| | | | | | | 1.14 | Italcementi S.p.A. | |
| | | | | | | 58.74 | Italmobiliare S.p.A. | |
| Aliserio S.r.l. | Bergamo | IT | EUR 2,270,000.00 | 10.00 | 90.00 | 90.00 | Italcementi S.p.A. | Line-by-line |
| | | | | | | 10.00 | Italmobiliare S.p.A. | |
| Atmos Wind S.p.A. | Milan | IT | EUR 378,100.00 | - | 10.58 | 10.58 | Italgen S.p.A. | |
| Axim Italia S.r.l. | Sorisole (BG) | IT | EUR 2,000,000.00 | - | 100.00 | 99.90 0.10 | Italcementi S.p.A. SICIL.FIN. S.r.l. | Line-by-line |
| Azienda Agricola Lodoletta S.r.l. | Bergamo | IT | EUR 10,400.00 | - | 75 | 75.00 | Italcementi S.p.A. | |
| Betodomi S.A. | Iraklion | GR | EUR 117,200.00 | - | 30.00 | 30.00 | Domiki Béton S.A. | |
| Betongenova S.r.l. - in liquidation | Genoa | IT | EUR 10,400.00 | - | 36.12 | 22.68 | Calcestruzzi S.p.A. | |
| | | | | | | 13.44 | Cemencal S.p.A. | |
| BravoBus S.r.l. | Bergamo | IT | EUR 600,000.00 | - | 51.00 | 51.00 | BravoSolution S.p.A. | Line-by-line |
| BravoSolution Espana S.A. | Madrid | ES | EUR 120,400.00 | - | 99.99 | 99.99 | BravoSolution S.p.A. | Line-by-line |
| BravoSolution France S.a.s. | Boulogne Billancourt | FR | EUR 2,000,000.00 | - | 100.00 | 100.00 | BravoSolution S.p.A. | Line-by-line |
| BravoSolution S.p.A. | Bergamo | IT | EUR 21,802,379.00 | 8.15 | 80.57 | 80.57 | Italcementi S.p.A. | Line-by-line |
| | | | | | | 8.15 | Italmobiliare S.p.A. | |
| BravoSolution UK Ltd | Londra | GB | GBP 50,000.00 | - | 100.00 | 100.00 | BravoSolution S.p.A. | Line-by-line |
| C.T.G. S.p.A. | Bergamo | IT | EUR 500,000.00 | - | 100.00 | 50.00 | Italcementi S.p.A. | Line-by-line |
| | | | | | | 50.00 | Ciments Français S.A. | |
| CTG USA LLC | Nazareth | US | - | - | 100.00 | 90.00 | C.T.G. S.p.A. | Line-by-line |
| | | | | | | 10.00 | Essroc Cement Corp. | |
| Calcementi Jonici S.r.l. | Siderno (RC) | IT | EUR 9,000,000.00 | - | 100.00 | 99.90 | Italcementi S.p.A. | Line-by-line |
| | | | | | | 0.10 | SICIL.FIN. S.r.l. | |
| Calcestruzzi S.p.A. | Bergamo | IT | EUR 138,000,000.00 | - | 100.00 | 99.90 | Italcementi S.p.A. | Line-by-line |
| | | | | | | 0.10 | SICIL.FIN. S.r.l. | |
| Cava delle Capannelle S.r.l. | Bergamo | IT | EUR 31,200.00 | - | 49.00 | 49.00 | Calcestruzzi S.p.A. | |
| Cemencal S.p.A. | Bergamo | IT | EUR 12,660,000.00 | - | 85.00 | 85.00 | Calcestruzzi S.p.A. | Line-by-line |
| Cement Project Services Management & Consulting S.r.l. | Roma | IT | EUR 10,000.00 | - | 45.00 | 45.00 | Italcementi S.p.A. | Equity |
| Cementi della Lucania S.p.A. | Potenza | IT | EUR 619,746.00 | - | 30.00 | 30.00 | Italcementi S.p.A. | Equity |
| Cementi e Calci di S. Marinella S.r.l. | Bergamo | IT | EUR 10,000.00 | - | 66.67 | 66.67 | Italcementi S.p.A. | Line-by-line |
| Cementificio di Montalto S.p.A. | Bergamo | IT | EUR 10,000,000.00 | - | 100.00 | 100.00 | Italcementi S.p.A. | Line-by-line |

| Company | Registered office | | Share capital | | Interest held by Group companies | | | Method |
|--|-----------------------|----|---------------|---------------|----------------------------------|----------|----------------|--|
| | | | | | Direct | Indirect | % | |
| DO CLAS S.r.l. | Milan | IT | EUR | 30,000.00 | - | 100.00 | 100.00 | Calcestruzzi S.p.A. |
| Domiki Beton S.A. | Iraklion | GR | EUR | 2,309,423.00 | - | 100.00 | 98.59 1.41 | Calcestruzzi S.p.A. Halyps Building Materials S.A. |
| E.C.I.T. S.r.l. | Ravenna | IT | EUR | 104,208.00 | - | 50.00 | 50.00 | Calcestruzzi S.p.A. |
| E.I.C.A. S.r.l. | Norcia (PG) | IT | EUR | 49,500.00 | - | 66.67 | 66.67 | Calcestruzzi S.p.A. |
| E.S.A. Monviso S.p.A. | Bergamo | IT | EUR | 1,340,000.00 | - | 100.00 | 59.00 41.00 | Calcestruzzi S.p.A. Cemencal S.p.A. |
| Ecoinerti S.r.l. | Recanati (MC) | IT | EUR | 91,800.00 | - | 50.00 | 50.00 | Calcestruzzi S.p.A. |
| Ecoserio S.r.l. | Bergamo | IT | EUR | 48,960.00 | - | 12.50 | 12.50 | Calcestruzzi S.p.A. |
| Generalcave S.r.l. | Fiumicino (RM) | IT | EUR | 31,200.00 | - | 50.00 | 50.00 | Speedybeton S.p.A. |
| Gres Dalmine Resine Wavin S.c.a.r.l. | Soriso (BG) | IT | EUR | 91,800.00 | - | 35.00 | 35.00 | Società del Gres ing. Sala S.p.A. |
| Gruppo Italsfusi S.r.l. | Savignano s/P. (MO) | IT | EUR | 156,000.00 | - | 100.00 | 99.50 0.50 | Italcementi S.p.A. SICIL.FIN. S.r.l. |
| I.GE.PO. - Impresa Gestione Porti S.r.l. - in liquidation | Vibo Valentia | IT | EUR | 25,500.00 | - | 18.00 | 18.00 | Italcementi S.p.A. |
| IMES S.r.l. | S. Cipriano Pic. (SA) | IT | EUR | 206,000.00 | - | 100.00 | 99.00 1.00 | Italcementi S.p.A. SICIL.FIN S.r.l. |
| Immobiliare Salesiane S.r.l. | Bergamo | IT | EUR | 350,000.00 | - | 100.00 | 99.00 1.00 | Italcementi S.p.A. SICIL.FIN S.r.l. |
| Intercom S.r.l. | Bergamo | IT | EUR | 2,750,000.00 | - | 100.00 | 99.50 0.50 | Italcementi S.p.A. SICIL.FIN S.r.l. |
| Intertrading S.r.l. | Bergamo | IT | EUR | 4,160,000.00 | - | 100.00 | 99.50 0.50 | Italcementi S.p.A. SICIL.FIN. S.r.l. |
| Italcementi Ingegneria S.r.l. | Bergamo | IT | EUR | 266,220.00 | - | 100.00 | 100.00 | Italcementi S.p.A. |
| Italgen Maroc S.A. | Casablanca | MA | MAD | 300,000.00 | - | 99.87 | 99.87 | Italgen S.p.A. |
| Italgen S.p.A. | Bergamo | IT | EUR | 20,000,000.00 | - | 100.00 | 99.90 0.10 | Italcementi S.p.A. SICIL.FIN S.r.l. |
| Italsigma S.r.l. | Bergamo | IT | EUR | 1,500,000.00 | - | 50.00 | 50.00 | Axim Italia S.r.l. |
| Italsintex S.p.A. | Bergamo | IT | EUR | 7,686,734.00 | - | 100.00 | 99.99 0.01 | Società del Gres ing. Sala S.p.A. SICIL.FIN. S.r.l. |
| ITC-Factor S.p.A. | Bergamo | IT | EUR | 1,500,000.00 | - | 100.00 | 99.50 0.50 | Italcementi S.p.A. SICIL.FIN. S.r.l. |
| M.P.M. Ambiente S.r.l. | Trezzo sull'Adda (MI) | IT | EUR | 130,000.00 | - | 19.00 | 19.00 | Società del Gres ing. Sala S.p.A. |
| Mantovana Inerti S.r.l. | Cavriana (MN) | IT | EUR | 702,000.00 | - | 50.00 | 50.00 | Calcestruzzi S.p.A. |
| Medcem S.r.l. | Naples | IT | EUR | 5,500,000.00 | - | 50.00 | 50.00 | Intercom S.r.l. |
| Nuova Sacelit S.r.l. | Soriso (BG) | IT | EUR | 7,500,000.00 | - | 100.00 | 99.00 1.00 | Italcementi S.p.A. Franco Tosi S.r.l. |
| Procalmi S.r.l. in liquidation | Milan | IT | EUR | 51,000.00 | - | 11.52 | 11.52 | Cemencal S.p.A. |
| S.A.F.R.A. S.r.l. | Bologna | IT | EUR | 51,480.00 | - | 33.33 | 33.33 | Calcestruzzi S.p.A. |
| SAMA S.r.l. | Bergamo | IT | EUR | 1,000,000.00 | - | 100.00 | 99.00 1.00 | Italcementi S.p.A. SICIL.FIN S.r.l. |
| Shqiperia Cement Company Shpk | Tirana | AL | ALL | 74,250,000.00 | - | 100.00 | 100.00 | Italcementi S.p.A. |

| Company | Registered office | | Share capital | | Interest held by Group companies | | | Method |
|--|-------------------|----|----------------------|---|----------------------------------|------------------------|---|--------------|
| | | | | | Direct | Indirect | % | |
| SICIL.FIN. S.r.l. | Bergamo | IT | EUR 650,000.00 | - | 100.00 | 99.50 0.50 | Italcementi S.p.A. Franco Tosi S.r.l. | Line-by-line |
| Sider Navi S.p.A. | Naples | IT | EUR 22,000,000.00 | - | 20.00 | 20.00 | Medcem S.r.l. | Equity |
| Silicalcite S.r.l. | Bergamo | IT | EUR 4,000,000.00 | - | 100.00 | 100.00 | Italcementi S.p.A. | Equity |
| Silos Granari della Sicilia S.r.l. | Bergamo | IT | EUR 5,980,000.00 | - | 100.00 | 99.90 0.10 | Italcementi S.p.A. SICIL.FIN S.r.l. | Line-by-line |
| Società del Gres ing. Sala S.p.A. | Sorisole (BG) | IT | EUR 5,858,722.00 | - | 100.00 | 99.90 0.10 | Nuova Sacelit S.r.l. SICIL.FIN S.r.l. | Line-by-line |
| Société Internationale Italcementi (Luxembourg) S.A. | Luxembourg | LU | EUR 17,715,000.00 | - | 100.00 | 99.87 0.13 | Italcementi S.p.A. SICIL.FIN S.r.l. | Line-by-line |
| Société Internationale Italcementi France S.a.s. | Paris | FR | EUR 1,621,075,000.00 | - | 99.99 | 99.99 | Italcementi S.p.A. | Line-by-line |
| SO.RI.TE. S.r.l. | Turin | IT | EUR 100,000.00 | - | 25.00 | 25.00 | Calcestruzzi S.p.A. | |
| Speedybeton S.p.A. | Pomezia (RM) | IT | EUR 300,000.00 | - | 70.00 | 70.00 | Calcestruzzi S.p.A. | Line-by-line |
| Terminal Riuniti S.r.l. | Bergamo | IT | EUR 1,000,000.00 | - | 100.00 | 100.00 | Silos Granari della Sicilia S.r.l. | Line-by-line |
| Ciments Français S.A. | Puteaux | FR | EUR 153,272,536.00 | - | 77.06 | 76.11 0.95 86.73 | Société Int. Italcementi France S.a.s. Ciments Français S.A. (diritti di voto: Société Int. Italcementi France S.a.s.) | Line-by-line |
| 1475544 Ontario Inc. | Markham | CA | CAD 100.00 | - | 100.00 | 100.00 | IM Scott Holdings Limited | Equity |
| 155290 Canada Inc. | Mississauga | CA | - | - | 100.00 | 100.00 | Essroc Canada Inc. | Line-by-line |
| 168232 Canada Inc. | Picton | CA | CAD 1.00 | - | 100.00 | 100.00 | Essroc Canada Inc. | Line-by-line |
| 168233 Canada Inc. | Picton | CA | CAD 1.00 | - | 100.00 | 100.00 | Essroc Canada Inc. | Line-by-line |
| 168257 Canada Inc. | Picton | CA | CAD 1.00 | - | 100.00 | 100.00 | Essroc Canada Inc. | Line-by-line |
| 2003897 Ontario Inc. | Concord | CA | CAD 18,300,000.20 | - | 50.00 | 50.00 | Essroc Canada Inc. | Equity |
| 3092-0631 Quebec Inc. | St. Basile | CA | CAD 6,250.00 | - | 100.00 | 100.00 | Ciment Quebec Inc. | Equity |
| Afyon Cimento Sanayi Tas | Istanbul | TR | YTL 120,000.00 | - | 78.49 | 76.51 1.02 0.96 | Ciments Français S.A. Set Group Holding Set Cimento | Line-by-line |
| Altas Ambarij Liman Tesisleri Tas | Istanbul | TR | YTL 500,000.00 | - | 12.25 | 12.25 | Set Cimento | |
| Ammos Development Quarries Ltd | Mandra | GR | EUR 18,000.00 | - | 100.00 | 100.00 | Halyps Building Materials S.A. | |
| Arena S.A. | Guerville | FR | EUR 126,000,000.00 | - | 99.99 | 99.99 | Ciments Français S.A. | Line-by-line |
| Arrow Concrete Company | Parkersburg | US | USD 79,400.00 | - | 100.00 | 100.00 | Essroc Ready Mix Corp | Line-by-line |
| Arrow Industries | Parkersburg | US | USD 500.00 | - | 100.00 | 100.00 | Essroc Ready Mix Corp | Line-by-line |
| Arrowhead Investment Company | Carson City | US | USD 1,000.00 | - | 100.00 | 100.00 | Essroc Corporation | Line-by-line |
| Arteskos 98 JSC | Dimitrovgrad | BG | BGN 70,000.00 | - | 53.08 | 53.08 | Devnya Cement A.D. | Line-by-line |
| Arteskos AD | Dimitrovgrad | BG | BGN 67,852.00 | - | 75.00 | 75.00 | Arteskos 98 JSC | Line-by-line |
| Asia Cement Products Co., Ltd | Bangkok | TH | THB 10,000,000.00 | - | 39.03 | 39.03 | Asia Cement Public Co., Ltd (*) | Line-by-line |
| Asia Cement Public Co., Ltd | Bangkok | TH | THB 4,680,000,000.00 | - | 39.03 | 24.96 14.07 | Ciments Français S.A. Vaniyuth Co. Ltd (*) | Line-by-line |
| Asment (Ciments de Temara) | Temara | MA | MAD 171,875,000.00 | - | 37.01 | 19.99 17.02 | Ciments Français S.A. Procimar S.A. | |

