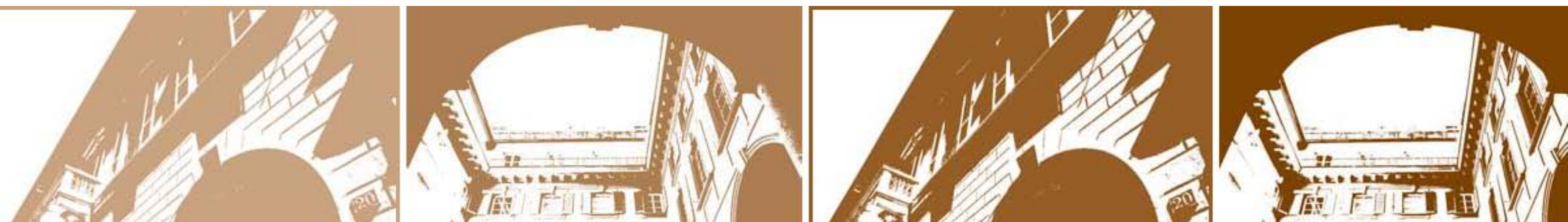
ITALMOBILIARE

Quarterly report
at March 31, 2010



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at March 31, 2010

May 14, 2010

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Società per Azioni

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

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

Board of Directors

(Term ends on approval of financial statements at 12.31.2010)

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

Board of Statutory Auditors

(Term ends on approval of financial statements at 12.31.2010)

Acting auditors	
Mario Cera	Chairman
Luigi Guatri	
Eugenio Mercorio	
Substitute auditors	
Marco Confalonieri	
Leonardo Cossu	
Enrico Locatelli	

Giorgio Moroni	Manager in charge of preparing the company's financial reports
KPMG S.p.A.	Independent Auditors

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

COMMENTS ON OPERATIONS

FOREWORD

This quarterly report as at and for the year to March 31, 2010, has been drawn up in compliance with article 154 ter, paragraph 5, of Legislative Decree no. 58 of February 24, 1998, and subsequent amendments. It is also compliant with the measurement and recognition criteria of the International Accounting and Financial Reporting Standards (IAS / IFRS).

The main changes with respect to the financial statements as at and for the year to December 31, 2009, illustrated in greater detail in the comments on the financial statements, are the application of IFRS 3 "Business combinations", IAS 27 revised "Consolidated and separate financial statements", and the amendments to IAS 32 "Classification of rights issues" and IAS 39 "Designation of hedging instruments". These changes did not produce material effects on the period under review.

Regarding application of IAS 16 "Property, plant and equipment", the list of the components and useful lives of the industrial assets in the construction materials sector was reviewed, generating a decrease in depreciation charges of (7.2 million euro in the first quarter).

No significant changes took place in the scope of consolidation with respect to 2009.

As already noted in prior-year quarterly reports, Group operations are subject to seasonal trends, with performance in the core business (construction materials sector) in the first months of the year affected in particular by meteorological conditions and by the fact that plant maintenance work is concentrated in the winter months; operations are also subject to the timing of dividend payouts by companies not consolidated on a line-by-line basis and to trends on the financial markets. Consequently, the results for the first quarter cannot be considered representative of a full-year trend.

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INFORMATION ON OPERATIONS

The upswing in the world economic cycle continued in the early months of 2010 at a pace that was moderate overall and varied significantly from country to country and area to area. It is strengthening in North America and is extremely lively in most of the emerging countries, especially in Asia; in Europe, on the other hand, progress remains hesitant, with notable differences among the individual economies. Given the severity of the recession until mid-2009, the business recovery in the industrialized area is proceeding at a contained rate if compared with the turnaround from previous adverse cyclical periods. A particularly unfavorable factor is the weakness of domestic demand: consumption is hindered by the fall in employment and available income, while investment is insufficiently stimulated due to surplus production capacity, continuing credit difficulties, uncertainty over the expected profitability of new initiatives.

The economic policies adopted to date have made an active contribution to mitigating the impact of the crisis at a general level. However, there is a growing need for the exceptional monetary and fiscal measures introduced in the last eighteen months to be revoked. This is particularly urgent in Europe, as the public finances of some countries in the euro zone, beginning with Greece, risk becoming untenable, a situation also reflected in the weakness of the euro exchange rate.

Volatility remained very high on the financial markets, in part due to uncertainty over the economic and financial policies of the weaker countries in the euro zone. Despite this situation, performance on the financial markets in the first quarter of 2010 was significantly better than in the year-earlier period.

In this context, for the first quarter of 2010 the Italmobiliare Group reported total net profit of 17.7 million euro and Group net profit of 11.6 million euro, compared respectively with a net loss of 2.9 million euro and a Group net loss of 28.0 million euro in the first quarter of 2009.

The other main consolidated results for the first quarter to March 31, 2010, were as follows:

- **Revenues**: 1,173.0 million euro compared with 1,276.2 million euro at March 31, 2009 (-8.1%);
- **Recurring EBITDA**: 171.4 million euro compared with 165.2 million euro at March 31, 2009 (+3.7%);
- **EBITDA**: 168.2 million euro compared with 153.7 million euro at March 31, 2009 (+9.4%);
- **EBIT**: 55.1 million euro compared with 37.5 million euro at March 31, 2009 (+47.0%);
- **Finance income and costs** (including exchange-rate differences and derivatives): net costs of 38.2 million euro compared with 31.0 million euro at March 31, 2009 (a percentage increase of 23.2%);
- **Result before tax**: 15.0 million euro compared with 13.9 million euro at March 31, 2009 (+7.9%);

At the end of March 2010, total shareholders' equity was 5,950.6 million euro, compared with 5,767.1 million euro at December 31, 2009.