| Company | Registered office | | Share capital | Interest held by Group companies | | | Method |
|---|---------------------|----|--------------------|----------------------------------|----------|----------------|--|
| | | | | Direct | Indirect | % | |
| Asociacion de Empresas de Transporte a Granel | S. Sebastian | ES | EUR 23,138.41 | - | 92.86 | 92.86 | Sociedad Financiera y Minera S.A. |
| Atlantica de Graneles y Moliendas S.A. | Vizcaya | ES | EUR 5,000,000.00 | - | 50.00 | 50.00 | Sociedad Financiera y Minera S.A. |
| Axim Building Technologies S.A. | Malaga | ES | EUR 60,500.00 | - | 100.00 | 99.00 1.00 | Sociedad Financiera y Minera S.A. Compania General de Canteras S.A. |
| Axim Concrete Technologies (Canada) Inc. | Cambridge | CA | CAD 1,275,600.00 | - | 100.00 | 100.00 | Axim Concrete Technologies Inc. |
| Axim Concrete Technologies Inc. | Middlebranch | US | USD 1,000.00 | - | 100.00 | 100.00 | Essroc Corporation |
| Axim Maroc | Casablanca | MA | MAD 1,000,000.00 | - | 99.96 | 99.96 | Ciments du Maroc |
| Axim S.A. | Guerville | FR | EUR 495,625.00 | - | 99.93 | 99.93 | Ciments Calcia S.A. |
| Bayarne S.a.s. | Guerville | FR | EUR 112,000.00 | - | 100.00 | 100.00 | Ciments Calcia S.A. |
| BCE S.A. | Tourcoing | FR | EUR 38,250.00 | - | 99.80 | 99.80 | Unibéton S.A. |
| BCEAP S.n.c. | Guerville | FR | EUR 16,000.00 | - | 100.00 | 65.00 35.00 | V.B.H. S.n.c. Unibéton S.A. |
| Berkeley Resource Recovery Ltd | Winchester | US | USD 1,000.00 | - | 100.00 | 100.00 | Riverton Investment Corporation |
| Betomar S.A. | Casablanca | MA | MAD 84,397,800.00 | - | 99.99 | 99.99 | Ciments du Maroc S.A. |
| Beton.Ata LLP | Almaty | KZ | KZT 224,000,000.00 | - | 35.00 | 35.00 | Shymkent Cement |
| Béton Contrôle de Gascogne S.A. | Soorts Hossegor | FR | EUR 40,000.00 | - | 37.00 | 37.00 | Béton Contrôle du Pays Basque S.A. |
| Béton Contrôle de l'Adour S.A. | Bayonne | FR | EUR 150,000.00 | - | 59.96 | 59.96 | Béton Contrôle du Pays Basque S.A. |
| Béton Contrôle des Abers S.A. | Lannilis | FR | EUR 104,000.00 | - | 34.00 | 34.00 | Unibéton S.A. |
| Béton Contrôle du Pays Basque S.A. | Bayonne | FR | EUR 120,000.00 | - | 59.95 | 59.95 | Unibéton S.A. |
| Béton du Cap Inc. | Cap de la Madeleine | CA | CAD 7,348.00 | - | 75.00 | 75.00 | Ciment Quebec Inc. |
| Béton Saône S.A. | Macon | FR | EUR 40,000.00 | - | 35.00 | 35.00 | Unibéton S.A. |
| Bonafini S.A. | Argences | FR | EUR 45,392.00 | - | 100.00 | 96.79 3.21 | Tratel S.A. Larricq S.A. |
| Brantford Ready Mix Inc. | Ontario | CA | CAD - | - | 100.00 | 50.00 50.00 | Cambridge Concrete Group Inc. MBM Concrete Holdings Inc |
| Bureau Engineering Travaux Publics (SA BETP) | Guerande | FR | EUR 523,205.03 | - | 99.94 | 79.94 20.00 | Comp. Financière et de Participations S.A. Arena S.A. |
| Cambridge Concrete Group Inc. | Ontario | CA | CAD - | - | 100.00 | 100.00 | Essroc Canada Inc. |
| Cambridge Concrete Ltd | Ontario | CA | CAD - | - | 100.00 | 100.00 | Cambridge Concrete Group Inc. |
| Canteras Aldoyar S.L. | Olazagutia | ES | EUR 1,508,510.00 | - | 20.00 | 20.00 | Hormigones y Minas S.A. |
| Capitol Cement Corporation | Winchester | US | USD 1,000,000.00 | - | 100.00 | 100.00 | Riverton Investment Corporation |
| Carrières Bresse Bourgogne | Saint Marcel | FR | EUR 387,189.00 | - | 66.48 | 66.48 | Dragages et Carrières S.A. |
| Cementos Capa S.L. | Archidona | ES | EUR 1,260,000.00 | - | 63.00 | 63.00 | Sociedad Financiera y Minera S.A. |
| Centro Administrativo y de Servicios de Malaga S.A. | Malaga | ES | EUR 60,200.00 | - | 99.99 | 99.99 | Sociedad Financiera y Minera S.A. |
| Chatelet S.A. | Cayeux s/M. | ES | EUR 118,680.00 | - | 99.95 | 99.95 | GSM S.A. |
| Cie pour l'Investissement Financier en Inde | Paris | FR | EUR 7,350,000.00 | - | 100.00 | 100.00 | Ciments Français S.A. |
| Cifrinter | Luxembourg | LU | EUR 8,928,500.00 | - | 99.99 | 50.99 49.00 | Ciments Français S.A. Ciments Français Europe N.V. |

| Company | Registered office | | Share capital | | Interest held by Group companies | | | | Method |
|---|-------------------|----|---------------|------------------|----------------------------------|----------|--------|--|---------------|
| | | | | | Direct | Indirect | % | | |
| Ciment du Littoral S.A. | Bassens | FR | EUR | 37,000.00 | - | 99.99 | 99.99 | Ste d'Investissement & & de Participations du Littoral | Line-by-line |
| Ciment Quebec Inc. | St. Basile | CA | CAD | 19,461,000.00 | - | 100.00 | 100.00 | Groupe Ciment Quebec Inc. | Equity |
| Cimento de Bissau Limitada | Bissau | GW | XOF | 2,000,000.00 | - | 99.00 | 99.00 | Tercim S.A. | |
| Ciments Calcia S.A. | Guerville | FR | EUR | 593,836,525.00 | - | 99.99 | 99.99 | Ciments Français S.A. | Line-by-line |
| Ciments du Maroc | Casablanca | MA | MAD | 721,800,200.00 | - | 61.82 | 58.30 | Ciments Français S.A. | Line-by-line |
| | | | | | | | 3.52 | Procimar S.A. | |
| Ciments du Nord | Nouadhibou | MR | MRO | 1,340,000,000.00 | - | 15.00 | 15.00 | Ciments du Maroc | |
| Ciments Français Europe N.V. | Amsterdam | NL | EUR | 395,811,894.00 | - | 100.00 | 67.99 | Sodecim S.a.s. | Line-by-line |
| | | | | | | | 32.01 | Ciments Français S.A. | |
| Ciments Français Participations S.n.c. | Puteaux | FR | EUR | 15,001,500.00 | - | 100.00 | 99.99 | Ciments Français S.A. | Line-by-line |
| | | | | | | | 0.01 | Comp. Financière et de Participations S.A. | |
| CIMFRA (China) Limited | Puteaux | FR | EUR | 40,000.00 | - | 100.00 | 100.00 | Ciments Français S.A. | Line-by-line |
| Cisnel Descargas S.L. | Madrid | ES | EUR | 3,010.00 | - | 100.00 | 100.00 | Sociedad Financiera y Minera S.A. | |
| Compagnie des Ciments Belges S.A. | Tournai | BE | EUR | 271,923,435.00 | - | 99.99 | 42.08 | Ciments Français Europe N.V. | Line-by-line |
| | | | | | | | 26.74 | Ciments Français S.A. | |
| | | | | | | | 23.22 | Ciments Calcia S.A. | |
| | | | | | | | 7.87 | Compagnie Financière des Ciments S.A. | |
| | | | | | | | 0.08 | Compagnie Financière et de Participations S.A. | |
| Compagnie Financière des Ciments S.A. | Tournai | BE | EUR | 5,580,000.00 | - | 99.99 | 99.99 | Ciments Français S.A. | Line-by-line |
| Compagnie Financière et de Participations S.A. | Puteaux | FR | EUR | 180,000.00 | - | 99.99 | 99.99 | Ciments Français S.A. | Line-by-line |
| Compania General de Canteras S.A. | Malaga | ES | EUR | 479,283.69 | - | 99.41 | 96.12 | Sociedad Financiera y Minera S.A. | Line-by-line |
| | | | | | | | 3.29 | Sax S.a.s. | |
| Conglomerantes Hidraulicos Especiales S.A. | Madrid | ES | EUR | 2,511,960.00 | - | 85.00 | 85.00 | Sociedad Financiera y Minera S.A. | |
| Consumer Materials Inc. | Winchester | US | USD | 1,000.00 | - | 100.00 | 100.00 | Riverton Investment Corporation | Line-by-line |
| De Paepe Béton N.V. | Gent | BE | EUR | 500,000.00 | - | 99.98 | 99.98 | Compagnie des Ciments Belges S.A. | Line-by-line |
| Decoux S.A. | Beaucaire | FR | EUR | 120,000.00 | - | 100.00 | 100.00 | Tratel S.A. | Line-by-line |
| Devnya Bulk Services | Devnya | BG | BGN | 50,000.00 | - | 100.00 | 100.00 | Devnya Cement AD | |
| Devnya Cement AD | Devnya | BG | BGN | 1,028,557,000.00 | - | 99.97 | 99.97 | Marvex | Line-by-line |
| Devnya Cement St | Devnya | BG | BGN | 1,500,000.00 | - | 74.00 | 74.00 | Devnya Cement AD | |
| Devnya Finance | Devnya | BG | BGN | 50,000,000.00 | - | 50.00 | 50.00 | Devnya Cement AD | Equity |
| Divas Beheer B.V. | Amstelveeu | NL | EUR | 18,770.00 | - | 100.00 | 100.00 | Ciments Français Europe N.V. | Line-by-line |
| Dobrotitsa BSK A.D. | Dobritsch | BG | - | - | - | 26.40 | 26.40 | Devnya Cement AD | |
| Dragages et Carrières S.A. | Saint Marcel | FR | EUR | 1,000,000.00 | - | 49.99 | 49.99 | GSM S.A. | Proportionate |
| Dragages Transports & Travaux Maritimes S.A. | La Rochelle | FR | EUR | 3,957,894.00 | - | 50.00 | 33.33 | GSM S.A. | Proportionate |
| | | | | | | | 16.67 | Granulats Ouest - GO | |
| Ecocem Valorizacion de Residuos S.A. | Barcelona | ES | EUR | 109,290.00 | - | 16.33 | 16.33 | Sociedad Financiera y Minera S.A. | |
| Entreprise Lorraine d'Agriculture ELDA S.A.R.L. | Heillecourt | FR | EUR | 10,000.00 | - | 100.00 | 100.00 | GSM S.A. | |

| Company | Registered office | | Share capital | | Interest held by Group companies | | | | Method |
|---|----------------------|----|---------------|------------------|----------------------------------|----------|----------------------------------|--|---------------|
| | | | | | Direct | Indirect | % | | |
| ES Cement Co. | Nazareth | US | - | - | - | 100.00 | 100.00 | Essroc Cement Corp. | Line-by-line |
| Essroc Canada Inc. | Mississauga | CA | CAD | 307,936,000.00 | - | 100.00 | 100.00 | Essroc Corporation | Line-by-line |
| Essroc Cement Corp. | Nazareth | US | USD | 8,330,000.00 | - | 100.00 | 100.00 | Essroc Corporation | Line-by-line |
| Essroc Corporation | Nazareth | US | USD | 1,000.00 | - | 100.00 | 100.00 | Essroc International | Line-by-line |
| Essroc International | Puteaux | FR | EUR | 244,398,096.00 | - | 100.00 | 100.00 | Ciments Français S.A. | Line-by-line |
| Essroc Puerto Rico Holdings Inc. | Nazareth | US | USD | 1,000.00 | - | 100.00 | 100.00 | Essroc San Juan Inc. | Line-by-line |
| Essroc Ready Mix Corp | Nazareth | US | USD | 1.00 | - | 100.00 | 100.00 | Essroc Cement Corp. | Line-by-line |
| Essroc San Juan Inc. | Espinosa | PR | USD | 10,000.00 | - | 100.00 | 100.00 | Essroc Cement Corp. | Line-by-line |
| ET Béton | Aspropyrgos | GR | EUR | 2,616,757.95 | - | 99.99 | 99.99 | Halyps Building Materials S.A. | Line-by-line |
| Eurarco France S.A. | Les Crotoy | FR | EUR | 1,520,000.00 | - | 64.99 | 64.99 | GSM S.A. | Line-by-line |
| Eurocalizas S.L. | Cantabria | ES | EUR | 783,000.00 | - | 26.00 | 26.00 | Hormigones y Minas S.A. | |
| Eurotech Cement S.h.p.k. | Durres | AL | ALL | 270,000,000.00 | - | 84.99 | 84.99 | Halyps Building Materials S.A. | Line-by-line |
| Exportaciones de Cemento del Norte de Espana S.A. | Bilbao | ES | EUR | 60,099.77 | - | 45.00 | 45.00 | Sociedad Financiera y Minera S.A. | |
| Fraimbois Granulats S.A.R.L. | Moncel les Luneville | FR | EUR | 75,000.00 | - | 50.00 | 50.00 | GSM S.A. | |
| Gacem Company Limited | Serrekunda | GM | GMD | 4,500,000.00 | - | 80.00 | 80.00 | Tercim S.A. | Line-by-line |
| Goltas Goller Bolgesi Cimento Sanayi ve Ticaret | Isparta | TR | YTL | 20,000,000.00 | - | 31.14 | 31.14 | Sadecib S.A. (voting rights: Sadecib S.A.) | |
| Granulats de la Drôme S.a.s. | Saint Jean de Vedas | FR | EUR | 1,011,600.00 | - | 51.01 | 51.01 | GSM S.A. | Line-by-line |
| Granulats Ouest - GO | Saint Herblain | FR | EUR | 784,657.44 | - | 100.00 | 100.00 | GSM S.A. | Line-by-line |
| Graves de l'Estuaire de la Gironde L.G.E.G. | St. Jean de Blaignac | FR | - | - | - | 50.00 | 50.00 | GSM S.A. | Proportionate |
| | | | | | | | | | |
| Greyrock Inc. | Nazareth | US | USD | 1,000.00 | - | 100.00 | 100.00 | Essroc Cement Corp. | Line-by-line |
| Greyrock WV Inc | Nazareth | US | USD | 10,000.00 | - | 100.00 | 100.00 | Riverton Investment Corporation | Line-by-line |
| Groupe Ciment Quebec Inc. | St. Basile | CA | CAD | 57,000,000.00 | - | 50.00 | 50.00 | Essroc Canada Inc. | Equity |
| GSM S.A. | Guerville | FR | EUR | 18,675,840.00 | - | 99.99 | 99.99 | Arena S.A. | Line-by-line |
| Halyps Building Materials S.A. | Aspropyrgos | GR | EUR | 42,718,428.06 | - | 99.84 | 59.82 40.02 59.86 39.99 | Ciments Français S.A. Sociedad Financiera y Minera S.A. (voting rights: Ciments Français S.A.) Sociedad Financiera y Minera S.A.) | Line-by-line |
| Helleniki Lithotomi S.A. | Atene | GR | EUR | 60,000.00 | - | 100.00 | 100.00 | Compagnie Financière et de Participations S.A. | |
| Helwan Cement Co. | Cairo | EG | EGP | 1,176,967,750.00 | - | 99.20 | 98.69 0.40 0.11 | Suez Cement Company Divas Beheer B.V. Menaf | Line-by-line |
| Hormigones Olatzi S.A. | Olazagutia | ES | EUR | 283,803.11 | - | 25.00 | 25.00 | Hormigones y Minas S.A. | |
| Hormigones Txingudi S.A. | San Sebastian | ES | EUR | 240,560.22 | - | 33.33 | 33.33 | Hormigones y Minas S.A. | |
| Hormigones y Minas S.A. | Malaga | ES | EUR | 8,689,378.20 | - | 99.99 | 99.99 | Sociedad Financiera y Minera S.A. | Line-by-line |
| IM Scott Holdings Limited | Markham | CA | CAD | 100.00 | - | 100.00 | 100.00 | 2003897 Ontario Inc. | Equity |
| Immobilière des Technodes S.A. | Guerville | FR | EUR | 8,024,400.00 | - | 99.99 | 59.97 40.02 | Ciments Français S.A. Ciments Calcia S.A. | Line-by-line |
| Industrie Sakia el Hamra "Indusaha" S.A. | Laayoune | MA | MAD | 55,550,000.00 | - | 91.00 | 91.00 | Ciments du Maroc | Line-by-line |

| Company | Registered office | | Share capital | | Interest held by Group companies | | | | Method |
|--|----------------------|----|---------------|------------------|----------------------------------|----------|-------------------------|---|---------------|
| | | | | | Direct | Indirect | % | | |
| Innocon Inc. | Richmond Hill | CA | CAD | 18,300,000.20 | - | 100.00 | 100.00 | 2003897 Ontario Inc. | Equity |
| Innocon Partnership Agreement Inc. | Richmond Hill | CA | CAD | 2,003.00 | - | 48.50 | 48.50 | Essroc Canada Inc | Equity |
| Interbulk Egypt for Export | Cairo | EG | EGP | 250,000.00 | - | 100.00 | 98.00 1.00 1.00 | Interbulk Trading S.A. Menaf Tercim S.A. | Line-by-line |
| Interbulk Trading S.A. | Lugano | CH | CHF | 7,470,600.00 | - | 99.99 | 66.75 15.00 18.24 | Cifrinter S.A. Intertrading S.r.l. Ciments Français Europe N.V. | Line-by-line |
| International Cement Traders Ltd | Colombo | LK | LKR | 401,416,620.00 | - | 80.00 | 80.00 | Ciments Français S.A. | Line-by-line |
| Inversiones e Iniciativas en Aridos S.L. | Madrid | ES | EUR | 3,010.00 | - | 100.00 | 100.00 | Ciments Français S.A. | Line-by-line |
| Investcim S.A. | Puteaux | FR | EUR | 124,874,000.00 | - | 99.99 | 99.99 | Ciments Français S.A. | Line-by-line |
| IPTP Corporation | Las Vegas | US | USD | 1,000.00 | - | 100.00 | 80.00 20.00 | Riverton Corporation Capitol Cement Corporation | Line-by-line |
| Italmed Cement Company Ltd | Limassol | CY | CYP | 12,318,000.00 | - | 99.99 | 99.99 | Halyps Building Materials S.A. | Line-by-line |
| Jalaprathan Cement Public Co, Ltd | Bangkok | TH | THB | 1,200,000,000.00 | - | 58.80 | 12.26 37.00 9.54 | Asia Cement Public Co., Ltd (*) Ciments Français S.A. Vesprapat Holding Co, Ltd (*) | Line-by-line |
| Jalaprathan Concrete Products Co, Ltd | Bangkok | TH | THB | 280,000,000.00 | - | 57.39 | 57.39 | Jalaprathan Cement Public Co, Ltd (*) | Line-by-line |
| Johar S.A. | Luxemont et Villotte | FR | EUR | 1,221,632.00 | - | 100.00 | 100.00 | Tratel S.A. | Line-by-line |
| JTC | Bangkok | TH | THB | 13,000,000.00 | - | 57.39 | 57.39 | Jalaprathan Concrete Products Co Ltd (*) | |
| Larricq S.A. | Airvault | FR | EUR | 508,000.00 | - | 99.98 | 99.98 | Tratel S.A. | Line-by-line |
| Les Calcaires Girondins S.a.s. | Cenon | FR | EUR | 100,000.00 | - | 50.00 | 50.00 | GSM S.A. | Proportionate |
| Les Calcaires Sud Charentes | Cherves Richemont | FR | EUR | 1,524.49 | - | 34.00 | 34.00 | GSM S.A. | |
| Les Graves de l'Estuaire S.a.s. | Le Havre | FR | EUR | 297,600.00 | - | 33.33 | 33.33 | GSM S.A. | Proportionate |
| Les Sabliers de l'Odet | Quimper | FR | EUR | 134,400.00 | - | 96.93 | 94.92 2.01 | Dragages Transports & Travaux Maritimes S.A. GSM S.A. | Proportionate |
| Lyulyaka E.A.D. | Devnya | BG | BGN | 759,372.00 | - | 100.00 | 100.00 | Devnya Cement AD | Line-by-line |
| Marvex | Devnya | BG | BGN | 89,424,100.00 | - | 100.00 | 100.00 | Sociedad Financiera y Minera S.A. | Line-by-line |
| Mauritano-Française des Ciments | Nouakchott | MR | MRO | 1,111,310,000.00 | - | 51.11 | 51.11 | Ciments Français S.A. | Line-by-line |
| MBM Concrete Holdings Inc | Ontario | CA | CAD | - | - | 100.00 | 100.00 | Essroc Canada Inc. | Line-by-line |
| Menaf | Puteaux | FR | EUR | 352,500,000.00 | - | 100.00 | 95.74 4.26 | Ciments Français S.A. Ciments Français Participations S.n.c. | Line-by-line |
| Met Teknik Servis ve Maden Sanayi Ticaret A.S. | Istanbul | TR | YTL | 50,000.00 | - | 99.99 | 99.99 | Set Group Holding | |
| MTB - Maritime Trading & Brokerage S.r.l. | Genoa | IT | EUR | 70,000.00 | - | 33.33 | 33.33 | Interbulk Trading S.A. | Equity |
| Nadco Inc. | Nazareth | US | USD | 1,000.00 | - | 100.00 | 100.00 | Essroc Cement Corp. | Line-by-line |
| Naga Property Co | Bangkok | TH | THB | 100,000,000.00 | - | 57.43 | 57.43 | Jalaprathan Cement Public Co. Ltd (*) | Line-by-line |
| Neuciclaje S.A. | Bilbao | ES | EUR | 396,669.00 | - | 30.00 | 30.00 | Sociedad Financiera y Minera S.A. | |
| Novhorvi S.A. | Vitoria | ES | EUR | 180,300.00 | - | 25.00 | 25.00 | Hormigones y Minas S.A. | |
| Nugra S.A. | Madrid | ES | EUR | 60,100.00 | - | 100.00 | 100.00 | Sociedad Financiera y Minera S.A. | |

| Company | Registered office | | Share capital | | Interest held by Group companies | | | Method |
|---|-------------------|----|---------------|---------------|----------------------------------|----------|----------------|---|
| | | | | | Direct | Indirect | % | |
| Port St. Louis Aménagement S.n.c. | Guerville | FR | EUR | 8,000.00 | - | 51.00 | 51.00 | GSM S.A. |
| Port St. Louis Remblaiement S.A.R.L. | Guerville | FR | EUR | 7,622.45 | - | 51.00 | 51.00 | GSM S.A. |
| Procimar S.A. | Casablanca | MA | MAD | 27,000,000.00 | - | 99.99 | 99.99 | Ciments Français S.A. |
| Provence Aménagement S.A. | Port Frejus | FR | EUR | 480,000.00 | - | 35.00 | 35.00 | Arena S.A. |
| R.G. Aggregates B.V. | Vlaardingen | NL | EUR | 18,151.21 | - | 100.00 | 100.00 | Compagnie des Ciments Belges S.A. |
| Raingeard Carrières Bétons et Compagnie S.n.c. | Saint Herblain | FR | EUR | 705,000.00 | - | 100.00 | 99.98 0.02 | GSM S.A. Arena S.A. |
| Ready Mix Beton (Egypt) SAE | Cairo | EG | EGP | 10,000,000.00 | - | 52.00 | 52.00 | Suez Cement Company |
| Ready Mix Beton SAE | Cairo | EG | EGP | 5,000,000.00 | - | 52.00 | 52.00 | Suez Cement Company |
| Riverton Corporation | Winchester | US | USD | 859,310.00 | - | 100.00 | 100.00 | Riverton Investment Corporation |
| Riverton Investment Corporation | Winchester | US | USD | 8,340.00 | - | 100.00 | 100.00 | Essroc Cement Corp. |
| Riverton Lime&Stone Co. Inc. | Winchester | US | USD | 3,000.00 | - | 100.00 | 100.00 | Riverton Corporation |
| Rular Trading B.V. | Vlaardingen | NL | EUR | 18,151.21 | - | 100.00 | 100.00 | R.G. Aggregates B.V. |
| S.A. Dijon Béton | Dijon | FR | EUR | 184,000.00 | - | 15.00 | 15.00 | GSM S.A. |
| Saarlandische Zementgesellschaft MBH | Saarbrücken | DE | EUR | 52,000.00 | - | 80.00 | 80.00 | Cifrinter |
| Sables et Gravieres de la Garonne (GIE) | Pessac | FR | EUR | - | - | 100.00 | 100.00 | GSM S.A. |
| Sablmaris | Lanester | FR | EUR | 4,094,776.00 | - | 100.00 | 66.28 33.72 | Dragages Transports & Travaux Maritimes S. Les Sabliers de l'Odé |
| Sadecib S.A. | Puteaux | FR | EUR | 71,744,000.00 | - | 99.99 | 99.99 | Ciments Français S.A. |
| Santes Béton Sarl | Santes | FR | EUR | 10,000.00 | - | 50.00 | 50.00 | V.B.H. S.n.c. |
| Sas des Gresillons | Guerville | FR | EUR | 60,000.00 | - | 35.00 | 35.00 | GSM S.A. |
| Sax S.a.s. | Guerville | FR | EUR | 482,800.00 | - | 99.99 | 99.99 | Ciments Français S.A. |
| SCI Batlongue | Arudy | FR | EUR | 53,504.00 | - | 100.00 | 100.00 | GSM S.A. |
| SCI Coralie | Allonnes | FR | EUR | 3,048.98 | - | 100.00 | 99.50 0.50 | Bonafini S.A. Tratel S.A. |
| SCI de Balloy | Avon | FR | EUR | 20,310.00 | - | 100.00 | 99.95 0.05 | GSM S.A. Arena S.A. |
| SCI de Barbeau | Bray sur Seine | FR | EUR | 8,000.00 | - | 49.00 | 49.00 | GSM S.A. |
| SCI Delrieu Frères | Fumel | FR | EUR | 17,379.19 | - | 100.00 | 99.91 0.09 | Socli S.A. Ciments Calcia S.A. |
| SCI des Granets | Cayeux sur M. | FR | EUR | 4,695.00 | - | 47.33 | 47.33 | GSM S.A. |
| SCI du Colombier | Rungis | FR | EUR | 2,000.00 | - | 63.00 | 63.00 | GSM S.A. |
| SCI du Domaine de Saint Louis | Guerville | FR | EUR | 6,720.00 | - | 99.76 | 99.76 | GSM S.A. |
| SCI Lepeltier | S. Doulichard | FR | EUR | 6,150.00 | - | 99.76 | 99.76 | GSM S.A. |
| SCI Taponnat | Cherves Richemont | FR | EUR | 1,500.00 | - | 50.00 | 50.00 | GSM S.A. |
| SCI Triel Carrières | Guerville | FR | EUR | 13,500.00 | - | 99.89 | 99.89 | GSM S.A. |
| Scori S.A. | Plaisir | FR | EUR | 1,092,800.00 | - | 13.95 | 13.95 | Ciments Calcia S.A. |
| Set Beton Madencilik Sanayi ve Tas | Istanbul | TR | YTL | 21,494,800.00 | - | 99.99 | 99.99 | Ciments Français S.A. |

| Company | Registered office | | Share capital | | Interest held by Group companies | | | Method |
|--|------------------------|----|--------------------|---|----------------------------------|--|---|---------------|
| | | | | | Direct | Indirect | % | |
| Set Cimento | Istanbul | TR | YTL 31,693,324.00 | - | 99.81 | 96.81 | Set Group Holding Devnya Cement AD 3.00 | Line-by-line |
| Set Group Holding | Istanbul | TR | YTL 18,508,410.00 | - | 99.99 | 99.99 | Ciments Français S.A. | Line-by-line |
| Shaanxi Fuping Cement Co. Ltd | Shaanxi Province | CN | CNY 199,000,000.00 | - | 100.00 | 100.00 | CIMFRA (China) Limited | |
| Shymkent Cement | Shymkent | KZ | KZT 350,000,000.00 | - | 99.75 | 99.75 | Ciments Français S.A. | Line-by-line |
| Sitapuram Power Limited | Hyderabad | IN | INR 480,000,000.00 | - | 50.99 | 50.99 | Zuari Cement Ltd | Line-by-line |
| Snc Rouennaise de Transformation | Grand Couronne | FR | EUR 7,500.00 | - | 60.00 | 60.00 | Ciments Calcia S.A. | |
| Sociedad Financiera y Minera S.A. | Madrid | ES | EUR 39,160,000.00 | - | 99.73 | 56.58 39.87 3.02 0.26 56.73 39.98 3.03 | Sodecim S.a.s. Ciments Français Europe N.V. Hormigones y Minas S.A. Sociedad Financiera y Minera S.A. (voting rights: Sodecim S.a.s. Ciments Français Europe N.V. Hormigones y Minas S.A.) | Line-by-line |
| Société Calcaires Lorrains | Heillecourt | FR | EUR 40,000.00 | - | 49.92 | 49.92 | GSM S.A. | Proportionate |
| Société Civile Bachant le Grand Bonval | Guerville | FR | EUR 1,500.00 | - | 80.00 | 80.00 | GSM S.A. | |
| Société Civile Carrière de Maraval | Frejus | FR | EUR 1,524.49 | - | 100.00 | 100.00 | GSM S.A. | |
| Société Civile d'Exploitation Agricole de l'Avesnois | Reims | FR | EUR 3,000.00 | - | 90.00 | 50.00 40.00 | Société Civile Bachant le Grand Bonval GSM S.A. | |
| Société Civile Immobilière Berault | Guerville | FR | EUR 3,840.00 | - | 99.95 | 99.95 | GSM S.A. | Line-by-line |
| Société de la Grange d'Etaule | Gray | FR | EUR 3,750.00 | - | 99.60 | 99.60 | Ciments Calcia S.A. | |
| Société des Carrières du Tournais S.C.T. S.A. | Tournai | BE | EUR 12,297,053.42 | - | 65.00 | 23.90 18.79 16.31 5.54 0.46 | Ciments Français Europe N.V. Ciments Français S.A. Ciments Calcia S.A. Compagnie Financière des Ciments S.A. Compagnie des Ciments Belges S.A. | Proportionate |
| Société Foncière de la petite Seine S.a.s. | Saint Sauveur les Bray | FR | EUR 50,000.00 | - | 40.00 | 40.00 | GSM S.A. | |
| Société Immobilière Marguerite VIII | Casablanca | MA | MAD 100,000.00 | - | 98.00 | 98.00 | Ciments du Maroc | |
| Société Immobilière Marguerite X | Casablanca | MA | MAD 100,000.00 | - | 98.00 | 98.00 | Ciments du Maroc | |
| Société Parisienne des Sablières S.A. | Pont de L'Arche | FR | EUR 320,000.00 | - | 50.00 | 50.00 | GSM S.A. | Proportionate |
| Socli S.A. | Izaourt | FR | EUR 144,960.00 | - | 99.94 | 99.94 | Ciments Calcia S.A.. | Line-by-line |
| Sodecim S.a.s. | Puteaux | FR | EUR 458,219,678.00 | - | 99.99 | 99.99 | Ciments Français S.A. | Line-by-line |
| Ste d'Investissement & de Participations du Littoral | Guerville | FR | EUR 37,000.00 | - | 99.90 | 99.90 | Ciments Calcia S.A. | Line-by-line |

| Company | Registered office | | Share capital | | Interest held by Group companies | | | | Method |
|---|-------------------|----|---------------|----------------|----------------------------------|----------|---|--|---------------|
| | | | | | Direct | Indirect | % | | |
| STE des Calcaires de Souppes sur Loing | Souppes sur Loing | FR | EUR | 2,145,000.00 | - | 50.00 | 50.00 | GSM S.A. | Proportionate |
| Ste Extraction & Amenagement de la Plaine de Marolles | Avon | FR | EUR | 40,000.00 | - | 56.40 | 56.40 | GSM S.A. | |
| Stinkal S.a.s. | Ferques | FR | EUR | 1,120,000.00 | - | 35.00 | 35.00 | GSM S.A. | Equity |
| St. Basile Transport Inc. | St. Basile | CA | CAD | 9,910.00 | - | 100.00 | 100.00 | Ciment Quebec Inc. | Equity |
| Suez Bag Company | Cairo | EG | EGP | 9,000,000.00 | - | 57.84 | 53.32 4.52 | Suez Cement Company Tourah Portland Cement Company | Line-by-line |
| Suez Bosphorus Cimento Sanayi Ticaret | Istanbul | TR | YTL | 50,000.00 | - | 99.99 | 99.99 | Suez Cement Company | |
| Suez Cement Company | Cairo | EG | EGP | 909,282,535.00 | - | 55.39 | 25.65 12.90 11.66 5.00 0.18 | Menaf Ciments Français S.A. Ciments du Maroc Tercim S.A. Divas Beheer B.V. | Line-by-line |
| Technodes S.a.s. | Guerville | FR | EUR | 3,200,000.00 | - | 99.99 | 99.99 | Ciments Français S.A. | Line-by-line |
| Tecno Gravel Egypt SAE | Cairo | EG | EGP | 5,000,000.00 | - | 45.00 | 45.00 | Suez Cement Company | |
| Tercim S.A. | Puteaux | FR | EUR | 55,539,000.00 | - | 100.00 | 99.99 0.01 | Ciments Français S.A. Sax S.a.s. | Line-by-line |
| To Ready Mix Ltd | Markham | CA | CAD | 100.00 | - | 100.00 | 100.00 | IM Scott Holdings Limited | Equity |
| Tomahawk Inc. | Wilmington | US | USD | 1,000.00 | - | 100.00 | 100.00 | Essroc Cement Corp. | Line-by-line |
| Tourah Portland Cement Company | Cairo | EG | EGP | 238,414,000.00 | - | 71.93 | 66.12 5.81 | Suez Cement Company Divas Beheer B.V. | Line-by-line |
| Trabel Affretement | Gaurain Ramecroix | BE | EUR | 61,500.00 | - | 100.00 | 99.84 0.16 | Tratel S.A. Ciments Calcia S.A. | Line-by-line |
| Trabel Transports S.A. | Gaurain | BE | EUR | 750,000.00 | - | 100.00 | 89.97 10.03 | Tratel S.A. Compagnie des Ciments Belges S.A. | Line-by-line |
| Tragor S.A. | Pessac | FR | EUR | 892,048.00 | - | 100.00 | 100.00 | Tratel S.A. | Line-by-line |
| Tratel S.A. | L'île S. Denis | FR | EUR | 6,025,580.00 | - | 100.00 | 100.00 | Ciments Calcia S.A. | Line-by-line |
| Unibéton Est S.a.s. | Heilcourt | FR | EUR | 40,000.00 | - | 100.00 | 100.00 | Unibéton Holding S.A. | |
| Unibéton Holding S.A. | Guerville | FR | EUR | 45,000.00 | - | 99.88 | 99.88 | Arena S.A. | |
| Unibéton Luxembourg S.A. | Luxembourg | LU | EUR | 35,000.00 | - | 99.71 | 99.71 | Unibéton S.A. | |
| Unibéton Med S.a.s. | Lambesc | FR | EUR | 40,000.00 | - | 100.00 | 100.00 | Unibéton Holding S.A. | |
| Unibéton Normandie S.a.s. | Rouen | FR | EUR | 40,000.00 | - | 100.00 | 100.00 | Unibéton Holding S.A. | |
| Unibéton S.A. | Guerville | FR | EUR | 27,159,732.00 | - | 99.99 | 99.99 | Arena S.A. | Line-by-line |
| Unibéton S.O. S.a.s. | Pessac | FR | EUR | 40,000.00 | - | 100.00 | 100.00 | Unibéton Holding S.A. | |
| Unibéton Var S.a.s. | Lambesc | FR | EUR | 40,000.00 | - | 99.96 | 99.96 | Unibéton S.A. | Line-by-line |
| Uniwerbétón S.a.s. | Heillecourt | FR | EUR | 160,000.00 | - | 70.00 | 70.00 | Unibéton S.A. | Line-by-line |
| Valoise S.a.s. | Pierrelaye | FR | EUR | 39,000.00 | - | 60.00 | 60.00 | GSM S.A. | Proportionate |

| Company | Registered office | | Share capital | | Interest held by Group companies | | | Method |
|----------------------------|-------------------|----|----------------------|---|----------------------------------|----------|---|--------------|
| | | | | | Direct | Indirect | % | |
| Vaniyuth Co. Ltd | Bangkok | TH | THB 100,000.00 | - | 48.80 | 48.80 | Investoim S.A. | Line-by-line |
| Vassiliko Cement Works Ltd | Nicosia | CY | CYP 13,434,018.75 | - | 33.00 | 20.00 | Italmed Cement Company Ltd | Equity |
| | | | | | | 13.00 | Comp. Financière et de Participations S.A. | |
| Ventore S.L. | Malaga | ES | EUR 14,400.00 | - | 100.00 | 99.56 | Sociedad Financiera y Minera S.A. | Line-by-line |
| | | | | | | 0.44 | Hormigones y Minas S.A. | |
| Vesprapat Holding Co, Ltd | Bangkok | TH | THB 20,000,000.00 | - | 49.00 | 49.00 | Sax S.a.s. | Line-by-line |
| Vulkan Cement | Dimitrovgrad | BG | BGN 452,967,000.00 | - | 97.42 | 70.00 | Ciments Français S.A. | Line-by-line |
| | | | | | | 27.42 | Devnya Cement A.D. | |
| V.B.H. S.n.c. | Tourcoing | FR | EUR 5,000.00 | - | 99.80 | 99.80 | Unibéton S.A. | Line-by-line |
| Zuari Cement Ltd | Andra Pradesh | IN | INR 4,279,614,000.00 | - | 99.99 | 80.13 | Ciments Français S.A. | Line-by-line |
| | | | | | | 19.86 | Cie pour l'Investissement Financier en Inde | |
| | | | | | | | (voting rights: | |
| | | | | | | 99.99 | Ciments Français S.A.) | |

(*) Percentage interest held by Ciments Français group



Italmobiliare S.p.A.



General overview

The parent company Italmobiliare reported net profit at June 30, 2007 of 82.3 million euro compared with 168.3 million euro in the prior year period. It should be noted that in the first half of 2006 the result benefited from the capital gains following the disposal to the subsidiary Franco Tosi of equity investments as part of the Group corporate restructuring, for 98.9 million euro overall. Disregarding this element in the 2006 first-half result, the net profit for the period increased by 18.6%.

Summarized income statement

| (in thousands of euro) | 1st half 2007 | 1st half 2006 | Change |
|---|---------------|-----------------|------------------|
| Revenues | 92,961 | 194,428 | (101,467) |
| of which: | | | |
| <i>Dividends</i> | <i>84,118</i> | <i>73,397</i> | <i>10,721</i> |
| <i>Capital gains on equity investments and securities</i> | <i>349</i> | <i>118,119</i> | <i>(117,770)</i> |
| <i>Interest and other finance income</i> | <i>6,336</i> | <i>982</i> | <i>5,354</i> |
| <i>Services</i> | <i>2,158</i> | <i>1,930</i> | <i>228</i> |
| Recurring gross operating profit | 71,360 | 169,853 | (98,493) |
| Other income/(expense) | 2,568 | 3,293 | (725) |
| Gross operating profit | 73,928 | 173,146 | (99,218) |
| Amortization and depreciation | (34) | (32) | (2) |
| Operating profit | 73,894 | 173,114 | (99,220) |
| Finance income/(costs) | (41) | (85) | 44 |
| Profit before tax | 73,853 | 173,029 | (99,176) |
| Income tax expense | 8,453 | (4,712) | 13,165 |
| Net profit for the period | 82,306 | 168,317 | (86,011) |
| <i>Effect of restructuring of equity investments</i> | | <i>(98,920)</i> | <i>98,920</i> |
| <i>Net profit without the above effect</i> | 82,306 | 69,397 | 12,909 |

Italmobiliare at June 30, 2007 reported revenues of 93.0 million euro compared with 194.4 million in the prior year period. There was a positive trend in dividends, +10.7 million euro, which mainly involved the subsidiaries and associates, especially Italcementi S.p.A. and Franco Tosi S.r.l.

As already noted, revenues at June 30, 2006 benefited from the capital gains on the Gemina disposal, which led to a gain of 7.9 million euro and above all the disposals of the equity investments in RCS MediaGroup, Mediobanca, Capitalia and Gim (including warrants), which generated a gross capital gain of 109.8 million euro.

The gross operating profit and operating profit totaled 73.9 million euro compared with 173.1 million euro in the prior year period. Removing the effect of the capital gains on the intragroup disposal from the 2006 results, the growth in gross operating profit and operating profit in the first half of 2007 would be 10.1%.

After recording tax assets of 8.5 million euro, as opposed to tax liabilities of 4.7 million euro in the 1st half of 2006, net profit for the period stood at 82.3 million euro.

Transactions on equity investments

In March 2007, as part of the corporate restructuring program allocating specific duties to companies wholly owned by the parent company, Italmobiliare, under which the subsidiary S.r.l. Nuove Costruzioni Edilizie **Sance** is responsible for managing trading equity investments, Italmobiliare sold equity investments for an overall amount of 2.0 million euro to Sance. The price of the listed shares was determined on the basis of the average official stock market prices in the 30 days preceding the contract date.

At the end of April Italmobiliare, with an overall outlay of 10.9 million euro, underwrote 3,316,661 **Gruppo Banca Leonardo** shares following the share capital increase approved by the Extraordinary shareholders' meeting of April 11, 2006. At June 30, 2007 Italmobiliare's equity investment in Gruppo Banca Leonardo was 3.027% of all the shares issued.

In the first quarter of 2007 **Italmobiliare S.p.A.** did not buy any treasury shares, while in the same period 39,720 options (granted in 2003) were exercised by Italmobiliare managers. Italmobiliare sold an equivalent number of ordinary treasury shares at the per share price of 31.28 euro established at the grant date; the company therefore now holds 871,411 ordinary treasury shares, representing 3.928% of ordinary share capital as well as 28,500 savings shares (0.174% of overall savings shares).

Dealings with subsidiaries and associates

Italmobiliare provides administrative, fiscal and legal services for subsidiaries and their investee companies, as well as associates with no specific internal competences.

In addition, it has dealings with some subsidiaries and associates involving the exchange of services, in particular:

- the Italmobiliare legal service provides Group companies with specific assistance;
- Italcementi S.p.A. provides Italmobiliare with personnel administrative services, a share register management service, administration services for shareholders' meetings, public relations services and assistance in corporate affairs;
- Italmobiliare leases some of its real estate properties to its subsidiaries;
- Italmobiliare Servizi S.r.l. provides Italmobiliare and some of its subsidiaries with an IT support service and some general services.

The Chief Operating Officer of Italmobiliare has been appointed Chief Executive Officer of Italcementi by the Italcementi S.p.A. Board of Directors.

Within the Group exchanges of personnel take place to optimize overall use of resources.

On the financial front, Italmobiliare provides guidance and assistance for subsidiaries with regard to financing and issue of guarantees.

Intragroup dealings of a financial nature are conducted at normal market conditions; services are generally regulated on the basis of the costs of providing the services.

During 2007 Italmobiliare S.p.A., as parent and consolidating company, and 20 directly and indirectly controlled subsidiaries renewed their adhesion to the national tax consolidation for the period 2007 – 2009.

Dealings with other related parties

Dealings with other related parties in the half concerned:

- legal consultancy, judicial and extrajudicial assistance provided to Italmobiliare and to Group companies by the associate professional studio Dewey Ballantine LLP, of which Italmobiliare director Luca Minoli is a partner;
- 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.

The fees paid are in line with market conditions for the respective type of professional service.

During the 1st half of 2007 Italmobiliare provided the Fondazione Italcementi Cav. Lav. Carlo Pesenti with the sum of 0.3 million euro.

There were no atypical and/or unusual transactions in the half.

The figures on dealings with related parties are provided in the notes to the interim financial statements.

Financial statements

Balance sheet

| (in thousands of euro) | Notes | 06.30.2007 | 12.31.2006 | Change |
|---|-------|------------------|------------------|-----------------|
| Non-current assets | | | | |
| Plant, property and equipment | 1 | 3,754 | 3,763 | (9) |
| Investment property | 2 | 293 | 294 | (1) |
| Intangible assets | | 1 | 5 | (4) |
| Investments in subsidiaries and associates | 3 | 1,143,233 | 1,142,179 | 1,054 |
| Other equity investments | 4 | 673,979 | 671,326 | 2,653 |
| Other non-current receivables and assets | | 263,767 | 263,866 | (99) |
| Total non-current assets | | 2,085,027 | 2,081,433 | 3,594 |
| Current assets | | | | |
| Trade receivables | | 1,259 | 1,861 | (602) |
| Other current assets | | 5,817 | 11,123 | (5,306) |
| Income tax assets | 5 | 31,884 | 19,430 | 12,454 |
| Equity investments and financial receivables | 6 | 39,129 | 43,581 | (4,452) |
| Cash and cash equivalents | 7 | 48,267 | 38,788 | 9,479 |
| Total current assets | | 126,356 | 114,783 | 11,573 |
| Total assets | | 2,211,383 | 2,196,216 | 15,167 |
| Shareholders' equity | | | | |
| Share capital | 8 | 100,167 | 100,167 | |
| Reserves | 9 | 704,507 | 710,252 | (5,745) |
| Treasury shares | 10 | (21,226) | (22,176) | 950 |
| Retained earnings | | 884,379 | 857,623 | 26,756 |
| Total shareholders' equity | | 1,667,827 | 1,645,866 | 21,961 |
| Non-current liabilities | | | | |
| Interest-bearing loans and long-term borrowings | 12 | 369,540 | 389,300 | (19,760) |
| Employee benefit liabilities | 11 | 1,309 | 1,119 | 190 |
| Non-current provisions | 11 | 13,561 | 27,467 | (13,906) |
| Other non-current liabilities | | 31 | 31 | |
| Deferred tax liabilities | | 9,663 | 9,934 | (271) |
| Total non-current liabilities | | 394,104 | 427,851 | (33,747) |
| Current liabilities | | | | |
| Bank overdrafts and short-term borrowings | 12 | 120,855 | 77,608 | 43,247 |
| Interest-bearing loans and short-term borrowings | 12 | 8,288 | 6,876 | 1,412 |
| Trade payables | | 3,076 | 2,728 | 348 |
| Income tax liabilities | 5 | | 25,347 | (25,347) |
| Other current liabilities | | 17,233 | 9,940 | 7,293 |
| Total current liabilities | | 149,452 | 122,499 | 26,953 |
| Total liabilities | | 543,556 | 550,350 | (6,794) |
| Total shareholders' equity and liabilities | | 2,211,383 | 2,196,216 | 15,167 |

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

Income statement

| (in thousands of euro) | Notes | 1st half 2007 | % | 1st half 2006 | % | Change amount | % | 2006 | % |
|---|-------|---------------|--------------|----------------|--------------|------------------|--------------|----------------|--------------|
| Revenues | 13 | 92,961 | 100.0 | 194,428 | 100.0 | (101,467) | -52.2 | 210,902 | 100.0 |
| Other revenues | | 717 | | 643 | | 74 | | 1,189 | |
| Goods and utilities expenses | 14 | (77) | | (68) | | (9) | | (131) | |
| Services expenses | 15 | (3,219) | | (2,617) | | (602) | | (5,714) | |
| Employee expenses | 16 | (7,580) | | (7,182) | | (398) | | (12,488) | |
| Other operating income (expense) | 17 | (11,442) | | (15,351) | | 3,909 | | (32,590) | |
| Recurring gross operating profit | | 71,360 | 76.8 | 169,853 | 87.4 | (98,493) | -58.0 | 161,168 | 76.4 |
| Net capital gains on sale of fixed assets | | | | 159 | | (159) | | 159 | |
| Other non-recurring income (expense) | | 2,568 | | 3,134 | | (566) | | 3,000 | |
| Gross operating profit | | 73,928 | 79.5 | 173,146 | 89.1 | (99,218) | -57.3 | 164,327 | 77.9 |
| Amortization and depreciation | | (34) | | (32) | | (2) | | (67) | |
| Operating profit | | 73,894 | 79.5 | 173,114 | 89.0 | (99,220) | -57.3 | 164,260 | 77.9 |
| Finance income (costs) | | (41) | | (85) | | 44 | | (120) | |
| Profit before tax | | 73,853 | 79.4 | 173,029 | 89.0 | (99,176) | -57.3 | 164,140 | 77.8 |
| Income tax expense | 18 | 8,453 | | (4,712) | | 13,165 | | (2,492) | |
| Income (expense) from discontinued operations | | | | - | | | | | |
| Net profit for the period | | 82,306 | 88.5 | 168,317 | 86.6 | (86,011) | -51.1 | 161,648 | 76.6 |

Statement of movement in shareholders' equity

| (in thousands of euro) | Share capital | Reserves | | | | Treasury shares | Retained earnings | Total shareholders' equity |
|--|----------------|-----------------------|--|----------------|----------------|-----------------|-------------------|----------------------------|
| | | Share premium reserve | Fair value reserve for available-for-sale financial assets | Other reserves | Total reserves | | | |
| Balances at January 1, 2006 | 100,167 | 177,191 | 545,210 | 1,095 | 723,496 | (22,176) | 744,978 | 1,546,465 |
| Change in fair value on: | | | | | | | | |
| Available-for-sale financial assets | | | (69,544) | | (69,544) | | | (69,544) |
| Stock options | | | | 570 | 570 | | | 570 |
| Net gains (losses) recognized directly in equity | | | (69,544) | 570 | (68,974) | | | (68,974) |
| Net profit (loss) for the period | | | | | | | 168,317 | 168,317 |
| Total recognized income (expense) for the period | | | (69,544) | 570 | (68,974) | | 168,317 | 99,343 |
| Distribution of profits: | | | | | | | | |
| Dividends | | | | | | | (49,007) | (49,007) |
| Prescribed dividends and other changes | | | | | | | 4 | 4 |
| Balances at June 30, 2006 | 100,167 | 177,191 | 475,666 | 1,665 | 654,522 | (22,176) | 864,292 | 1,596,805 |
| Change in fair value on: | | | | | | | | |
| Available-for-sale financial assets | | | 54,940 | | 54,940 | | | 54,940 |
| Stock options | | | | 790 | 790 | | | 790 |
| Net gains (losses) recognized directly in equity | | | 54,940 | 790 | 55,730 | | | 55,730 |
| Net profit (loss) for the period | | | | | | | (6,669) | (6,669) |
| Total profit (loss) for the period | | | 54,940 | 790 | 55,730 | | (6,669) | 49,061 |
| Balances at December 31, 2006 | 100,167 | 177,191 | 530,606 | 2,455 | 710,252 | (22,176) | 857,623 | 1,645,866 |
| Change in fair value on: | | | | | | | | |
| Available-for-sale financial assets | | | (6,673) | | (6,673) | | | (6,673) |
| Stock options | | | | 928 | 928 | | | 928 |
| Net gains (losses) recognized directly in equity | | | (6,673) | 928 | (5,745) | | | (5,745) |
| Net profit (loss) for the period | | | | | | | 82,306 | 82,306 |
| Total profit (loss) for the period | | | (6,673) | 928 | (5,745) | | 82,306 | 76,561 |
| Distribution of profits: | | | | | | | | |
| Dividends | | | | | | | (55,830) | (55,830) |
| Treasury share sale | | | | | | 950 | 280 | 1,230 |
| Balances at June 30, 2007 | 100,167 | 177,191 | 523,933 | 3,383 | 704,507 | (21,226) | 884,379 | 1,667,827 |

Cash flow statement

| | 1st half 2007 | 1st half 2006 | 2006 |
|--|-----------------|------------------|------------------|
| (in thousands of euro) | | | |
| A) Cash flow from operating activities: | | | |
| Profit before tax | 73,853 | 173,029 | 164,140 |
| Amortization, depreciation and impairment | 34 | 32 | 67 |
| Capital (gains)/losses on securities and equity investments | (148) | (110,156) | (104,770) |
| Change in employee benefit liabilities and other provisions | (13,715) | (976) | 1,418 |
| Stock options | 928 | 570 | 1,360 |
| Reversal net finance costs (income) | (80,018) | (67,930) | (71,492) |
| Cash flow from operating activities before tax, finance income/costs and change in working capital: | (19,066) | (5,431) | (9,277) |
| Trade receivables | 603 | 170 | (520) |
| Trade payables | 348 | 79 | 967 |
| Other receivables/payables accruals and deferrals | 25,688 | (313,482) | (215,983) |
| Total change in working capital | 26,639 | (313,233) | (215,536) |
| Net finance costs paid | (4,742) | (5,850) | (10,453) |
| Dividends received | 84,118 | 73,366 | 82,634 |
| Taxes paid | (39,776) | 1,969 | (10,844) |
| Total A) | 47,173 | (249,179) | (163,476) |
| B) Cash flow from investing activities: | | | |
| Investments in fixed assets: | | | |
| Property, plant and equipment and investment property | (21) | (71) | (74) |
| Intangible assets | | | |
| Financial (Equity investments) | (11,083) | (54,342) | (139,546) |
| Change in payables for equity investment acquisitions | | | |
| Total investments | (11,104) | (54,413) | (139,620) |
| Proceeds from divestments of fixed assets | 379 | 347,786 | 363,008 |
| Total divestments | 379 | 347,786 | 363,008 |
| Total B) | (10,725) | 293,373 | 223,388 |
| C) Cash flow from financing activities: | | | |
| Change in loans and borrowings | 23,051 | 47,670 | 1,487 |
| Change in financial receivables | (1,753) | (772) | 2,784 |
| Change in current equity investments | 6,333 | (4,935) | (6,629) |
| Treasury share purchase | 1,230 | | |
| Share capital increases | | | |
| Dividends paid | (55,830) | (49,007) | (49,007) |
| Other movements | | | |
| Total C) | (26,969) | (7,044) | (51,365) |
| D) Change in cash and cash equivalents (A+B+C) | 9,479 | 37,150 | 8,547 |
| E) Cash and cash equivalents at beginning of period | 38,788 | 30,241 | 30,241 |
| Cash and cash equivalents at end of period (D+E) | 48,267 | 67,391 | 38,788 |

Notes to the interim financial statements

The Italmobiliare S.p.A. interim financial statements as at and for the half-year to June 30, 2007, were approved by the Board of Directors on August 10, 2007. At the meeting, the Board authorized publication of a press release dated August 10, 2007, containing key information from the interim financial statements.

Declaration of compliance with the IFRS – Accounting policies

The financial statements have been drawn up in compliance with the International Financial Reporting Standards (IFRS) applicable at June 30, 2007, adopted by the EC Commission; specifically these interim financial statements have been drawn up in compliance with International Accounting Standard 34 governing interim financial reporting. The interim financial statements do not set out all the information and notes published in the annual report, and therefore should be read in conjunction with the Italmobiliare S.p.A. financial statements as at and for the year to December 31, 2006.

The amendments to the standards and interpretations adopted by the EC Commission that apply to financial year 2007 concern IFRS 7 “Financial instruments: disclosures”, which is not applied to the interim financial statements at June 30, 2007, and IFRIC 7, 8, 9 and 10, which have no impact on the 2007 half-year report.

No changes have been adopted in the Italmobiliare S.p.A. interim financial statements with respect to the options elected in the financial statements at December 31, 2006.

The preparation of the consolidated financial statements and the notes in compliance with the international accounting policies requires management to make estimates affecting the value of assets, liabilities, income and expense, such as amortization, depreciation and provisions, and the disclosures in the notes relating to contingent assets and liabilities.

Assets

Non-current assets

1) Property, plant and equipment

At June 30, 2007 and at December 31, 2006, these totaled respectively 3,754 thousand euro and 3,763 thousand euro; the movements on the heading are set out below:

| (in thousands of euro) | Total |
|---|--------------|
| Gross amount | 6,008 |
| Accumulated depreciation | (2,245) |
| Net carrying amount at December 31, 2006 | 3,763 |
| Additions | 21 |
| Disposals | (5) |
| Depreciation | (30) |
| Use of accumulated depreciation | 5 |
| Net carrying amount at June 30, 2007 | 3,754 |
| Gross amount | 6,025 |
| Accumulated depreciation | (2,271) |
| Net carrying amount at June 30, 2007 | 3,754 |

The increase in the period was due to the purchase of electronic machinery and office furniture.

2) Investment property

Investment property totaled 293 thousand euro (294 thousand euro at December 31, 2006) and is valued at cost. The fair value of these investments at June 30, 2007 was 2,091 thousand euro.

3) Investments in subsidiaries and associates

The changes compared with December 31, 2006 were as follows:

| (in thousands of euro) | |
|-----------------------------|------------------|
| At December 31, 2006 | 1,142,179 |
| Additions | |
| Disposals | |
| Fair value taken to equity | 1,054 |
| At June 30, 2007 | 1,143,233 |

The composition of equity investments at June 30, 2007 was as follows:

| | Registered office | % held |
|--|-------------------|--------|
| Subsidiaries | | |
| Aliserio S.r.l. | Bergamo | 10.00 |
| Azienda vendite acquisti A.V.A. S.r.l. | Milan | 100.00 |
| Bravosolution S.p.A. | Bergamo | 8.154 |
| Fincomind S.A. | Zurich | 69.93 |
| Franco Tosi S.r.l. | Milan | 100.00 |
| Italcementi S.p.A. | Bergamo | 58.737 |
| Italmobiliare International B.V. | Amsterdam | 100.00 |
| Italmobiliare International Finance Ltd. | Dublin | 97.272 |
| Italmobiliare Servizi S.r.l. | Milan | 100.00 |
| Neyrtek Industrie S.A. | Pont de Claix | 100.00 |
| Populonia Italica S.r.l. | Milan | 100.00 |
| Punta Ala Promozione e Sviluppo Immobiliare S.r.l. | Milan | 99.48 |
| Sirap Gema S.p.A. | Verolanuova | 100.00 |
| Société de Participation Financière Italmobiliare S.A. | Luxembourg | 99.94 |
| S.r.l. Nuove Costruzioni Edilizie S.A.N.C.E. | Milan | 100.00 |
| Associates | | |
| Mittel S.p.A. | Milan | 12.913 |
| Società Editrice Siciliana S.p.A. | Messina | 33.00 |

4) Other equity investments

This non-current asset heading reflects equity investments in the “available-for-sale” category as required by IAS 39.

| | |
|-----------------------------|----------------|
| (in thousands of euro) | |
| At December 31, 2006 | 671,326 |
| Acquisitions | 11,083 |
| Sales and reimbursements | (371) |
| Fair value taken to equity | (8,059) |
| Fair value taken to income | |
| At June 30, 2007 | 673,979 |

The acquisitions were:

- the underwriting of the share capital increase at Gruppo Banca Leonardo S.p.A. for 10,883 thousand euro;
- the establishment of Atmos Venture S.p.A. for 200 thousand euro.

The disposals largely concern the sale to S.r.l. Nuove Costruzioni Edilizie S.A.N.C.E. of shares in Consortium S.r.l..

The fair value of listed companies is determined on the basis of the official share price on the last accounting day of the reporting period, while the fair value of non-listed companies is determined on the basis of the methodology envisaged by IAS 39.

The equity investments at June 30, 2007 were as follows:

| | |
|---|----------------|
| (in thousands of euro) | |
| Investments in listed companies: | |
| Unione di Banche Italiane S.c.p.a. | 32,243 |
| Unicredito Italiano S.p.A. | 566,933 |
| Total | 599,176 |
| Investments in non-listed companies: | |
| Atmos S.p.A. | 196 |
| Atmos Venture S.p.A. | 200 |
| Compagnia fiduciaria nazionale S.p.A. | 355 |
| Emittente titoli S.p.A. | 159 |
| Fin Priv S.r.l. | 32,469 |
| Gazzetta del sud Calabria S.p.A. | 688 |
| Gruppo Banca Leonardo S.p.A. | 24,722 |
| Idrovia Ticino - Milano Nord - Mincio S.p.A. | |
| Imm.re Lido di Classe S.p.A. - in liquidation | |
| Immobiliare Astra S.p.A. | 12 |
| Intereuropa Sim S.p.A. - in liquidation | |
| Meltemi S.r.l. | 233 |
| Sesaab S.p.A. | 15,700 |
| Solar Energy Italia S.p.A. | 69 |
| Total | 74,803 |
| Total equity investments | 673,979 |

The movements in equity investments are analyzed in "annex A".

5) Tax receivables and payables

The cancellation of tax payables is the result of the payment of current taxes (IRES) which were accounted for in the previous year, against tax charges transferred to Italmobiliare S.p.A. by subsidiaries falling under the national tax consolidation.

The increase in tax receivables is largely due to the payment on account made in June 2007, again as part of the national tax consolidation, net of the provision made for the overall charge in the 1st half of 2007.

6) Equity investments and financial receivables

“Equity investment and financial receivables” consisted of:

| | June 30, 2007 | December 31, 2006 | Change |
|---|---------------|-------------------|----------------|
| (in thousands of euro) | | | |
| Trading debentures | 21,070 | 26,065 | (4,995) |
| Listed shares for trading | 9,312 | 10,550 | (1,238) |
| Current financial receivables due from subsidiaries | 7,552 | 5,800 | 1,752 |
| Accrued financial income | 1,195 | 1,166 | 29 |
| Net amount | 39,129 | 43,581 | (4,452) |

The change in listed shares is mainly due to the purchase of 28,001 Assicurazioni Generali S.p.A. shares and the sale to S.r.l. Nuove Costruzioni Edilizie S.A.N.C.E. of shares in Alleanza Assicurazioni S.p.A., Enel S.p.A., Eni S.p.A., Luxottica S.p.A., Mediolanum S.p.A., Saipem S.p.A. and Unipol Assicurazioni S.p.A.

Financial receivables due from subsidiaries consist of current account relations regulated at normal market rates, for financial support for operating requirements.

Breakdowns of “Trading debentures” and “Listed shares for trading” are provided in annex “B” and “C”.

7) Cash and cash equivalents

| | June 30, 2007 | December 31, 2006 | Change |
|--------------------------|---------------|-------------------|--------------|
| (in thousands of euro) | | | |
| Cash and checks on hand | 25 | 19 | 6 |
| Bank and postal deposits | 48,242 | 38,769 | 9,473 |
| Net amount | 48,267 | 38,788 | 9,479 |

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

The fair value of cash and cash equivalents corresponds to the carrying amount.

Shareholders’ equity and liabilities

Share capital, reserves and retained earnings

8) Share capital

At June 30, 2007 fully paid-up parent company share capital totaled 100,166,937 euro represented by 38,525,745 shares with a par value of 2.6 euro each.

9) Reserves

At June 30, 2007 reserves fell overall by 5,745 thousand compared with December 31, 2006 due to:

- a decrease in the value of the available-for-sale financial assets, net of the effect of deferred tax, for 6,673 thousand euro;
- an increase of 928 thousand euro in the stock options reserve.

10) Treasury shares

At June 30, 2007 the cost of treasury shares acquired was 21,226 thousand euro, deducted against equity. Treasury shares were as follows:

| | No. ordinary shares | Carrying amount in euro | No. savings shares | Carrying amount in euro | Overall carrying amount |
|---------------|---------------------|-------------------------|--------------------|-------------------------|-------------------------|
| June 30, 2007 | 871,411 | 20,830 | 28,500 | 396 | 21,226 |

The change compared with December 31, 2006 was due to the exercise of options by the plan beneficiaries and is set out in the table of changes in shareholders' equity.

Dividends paid

Dividends declared and paid in the 1st half of 2007 and 2006 were as follows:

| | 2007 (euro per share) | 2006 (euro per share) | June 30, 2007 (thousands of euro) | June 30, 2006 (thousands of euro) |
|------------------------|--------------------------|--------------------------|--------------------------------------|--------------------------------------|
| Ordinary shares | 1.450 | 1.270 | 30,901 | 27,015 |
| Savings shares | 1.398 | 1.348 | 24,929 | 21,992 |
| Total dividends | 2.848 | 2.618 | 55,830 | 49,007 |

Movements in shareholders' equity are shown in the "Statement of movements in shareholders' equity".

Non-current liabilities

11) Employee benefit liabilities

This item includes the Provision for employee leaving entitlements computed in compliance with IAS 19 and liabilities in respect of future length-of-service bonus obligations; these liabilities are projections at June 30, 2007, on the actuarial calculations effected at December 31, 2006, adjusted for the amounts actually paid during the half-year.

As a result of changes in Italian laws during the 1st half of 2007 (the reform on employee leaving entitlements), the company's obligations to employees with regard to leaving entitlements accruing as from January 1, 2007, no longer qualify as defined benefit plans and are treated as portions of a defined contribution plan. An assessment of the impact of the reform on the provision accrued in compliance with IAS 19 is underway; although full information is not yet available, current estimates indicate that no material change has occurred in the amount of the provision.

11) Non-current provisions

These provisions fell by 13.9 million euro largely due to the use in the half following the settlement of disputes arising from the disposal of companies in previous periods.

12) Loans and borrowings

The following tables show the loans and borrowings by category divided between non-current and current:

| | June 30, 2007 | December 31, 2006 | Change |
|-----------------------------------|----------------|-------------------|---------------|
| (in thousands of euro) | | | |
| Medium/long-term financing | 369,540 | 389,300 | (19,760) |
| Amounts due to banks | 120,855 | 77,608 | 43,247 |
| Short-term financing | 8,288 | 6,876 | 1,412 |
| Total loans and borrowings | 498,683 | 473,784 | 24,899 |

Italmobiliare loans and borrowings are all at floating rates (linked to the Euribor and Eonia indices). Given the expected rise in interest rates, during 2006 two floating to fixed interest-rate swap contracts were arranged, for a notional amount of 100 million euro, expiring in September 2011. These contracts are classified under financial instruments for trading.

The fair value of these derivatives at 06/30/2007, stood at 3.8 million euro, and was classified as trading income under current assets.

Net financial position

Net debt at June 30, 2007 was 404,626 thousand euro, up by 17,548 thousand euro compared with 387,078 thousand euro at December 31, 2006.

The breakdown of the net financial position is illustrated below:

| | June 30, 2007 | December 31, 2006 | Change |
|--|------------------|-------------------|-----------------|
| (in thousands of euro) | | | |
| Cash and cash equivalents | 48,267 | 38,788 | 9,479 |
| Financial receivables due from Group | 7,552 | 5,800 | 1,752 |
| Government securities and debentures - current | 21,069 | 26,065 | (4,996) |
| Government securities and debentures - non-current | 2,865 | 2,965 | (100) |
| Equity investments for trading | 9,312 | 10,550 | (1,238) |
| Interest-rate derivatives | 3,797 | 1,373 | 2,424 |
| Accruals and deferrals | 1,195 | 1,165 | 30 |
| Total financial assets | 94,057 | 86,706 | 7,351 |
| Amounts due to banks | (490,395) | (466,908) | (23,487) |
| Financial payables due to subsidiaries | (3,820) | (4,256) | 436 |
| Accruals and deferrals | (4,468) | (2,620) | (1,848) |
| Total financial liabilities | (498,683) | (473,784) | (24,899) |
| Net financial position | (404,626) | (387,078) | (17,548) |

Main bank loans and lines of credit used and available

The main borrowings were as follows:

| | | June 30, 2007 | December 31, 2006 | Change |
|---|----------------|----------------|-------------------|-----------------|
| (in thousands of euro) | | | | |
| With collateral security: | | | | |
| Other loans | | | | |
| - BNP Paribas | due 11/20/2011 | 180,000 | 180,000 | |
| - Calyon Paris fin. Tres | due 12/20/2007 | | 25,300 | (25,300) |
| - Sogen Paris fin. Tres | due 05/05/2012 | 25,000 | 25,000 | |
| - San Paolo IMI S.p.A. | due 06/16/2009 | 25,000 | 25,000 | |
| Total | | 230,000 | 255,300 | (25,300) |
| Without collateral security: | | | | |
| Mediobanca - Unicredito shares | | | | |
| | due 12/21/2011 | 139,540 | 134,000 | 5,540 |
| Total | | 139,540 | 134,000 | 5,540 |
| Total non-current loans and borrowings | | 369,540 | 389,300 | (19,760) |

At the end of April, in accordance with the contractual provisions and therefore without any additional charges, Italmobiliare S.p.A. settled the financing received from Calyon (25.3 million euro) which was due to expire in December 2007. The financial resources were raised from drawings on the revocable credit lines arranged with Calyon itself. The spreads on these facilities are significantly lower than those on the previous borrowing. In May Italmobiliare S.p.A. renegotiated the medium-term financing with Société Générale (25.0 million euro), redefining the contract and obtaining better overall conditions in terms of maturity and interest.

At June 30, 2007 Italmobiliare S.p.A. had undrawn credit lines totaling 585.4 million euro, of which 280 million euro was irrevocable.

Commitments

The changes compared with December 31, 2006 were largely due to the settlement of a medium/long-term loan backed by shares given by way of guarantee and the issue of grants to directors and managers of stock options from the 2006 plan.

| | June 30, 2007 | December 31, 2006 |
|--|---------------|-------------------|
| (in thousands of euro) | | |
| Guarantees on company assets | 21,568 | 24,442 |
| Deposits, guarantees, commitments, other | 29,879 | 20,594 |
| Total | 51,447 | 45,036 |

Income statement

13) Revenues

Revenues from sales and services totaled 92,961 thousand euro, as follows:

| (in thousands of euro) | 1st half 2007 | 1st half 2006 | Change | % change |
|--|---------------|----------------|------------------|---------------|
| Dividends | 84,118 | 73,397 | 10,721 | 14.6% |
| Interest income | 6,336 | 982 | 5,354 | 545.2% |
| Capital gains on equity investments and securities | 349 | 118,119 | (117,770) | -99.7% |
| Services | 2,158 | 1,930 | 228 | 11.8% |
| Total | 92,961 | 194,428 | (101,467) | -52.2% |

The breakdown of dividend revenues was as follows:

| (in thousands of euro) | 1st half 2007 | 1st half 2006 | Change | % change |
|--|---------------|---------------|----------------|---------------|
| Subsidiaries | | | | |
| Italcementi S.p.A. | 37,452 | 34,331 | 3,121 | 9.1% |
| Sirap Gema S.p.A. | | 5,179 | (5,179) | -100.0% |
| Franco Tosi S.r.l. | 11,000 | 1,500 | 9,500 | 633.3% |
| Punta Ala Promozione e Svil. Ind. S.r.l. | | 1,492 | (1,492) | -100.0% |
| S.r.l. Nuove Costruzioni Edilizie S.A.N.C.E. | 1,300 | 1,000 | 300 | 30.0% |
| Italmobiliare International Finance Ltd | 8,750 | | 8,750 | 100.0% |
| Italmobiliare Servizi S.r.l. | 60 | 50 | 10 | 20.0% |
| Total | 58,562 | 43,552 | 15,010 | 34.5% |
| Associates | | | | |
| Società Editrice Siciliana S.p.A. | 659 | 1,063 | (404) | -38.0% |
| Mittel S.p.A. | 2,046 | 1,023 | 1,023 | 100.0% |
| Total | 2,705 | 2,086 | 619 | 29.7% |
| Other companies | | | | |
| Unicredito Italiano S.p.A. | 20,550 | 18,838 | 1,712 | 9.1% |
| R.C.S. MediaGroup S.p.A. | | 3,855 | (3,855) | -100.0% |
| Consortium | | 2,554 | (2,554) | -100.0% |
| Capitalia S.p.A. | | 1,291 | (1,291) | -100.0% |
| Unione di Banche Italiane S.c.p.a. | 1,375 | 854 | 521 | 61.0% |
| Gruppo Banca Leonardo S.p.A. | 426 | | 426 | 100.0% |
| Asm Brescia S.p.A. | 96 | 159 | (63) | -39.6% |
| Sesaab S.p.A. | 100 | 100 | | |
| Compagnia Fiduciaria Nazionale S.p.A. | 119 | 44 | 75 | 170.5% |
| Emittente Titoli S.p.A. | 29 | 30 | (1) | -3.3% |
| Gazzetta del Sud Calabria S.p.A. | 6 | 19 | (13) | -68.4% |
| Assicurazioni Generali S.p.A. | 150 | 15 | 135 | 900.0% |
| Total | 22,851 | 27,759 | (4,908) | -17.7% |
| Grand total | 84,118 | 73,397 | 10,721 | 14.6% |

The breakdown of interest income revenues was as follows:

| (in thousands of euro) | 1st half 2007 | 1st half 2006 | Change | % change |
|---|---------------|---------------|--------------|---------------|
| Interest and finance income from subsidiaries | 131 | 140 | (9) | -6.4% |
| Interest on securities and debentures | 628 | 531 | 97 | 18.3% |
| Bank interest income | 269 | 49 | 220 | 449.0% |
| Interest from tax authorities | 172 | 217 | (45) | -20.7% |
| Commissions and other income | 79 | 45 | 34 | 75.6% |
| Income from interest-rate hedging | 2,460 | | 2,460 | 100.0% |
| Income from TRES application | 2,597 | | 2,597 | 100.0% |
| Total | 6,336 | 982 | 5,354 | 545.2% |

The breakdown on capital gains on equity investments and securities was as follows:

| (in thousands of euro) | 1st half 2007 | 1st half 2006 | Change | % change |
|--|---------------|----------------|------------------|----------------|
| From sale of available-for-sale equity investments | | | | |
| Capitalia S.p.A. | | 14,705 | (14,705) | -100.0% |
| Consortium | 9 | | 9 | 100.0% |
| Gemina S.p.A. | | 7,932 | (7,932) | -100.0% |
| Mediobanca S.p.A. | | 58,942 | (58,942) | -100.0% |
| R.C.S. MediaGroup S.p.A. | | 35,560 | (35,560) | -100.0% |
| G.I.M. Warrant | | 605 | (605) | -100.0% |
| Total | 9 | 117,744 | (117,735) | -100.0% |
| From sale of trading equity investments | | | | |
| Enel S.p.A. | 13 | | 13 | 100.0% |
| Banca Popolare Verona Novara | 10 | | 10 | 100.0% |
| Unipol Assicurazioni S.p.A. | 10 | | 10 | 100.0% |
| Saipem s.p.A. | 9 | | 9 | 100.0% |
| Other | 2 | | 2 | 100.0% |
| Total | 44 | | 44 | 100.0% |
| From sale of trading debentures | 22 | | 22 | 100.0% |
| From fair value valuation of trading equity investments | | | | |
| ASM Brescia S.p.A. | 228 | 312 | (84) | -26.9% |
| Assicurazioni Generali S.p.A. | | 57 | (57) | -100.0% |
| Total | 228 | 369 | (141) | -38.2% |
| From fair vlaue valuation of trading securities | | | | |
| Unione di Banche Italiane S.c.p.a. | 46 | 6 | 40 | 666.7% |
| Total | 46 | 6 | 40 | 666.7% |
| Grand total | 349 | 118,119 | (117,770) | -99.7% |

14) Goods and utilities expenses

Goods and utilities expenses totaled 77 thousand euro, as follows:

| (in thousands of euro) | 1st half 2007 | 1st half 2006 | Change | % change |
|-------------------------|---------------|---------------|----------|--------------|
| Materials and machinery | 4 | 2 | 2 | 100.0% |
| Other materials | 37 | 35 | 2 | 5.7% |
| Electricity, water, gas | 36 | 31 | 5 | 16.1% |
| Total | 77 | 68 | 9 | 13.2% |

15) Services expenses

Services expenses amounted to 3,219 thousand euro, as follows:

| (in thousands of euro) | 1st half 2007 | 1st half 2006 | Change | % change |
|---|---------------|---------------|------------|--------------|
| Legal fees, consultancy and compensation | 2,524 | 2,008 | 516 | 25.7% |
| Rents and fees for use of third-party assets | 125 | 82 | 43 | 52.4% |
| Insurance | 133 | 129 | 4 | 3.1% |
| Lease payments and expense of civil buildings | 39 | 34 | 5 | 14.7% |
| Maintenance and repair | 85 | 101 | (16) | -15.8% |
| Subscriptions | 38 | 39 | (1) | -2.6% |
| Communication and promotions | 77 | 86 | (9) | -10.5% |
| Post and telephone | 28 | 26 | 2 | 7.7% |
| Cleaning | 61 | 49 | 12 | 24.5% |
| Other expenses and residual services | 109 | 63 | 46 | 73.0% |
| Total | 3,219 | 2,617 | 602 | 23.0% |

16) Employee expenses

Overall employee expenses were 7,580 thousand euro, as follows:

| (in thousands of euro) | 1st half 2007 | 1st half 2006 | Change | % change |
|-------------------------------|---------------|---------------|------------|-------------|
| Wages and salaries | 3,905 | 3,106 | 799 | 25.7% |
| Social security contributions | 1,001 | 828 | 173 | 20.9% |
| Provisions and pension funds | 232 | 155 | 77 | 49.7% |
| Compensation for directors | 2,411 | 3,068 | (657) | -21.4% |
| Canteen expenses | 31 | 25 | 6 | 24.0% |
| Total | 7,580 | 7,182 | 398 | 5.5% |

The number of employees was:

| (heads) | 1st half 2007 | 1st half 2006 |
|-----------------------------------|---------------|---------------|
| Number of employees at period end | 44 | 43 |
| Average number of employees | 43.50 | 42.93 |

Stock options

Based on the results reported in 2006, on March 21, 2007, the Italmobiliare S.p.A. Board of Directors granted a total of 122,479 options vesting after January 1, 2010, to directors and managers.

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

| | | Piano 2007 |
|----------------------------|---|------------|
| Option value at grant date | € | 23.64 |
| Share value | € | 87.41 |
| Exercise price | € | 86.0685 |
| Volatility as % | | 17.5% |
| Option term (in years) | | 9.75 |
| Dividend as % | | 1.45% |
| BTP 10 year risk free rate | | 3.652% |

The terms and conditions of all Italmobiliare S.p.A. stock option plans at June 30, 2007 were as follows:

| Grant date | No . options granted | Exercise period | Options exercised | Options cancelled | Unexercised options | Underwriting price per unit |
|----------------|----------------------|---------------------|-------------------|-------------------|---------------------|-----------------------------|
| March 24, 2003 | 49,283 | 1.1.2006-12.31.2012 | 39,720 | | 9,563 | € 31.2800 |
| March 30, 2004 | 96,080 | 1.1.2007-12.31.2013 | | | 96,080 | € 35.1990 |
| March 30, 2005 | 108,437 | 1.1.2008-12.31.2014 | | | 108,437 | € 54.5355 |
| March 21, 2006 | 109,880 | 1.1.2009-12.31.2015 | | | 109,880 | € 65.7010 |
| March 21, 2007 | 122,479 | 1.1.2010-12.31.2016 | | | 122,479 | € 86.0685 |
| Total | 486,159 | | 39,720 | - | 446,439 | |

17) Other operating income(expense)

Other operating expense net of income stood at 11,442 thousand euro, as follows:

| (in thousands of euro) | 1st half 2007 | 1st half 2006 | Change | % change |
|--|---------------|---------------|----------------|---------------|
| Finance costs | | | | |
| Interest on short-term borrowings | 2,304 | 1,677 | 627 | 37.4% |
| Interest on medium/long-term borrowings | 7,994 | 4,594 | 3,400 | 74.0% |
| | 94 | 69 | 25 | 36.2% |
| Current account and finance interest due to subsidiaries | | | | |
| Commissions on non-utilization | 44 | 34 | 10 | 29.4% |
| Total | 10,436 | 6,374 | 4,062 | 63.7% |
| Capital losses and impairment | | | | |
| Sale Gim S.p.A. | | 2,742 | (2,742) | -100.0% |
| Sale trading securities | 15 | 26 | (11) | -42.3% |
| Sale Alleanza Ass. S.p.A. | 15 | | 15 | 100.0% |
| Sales Eni S.p.A. | 40 | | 40 | 100.0% |
| Impairment Consortium S.r.l. | | 5,314 | (5,314) | -100.0% |
| Impairment Assicurazioni Generali S.p.A. | 124 | | 124 | 100.0% |
| Impairment trading securities | 6 | 40 | (34) | -85.0% |
| Total | 200 | 8,122 | (7,922) | -97.5% |
| Other expense and income | | | | |
| Condominium expenses on own buildings | 106 | 103 | 3 | 2.9% |
| Other management expense | 31 | 39 | (8) | -20.5% |
| Deductible VAT | 632 | 340 | 292 | 85.9% |
| ICI tax | 18 | 18 | | |
| Other taxes | 11 | 15 | (4) | -26.7% |
| Non-recurring expenses | 8 | 340 | (332) | -97.6% |
| Total | 806 | 855 | (49) | -5.7% |
| Total other operating income/(expense) | 11,442 | 15,351 | (3,909) | -25.5% |

18) Income tax expense

Income tax expense for the period of 8,453 thousand euro was as follows:

| (in thousands of euro) | 1st half 2007 | 1st half 2006 | Change | % change |
|------------------------|----------------|---------------|-----------------|----------------|
| Current tax | (8,464) | 11,681 | (20,145) | -172.5% |
| Deferred tax | 118 | (6,969) | 7,087 | -101.7% |
| Prior-year tax | (107) | | (107) | 100.0% |
| Total | (8,453) | 4,712 | (13,165) | -279.4% |

The change compared with the prior-year period was due to the absence of non-recurring items which were taxed as already realized capital gains on shares, the recording of greater finance income not subject to tax or to limited taxation, and the positive effect caused by the renewed application of the national tax consolidation.

Non-recurring operations

The tables below itemize the most significant non-recurring transactions and their impact on the shareholders' equity, financial position and net profit:

| (in thousands of euro) | 1st half 2007 | | | | | |
|--|----------------------|--------------|---------------------------|--------------|------------------|--------------|
| | Shareholders' equity | | Net profit for the period | | Net debt | |
| | % | | % | | % | |
| Book values | 1,667,827 | | 82,306 | | (404,626) | |
| Net capital gains on sale of fixed assets | | | | | | |
| Non-recurring employee expenses for reorganizations | | | | | | |
| Other non-recurring income (expense) | 2,568 | 0.15% | 2,568 | 3.12% | (4,338) | 1.07% |
| Tax on non-recurring income | 3,643 | 0.22% | 3,643 | 4.43% | | |
| Non-recurring tax | | | | | | |
| Total | 6,211 | 0.37% | 6,211 | 7.55% | (4,338) | 1.07% |
| Figurative value without non-recurring transactions | 1,661,616 | | 76,095 | | (400,288) | |

| (in thousands of euro) | 1st half 2006 | | | | | |
|--|----------------------|--------------|---------------------------|--------------|------------------|---------------|
| | Shareholders' equity | | Net profit for the period | | Net debt | |
| | % | | % | | % | |
| Book values | 1,596,805 | | 168,317 | | (403,486) | |
| Net capital gains on sale of fixed assets | 159 | 0.01% | 159 | 0.09% | 330 | -0.08% |
| Non-recurring employee expenses for reorganizations | | | | | | |
| Other non-recurring income (expense) | 3,134 | 0.20% | 3,134 | 1.86% | 2,527 | -0.63% |
| Tax on non-recurring income | (985) | -0.06% | (985) | -0.59% | | |
| Non-recurring tax | | | | | | |
| Total | 2,308 | 0.14% | 2,308 | 1.37% | 2,857 | -0.71% |
| Figurative value without non-recurring transactions | 1,594,497 | | 166,009 | | (406,343) | |

Dealings with related parties

The figures at June 30, 2007 for dealings with related parties are summarized below:

Receivables and payables with related parties

| (in thousands of euro) | Company | Amount | % impact on book values | Book values | Reference |
|---|--|----------------|-------------------------|----------------|---------------|
| Description | | | | | |
| Non-current receivables | Franco Tosi S.r.l. | 235,000 | | | |
| Subsidiaries | S.r.l. Nuove Costruzioni Edilizie Sance | 20,000 | | | |
| Non-current receivables | Gesvim S.r.l. | 5,852 | | | |
| Associates | | | | | |
| Total non-current receivables and other assets | | 260,852 | 98.89% | 263,767 | |
| Trade receivables | Azienda Vendita Acquisti A.V.A. S.r.l. | 10 | | | |
| Subsidiaries | Franco Tosi S.r.l. | 44 | | | |
| | Italcementi S.p.A. | 846 | | | |
| | Italmobiliare Servizi S.r.l. | 28 | | | |
| | Populonia Italica S.r.l. | 12 | | | |
| | Punta Ala Promoz. e Sviluppo Imm.re S.r.l. | 28 | | | |
| | Sirap-Gema S.p.A. | 128 | | | |
| | S.r.l. Nuove Costruzioni Edilizie Sance | 25 | | | |
| Trade receivables | Gesvim S.r.l. | 35 | | | |
| Associates | G.I.S.T. S.r.l. | 38 | | | |
| | Immobiliare Golf Punta Ala S.p.A. | 60 | | | |
| Total trade receivables | | 1,254 | 99.60% | 1,259 | |
| Receivables for tax consolidation | Axim Italia S.p.A. | 176 | | | |
| Subsidiaries | Gruppo Italsfusi S.r.l. | 82 | | | |
| | Imes S.r.l. | 5 | | | |
| | Intercom S.r.l. | 24 | | | |
| | Intertrading S.r.l. | 130 | | | |
| | Italmobiliare Servizi S.r.l. | 9 | | | |
| | Sirap Gema Insulation System S.r.l. | 465 | | | |
| | S.r.l. Nuove Costruzioni Edilizie Sance | 80 | | | |
| Deferred charges and accrued income | Italcementi S.p.A. | 19 | | | |
| Subsidiaries | Italmobiliare Servizi S.r.l. | 18 | | | |
| Total other assets | | 1,008 | 17.33% | 5,817 | |
| Current a/c receivables | Franco Tosi S.r.l. | 5,387 | | | |
| Subsidiaries | Italcementi S.p.A. | 31 | | | |
| | Sirap-Gema S.p.A. | 799 | | | |
| | S.r.l. Nuove Costruzioni Edilizie Sance | 1,335 | | | |
| Total financial receivables | | 7,552 | 19.30% | 39,129 | Note 6 |

| | | | | |
|---|--|----------------|---------------|------------------------|
| Other payables | Italcementi S.p.A. | (24) | | |
| Subsidiaries | | | | |
| Total other payables and non-current liabilities | | (24) | 77.42% | (31) |
| Current a/c payables | Azienda Vendita Acquisti A.V.A. S.r.l. | (1,529) | | |
| Subsidiaries | Italmobiliare Servizi S.r.l. | (410) | | |
| | Popolonia Italica S.r.l. | (621) | | |
| | Punta Ala Promoz. e Sviluppo Imm.re S.r.l. | (1,260) | | |
| Total financial payables | | (3,820) | 46.09% | (8,288) Note 12 |
| Trade payables | Italcementi S.p.A. | (194) | | |
| Subsidiaries | Italmobiliare Servizi S.r.l. | (513) | | |
| | Popolonia Italica S.r.l. | (34) | | |
| | Altre parti correlate | (20) | | |
| Total trade payables | | (761) | 24.74% | (3,076) |
| Payables for tax consolidation | Aliserio S.r.l. | (17) | | |
| Subsidiaries | Amprica S.p.A. | (202) | | |
| | Cementificio Montalto S.p.A. | (251) | | |
| | Franco Tosi S.r.l. | (60) | | |
| | Italcementi S.p.A. | (2,769) | | |
| | Italgen S.p.A. | (884) | | |
| | Immobiliare Salesiane S.r.l. | (3) | | |
| | Nuova Sacelit S.r.l. | (293) | | |
| | Popolonia Italica S.r.l. | (21) | | |
| | Sama S.p.A. | (102) | | |
| | Sicilfin S.r.l. | (5) | | |
| | Silos Granari della Sicilia S.r.l. | (113) | | |
| Total other liabilities | | (4,720) | 27.24% | (17,329) |

COMMITMENTS WITH RELATED PARTIES

| Description | Company | Amount |
|--------------------------|------------------------|------------|
| Guarantees provided to: | Neyrtec Industrie S.A. | 967 |
| Subsidiaries | | |
| Total commitments | | 967 |

REVENUES AND EXPENSES WITH RELATED PARTIES

| (in thousands of euro) | Company | Amount | % impact on book values | Book values | Reference |
|---|--|---------------|-------------------------|---------------|----------------|
| Description | | | | | |
| Dividends | Franco Tosi S.r.l. | 11,000 | | | |
| Subsidiaries | Italcementi S.p.A. | 37,452 | | | |
| | Italmobiliare Servizi S.r.l. | 60 | | | |
| | Italmobiliare International Finance | 8,750 | | | |
| | S.r.l. Nuove Costruzioni Edilizie Sance | 1,300 | | | |
| Dividends | Mittel S.p.A. | 2,045 | | | |
| Associates | Società Editrice Siciliana S.p.A. | 659 | | | |
| Total dividends | | 61,266 | 72.83% | 84,118 | Note 13 |
| C/a interest and financial income and other income | Franco Tosi S.r.l. | 31 | | | |
| Subsidiaries | Italcementi S.p.A. | 7 | | | |
| | S.r.l. Nuove Costruzioni Edilizie Sance | 20 | | | |
| | Sirap-Gema S.p.A. | 73 | | | |
| Total interest income | | 131 | 2.07% | 6,336 | Note 13 |
| Capital gains on equity investments | S.r.l. Nuove Costruzioni Edilizie Sance | 41 | | | |
| Subsidiaries | | | | | |
| Total capital gains on equity investments and securities | | 41 | 11.75% | 349 | Note 13 |
| Recovery of services | Azienda Vendita Acquisti A.V.A. S.r.l. | 11 | | | |
| Subsidiaries | Finter Bank Zuerich | 10 | | | |
| | Franco Tosi S.r.l. | 44 | | | |
| | Italcementi S.p.A. | 1,602 | | | |
| | ITC - Factor S.p.A. | 2 | | | |
| | Italmobiliare Servizi S.r.l. | 28 | | | |
| | Populonia Italica S.r.l. | 12 | | | |
| | Punta Ala Promoz. e Sviluppo Imm.re S.r.l. | 25 | | | |
| | Sirap-Gema S.p.A. | 159 | | | |
| | Sirap-Gema Insulation Systems S.r.l. | 23 | | | |
| | S.r.l. Nuove Costruzioni Edilizie Sance | 25 | | | |
| Recovery of services | G.I.S.T. S.r.l. | 1 | | | |
| Subsidiaries | Gesvim S.r.l. | 21 | | | |
| | Immobiliare Golf Punta Ala S.p.A. | 10 | | | |
| | Società Editrice Siciliana S.p.A. | 21 | | | |
| Total services | | 1,994 | 92.40% | 2,158 | |
| Total revenues | | 63,432 | 68.24% | 92,961 | Note 13 |
| Other revenues | Italcementi S.p.A. | 496 | | | |
| Subsidiaries | Italmobiliare Servizi S.r.l. | 32 | | | |
| | Punta Ala Promoz. e Sviluppo Imm.re S.r.l. | 3 | | | |
| Total other revenues | | 531 | 74.06% | 717 | |

| | | | | | |
|---|--|--------------|---------------|-----------------|----------------|
| Costs for services | Italcementi S.p.A. | (290) | | | |
| Subsidiaries | Italmobiliare Servizi S.r.l. | (505) | | | |
| | Popolonia Italica S.r.l. | (34) | | | |
| | Altre parti correlate | (162) | | | |
| Total costs for services | | (991) | 30.79% | (3,219) | Note 15 |
| C/a interest and finance costs | Azienda Vendita Acquisti A.V.A. S.r.l. | (32) | | | |
| Subsidiaries | Franco Tosi S.r.l. | (17) | | | |
| | Italcementi S.p.A. | (1) | | | |
| | Italmobiliare Servizi S.r.l. | (10) | | | |
| | Punta Ala Promoz. e Sviluppo Imm.re S.r.l. | (20) | | | |
| | Popolonia Italica S.r.l. | (14) | | | |
| Capital losses on disposal of equity investments | S.r.l. Nuove Costruzioni Edilizie Sance | (56) | | | |
| Total other operating income/(expense) | | (150) | 1.31% | (11,442) | Note 17 |
| Other non-recurring expense | Other related parties | (300) | | | |
| | (payment to Fondazione Italcementi) | | | | |
| Total other non-recurring income/(expense) | | (300) | n.s. | | |

n.s. not significant

Impact of transactions with related parties on cash flows

| (in thousands of euro) | Cash flows | |
|--|---------------|--------|
| | Amount | % |
| Cash flow from operating activities with related parties | 70,150 | 148.7% |
| Total A) - as per 2007 cash flow statement | 47,173 | |
| Cash flow from investing activities with related parties | 286 | -2.7% |
| Total B) - as per 2007 cash flow statement | (10,725) | |
| Cash flow from financing activities with related parties | (477) | 1.8% |
| Total C) - as per 2007 cash flow statement | (26,969) | |
| Change in cash flows with related parties | 69,959 | |
| Change in cash flows as per cash flow statement (A+B+C) | 9,479 | |

Annex A

Statement of movements in the accounts of available-for-sale equity investments at June 30, 2007

| (in thousands of euro) | | | | | | | | | | | | | Gains/ (losses) on sales |
|--|----------------------|------------------|-----------|---------------|------------|------------|--------------------------|------------|-----------------------|---------------------------|------------------|----------|--------------------------------|
| Equities and interests | Position at 1/1/2007 | | Additions | | Decreases | | Changes in fair value | Impairment | Interest held | Position at 06/30/2007 | | | |
| Subsidiaries | Quantity | Amounts | Quantity | Amounts | Quantity | Amounts | Amounts | Amounts | % | Quantity | Amounts | Amounts | |
| Aliserio S.r.l. | 227,000 | 239 | | | | | | | 10.000 ⁽¹⁾ | 227,000 | 239 | -- | |
| Azienda Vendite Acquisti A.V.A. S.r.l. | 2,550,000 | 2,283 | | | | | | | 100.000 | 2,550,000 | 2,283 | -- | |
| BravoSolution S.p.A. | 1,777,778 | 2,611 | | | | | | | 8.154 ⁽¹⁾ | 1,777,778 | 2,611 | -- | |
| Fincomind S.A. | 7,000 | 3,643 | | | | | | | 69.930 | 7,000 | 3,643 | -- | |
| Franco Tosi S.r.l. | 90,000,000 | 90,005 | | | | | | | 100.000 | 90,000,000 | 90,005 | -- | |
| Italcementi S.p.A. - ordinary shares | 104,034,000 | 370,235 | | | | | | | 58.737 ^(*) | 104,034,000 | 370,235 | -- | |
| Italmobiliare International B.V. | 13,000 | 14 | | | | | | | 100.000 | 13,000 | 14 | -- | |
| Italmobiliare International Finance Ltd | 249,990 | 465,129 | | | | | | | 97.272 | 249,990 | 465,129 | -- | |
| Italmobiliare Servizi S.r.l. | 260,000 | 258 | | | | | | | 100.000 | 260,000 | 258 | -- | |
| Neyrtec Industrie S.A. | 100,000 | -- | | | | | | | 100.000 | 100,000 | -- | -- | |
| Popolonia Italica S.r.l. | 1,040,000 | 1,147 | | | | | | | 100.000 | 1,040,000 | 1,147 | -- | |
| Punta Ala Promozione e Sviluppo Immobiliare S.r.l. | 1,293,240 | 1,336 | | | | | | | 99.480 | 1,293,240 | 1,336 | -- | |
| Sirap Gema S.p.A. | 3,298,625 | 37,489 | | | | | | | 100.000 | 3,298,625 | 37,489 | -- | |
| Société de Participation Financière Italmobiliare S.A. | 4,294,033 | 95,001 | | | | | | | 99.940 | 4,294,033 | 95,001 | -- | |
| S.r.l. Nuove Costruzioni Edilizie S.A.N.C.E. | 139,725 | 3,986 | | | | | | | 100.000 | 139,725 | 3,986 | -- | |
| Total subsidiaries | | 1,073,376 | | -- | | -- | -- | -- | | | 1,073,376 | -- | |
| Associates | | | | | | | | | | | | | |
| Mittel S.p.A. | 8,522,756 | 51,862 | | | | | 1,559 | | 12.913 | 8,522,756 | 53,421 | -- | |
| Società Edificia Siciliana S.p.A. | 29,700 | 16,941 | | | | | (505) | | 33.000 | 29,700 | 16,436 | -- | |
| Total associates | | 68,803 | | -- | | -- | 1,054 | -- | | | 69,857 | -- | |
| Other companies | | | | | | | | | | | | | |
| Almos S.p.A. | 200,000 | 196 | | | | | | | 2.220 | 200,000 | 196 | -- | |
| Almos Venture S.p.A. | -- | -- | 200,000 | 200 | | | | | 9.090 | 200,000 | 200 | -- | |
| Unione di Banche Italiane S.c.p.a. | 1,718,500 | 35,711 | | | | | (3,468) | | 0.269 | 1,718,500 | 32,243 | -- | |
| Compagnia Fiduciaria Nazionale S.p.A. | 20,001 | 280 | | | | | 75 | | 16.668 | 20,001 | 355 | -- | |
| Consortium S.r.l. | 12,768,912 | 286 | | | 12,768,912 | 286 | | | | -- | -- | 8 | |
| Emittenti Titoli S.p.A. | 209,000 | 159 | | | | | | | 2.549 | 209,000 | 159 | -- | |
| Fin.Priv. S.r.l. | 2,857 | 34,293 | | | | | (1,824) | | 14.285 | 2,857 | 32,469 | -- | |
| Gazzetta del Sud Calabria S.p.A. | 4,788 | 702 | | | | | (14) | | 4.836 | 4,788 | 688 | -- | |
| Gruppo Banca Leonardo S.p.A. | 4,260,000 | 13,924 | 3,316,661 | 10,883 | | 85 | | | 3.027 | 7,576,661 | 24,722 | -- | |
| Idrovia Ticino Milano Nord Mincio S.p.A. - in liquidation | 100 | -- | | | | | | | 0.200 | 100 | -- | -- | |
| Immobiliare Lido di Classe S.p.A. - in liquidation | 45,991 | -- | | | | | | | | 45,991 | -- | -- | |
| Immobiliare Astra S.p.A. | 12,012 | 11 | | | | | 1 | | 1.784 | 12,012 | 12 | -- | |
| Intereuropa Sim S.p.A. - in liquidation | 80,000 | -- | | | | | | | | 80,000 | -- | -- | |
| Meltemi S.p.A. | 12,982 | 236 | | | | | (3) | | 5.452 | 12,982 | 233 | -- | |
| Sesaab S.p.A. | 1,000,000 | 15,700 | | | | | | | 10.000 | 1,000,000 | 15,700 | -- | |
| Solar Energy Italia S.p.A. | 69,100 | 69 | | | | | | | 6.909 | 69,100 | 69 | -- | |
| UniCredito Italiano S.p.A. - ordinary shares (2) | 85,626,509 | 569,759 | | | | | (2,826) | | 0.922 ^(*) | 85,626,509 ⁽²⁾ | 566,933 | -- | |
| Total other companies | | 671,326 | | 11,083 | | 371 | (8,059) | -- | | | 673,979 | 8 | |
| Total equity investments | | 1,813,505 | | 11,083 | | 371 | (7,005) | -- | | | 1,817,212 | 8 | |

(*) on ordinary share capital

(1) controlled through Italcementi S.p.A.

(2) including 83,634,739 shares subject to security and/or guarantee backed lending operations

Annex B
Statement of movements in debentures during the first half of 2007

| (in thousands of euro) | Position at 01.01.2007 | Additions | Decreases | Changes in fair value | Position at 06.30.2007 |
|-------------------------------------|---------------------------|-----------|-----------|-----------------------|---------------------------|
| Available-for-sale portfolio | | | | | |
| Other variable-income securities | 76 | -- | 41 | -- | 35 |
| Other fixed-income securities | 2,889 | -- | -- | (59) | 2,830 |
| Total | 2,965 | -- | 41 | (59) | 2,865 |

| (in thousands of euro) | Position at 01.01.2007 | Additions | Decreases | Changes in fair value | Position at 06.30.2007 |
|----------------------------------|---------------------------|--------------|---------------|-----------------------|---------------------------|
| Trading portfolio | | | | | |
| Other variable-income securities | 26,065 | 5,002 | 10,038 | 41 | 21,070 |
| Total | 26,065 | 5,002 | 10,038 | 41 | 21,070 |

The closing position at 06.30.2007 reflects market value at June 30, 2007.

Annex C
Statement of movements in the accounts of trading equity investments at June 30, 2007

| (in thousands of euro) | Position at 01.01.2007 | | Additions | | Decreases | | Changes in fair value | Interest held | Position at 06.30.2007 | | Gains (losses) on sales |
|--|---------------------------|---------------|-----------|------------|-----------|--------------|-----------------------------|------------------|---------------------------|--------------|-------------------------------|
| Equities and interests | Quantity | Amounts | Quantity | Amounts | Quantity | Amounts | Amounts | % | Quantity | Amounts | Amounts |
| Other companies | | | | | | | | | | | |
| Asm Brescia S.p.A. - ordinary shares | 650,000 | 2,678 | -- | -- | 30,000 | 124 | 228 | 0.084 | 620,000 | 2,782 | 1 |
| Assicurazioni Generali S.p.A. | 191,999 | 6,401 | 28,001 | 253 | -- | -- | (124) | 0.018 | 220,000 | 6,530 | -- |
| Alleanza assicurazioni S.p.A. ordinary shares | 36,000 | 364 | | | 36,000 | 364 | | | -- | -- | (15) |
| Banca Popolare Verona e Novara | 4,000 | 87 | 4,000 | 92 | 8,000 | 179 | | | -- | -- | 10 |
| Enel Sp.A. | 40,000 | 313 | 10,000 | 77 | 50,000 | 390 | | | -- | -- | 13 |
| Eni S.p.A. | 20,000 | 510 | | | 20,000 | 510 | | | -- | -- | (40) |
| Luxottica S.p.A. | -- | -- | 3,000 | 71 | 3,000 | 71 | | | -- | -- | -- |
| Mediolanum S.p.A. | 8,000 | 50 | | | 8,000 | 50 | | | -- | -- | -- |
| Saipem S.p.A. | -- | -- | 5,000 | 93 | 5,000 | 93 | | | -- | -- | 9 |
| Unipol Assicurazioni S.p.A. | 60,000 | 147 | | | 60,000 | 147 | | | -- | -- | 10 |
| Total other companies | | 10,550 | | 586 | | 1,928 | 104 | | | 9,312 | (12) |

Annex D

Comparison of book values and market prices at June 30, 2007 for equity investments in companies with listed shares.

| (in thousands of euro) Equities | Number of shares | Book value | Unit book value | Unit market value at June 30, 2007 | Market value at June 30, 2007 |
|---|---------------------|----------------|--------------------|---------------------------------------|----------------------------------|
| Subsidiaries | | | | | |
| Italcementi S.p.A. - ordinary shares | 104,034,000 | 370,235 | 3.559 | 22.7900 | 2,370,935 |
| | | 370,235 | | | 2,370,935 |
| Associates | | | | | |
| Mittel S.p.A. (1) | 8,522,756 | 53,421 | 6.268 | 5.4720 | 46,637 |
| | | 53,421 | | | 46,637 |
| Other companies | | | | | |
| Asm Brescia S.p.A. - ordinary shares | 620,000 | 2,782 | 4.487 | 4.4870 | 2,782 |
| Assicurazioni Generali S.p.A. | 220,000 | 6,530 | 29.680 | 29.6800 | 6,530 |
| Unione di Banche Italiane S.c.p.a. | 1,718,500 | 32,242 | 18.762 | 18.7620 | 32,242 |
| UniCredito Italiano S.p.A. - ordinary shares | 85,626,509 | 566,933 | 6.621 | 6.6210 | 566,933 |
| | | 608,487 | | | 608,487 |
| Treasury shares (deducted from shareholders' equity) | | | | | |
| Italmobiliare Società per Azioni - ordinary shares (*) | 871,411 | 20,830 | 23.904 | 104.2400 | 90,836 |
| Italmobiliare Società per Azioni - savings shares | 28,500 | 396 | 13.898 | 80.0100 | 2,280 |
| | | 21,226 | | | 93,116 |

(1) the book value reflects the valuation of the associate with the equity method based on the most recent available consolidated half-year financial statements

(*) including .446,439 shares servicing stock option plans



Report of the Independent Auditors



Auditors' report on the review of the six month financial statements prepared in accordance with Article 81 of the Consob Regulation, adopted by the resolution No. 11971 of May 14, 1999 and subsequent modifications and integrations

(Translation from the original Italian version)

To the Shareholders of
Italmobiliare S.p.A.

1. We have performed a review of the Management Report represented by the Balance Sheets, the Statements of Income, the Statements of Changes in Shareholders' Equity and the Statements of Cash flows and related Notes of Italmobiliare S.p.A (Parent Company Statements) and Italmobiliare Group (Consolidated Statements) as of and for the six months ended June 30, 2007. These financial statements are the responsibility of the Directors of Italmobiliare S.p.A.. Our responsibility is to prepare this review report based on our review. We have also reviewed that part of the financial information presented by the Board of Directors in the Management Report with respect of their discussions and analysis of the operations, solely for the purpose of evaluating its consistency with the above mentioned Statements and related Notes.
2. Our review was conducted in accordance with auditing standards governing the review of interim financial statements recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its resolution No. 10867 of July 31, 1997. A review consists mainly of obtaining information with respect to the accounts included in the financial statements and the consistency of the accounting principles applied, through discussions with appropriate members of management and analytical procedures applied to the financial data presented in such statements. A review does not include performing auditing procedures such as tests of compliance of internal controls and substantive procedures on assets and liabilities. Consequently, the scope of a review engagement provides significantly less assurance than a full scope audit performed in accordance with generally accepted auditing standards. Accordingly, we do not express an audit opinion on the Management Report of Italmobiliare S.p.A. as of and for the six months ended June 30, 2007, as we do in connection with reporting on our full scope audits of the annual Parent Company and Consolidated Financial Statements of Italmobiliare S.p.A..

3. With respect to the Parent Company and the Consolidated comparative data as of and for the year ended December 31, 2006 and for the six months ended June 30, 2006 presented in the financial statements, reference should be made to our audit reports issued on April 6, 2007 and on October 5, 2006, respectively.
4. Based on our review, we did not become aware of any significant modifications that should be made to the Statements and related Notes of Italmobiliare S.p.A. and Italmobiliare Group identified in paragraph 1 of this report, in order for them to be in conformity with the international accounting standard IAS 34 and the criteria for the presentation of the six months Management Report, as required by art. 81 of Consob regulations as approved in its resolution No. 11971 of May 14, 1999 and subsequent modifications and integrations.

Milan, September 12, 2007

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

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