Net debt at March 31, 2010, was 2,099.2 million euro, compared with 2,200.8 million euro at the end of December 2009.

The changes in shareholders' equity and debt produced an improvement in the gearing ratio, from 38.16% at the end of December 2009 to 35.28% at the end of March 2010.

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Italmobiliare Net Asset Value (NAV) was 2,042.6 million euro at March 31, 2010 (2,166.1 million euro at the end of 2009).

Performance in the Italmobiliare Group core businesses is illustrated below:

- in the **construction materials sector**, consisting of the Italcementi group (Italmobiliare's core industrial business), performance was severely affected by the decline in sales volumes in January and February, when general meteorological conditions were extremely unfavorable. Revenues fell by 10.7% from the first quarter of 2009, due to the reduction in volumes and also to the decrease in average sales prices. The decline was more severe and more widespread on the mature markets, whereas conditions varied among the emerging markets. The contraction in revenues generated a decrease in operating results, counterbalanced in part by action to limit operating expenses. In this scenario, recurring EBITDA and EBIT fell by 28.2% and 63.0% respectively. After a 28.4% increase in net finance costs due to non-recurring expense and income tax income of 3.7 million euro, the group posted a total net loss for the period of 8.6 million euro (net profit of 20.1 million euro in the first quarter of 2009), with a net loss attributable to the group of 37.5 million euro (a net loss of 12.7 million euro in the year-earlier period);
- in the **food packaging and thermal insulation sector**, consisting of the Sirap Gema group, demand dropped and the significant upward trend in polymer prices continued. Revenues for the first quarter of 2010 (53.9 million euro) reflected a small decrease of 1.7% from the year-earlier period, due to pressure on prices and the reduction in sales volumes. The increase in costs arising largely from the rise in raw materials pushed down EBIT (0.8 million euro) by 42.3%, a reduction also caused by the sharp slowdown in the thermal insulation sector and by impairment losses in the three months. The group posted a net loss for the period of 0.6 million euro, an improvement on the year-earlier result (a net loss of 2.2 million euro) achieved thanks to the reduction in net finance costs as a result of lower average debt, lower interest rates and smaller exchange-rate losses relating to the subsidiaries in Eastern Europe;
- the **financial sector**, which includes the parent company Italmobiliare, the wholly owned financial companies and the results of associates, benefited from the favorable conditions on the financial markets to report a net profit of 26.6 million euro, compared with a loss of 17.8 million euro in the first quarter of 2009. The result arose from measurement gains and net gains on the bond and equities portfolio, despite the negative results of associates;
- the **banking sector** comprises Finter Bank Zürich and Crédit Mobilier de Monaco. It reported a net loss of 0.1 million euro for the quarter, compared with a net profit of 0.4 million euro in the year-earlier period, largely as a result of lower commission income and interest income, and higher operating expenses;
- the **property sector, services and other** does not have a prominent role within the global context of the Group and therefore its results are not particularly significant.

On its separate financial statements for the year to and as at March 31, 2010, the parent company Italmobiliare S.p.A. posted a net profit for the period of 19.6 million euro, compared with 31.2 million euro in the year-earlier period. The decrease was largely due to the reduction in dividend inflows, counterbalanced by gains on equities.

GROUP BUSINESS AND FINANCIAL HIGHLIGHTS

Italmobiliare Group results for the first quarter of 2010 are summarized below:

(in millions of euro)	Q1 2010	Q1 2009	% change	Full year 2009
Revenues	**1,173.0**	**1,276.2**	***-8.1***	**5,365.4**
Recurring EBITDA	**171.4**	**165.2**	***3.7***	**1,055.7**
% of revenues	*14.6*	*12.9*		*19.7*
Other income (expense)	(3.2)	(11.5)	*-71.6*	(11.7)
EBITDA	**168.2**	**153.7**	***9.4***	**1,044.0**
% of revenues	*14.3*	*12.0*		*19.5*
Amortization and depreciation	(113.0)	(116.2)	*-2.8*	(474.9)
Impairment variation	(0.1)	-		(54.4)
EBIT	**55.1**	**37.5**	***47.0***	**514.7**
% of revenues	*4.7*	*2.9*		*9.6*
Finance income and costs	(38.2)	(31.0)	*23.2*	(111.4)
Impairment on financial assets	(0.1)	-	*n.s.*	(47.7)
Share of results of associates	(1.8)	7.4	*n.s.*	28.1
Result before tax	**15.0**	**13.9**	***7.9***	**383.7**
% of revenues	*1.3*	*1.1*		*7.2*
Income tax expense	2.7	(16.8)	*n.s.*	(99.4)
Net result for the period	**17.7**	**(2.9)**	***n.s.***	**284.3**
Net result attributable to the Group	**11.6**	**(28.0)**	***n.s.***	**97.3**
Minority interests	6.1	25.1	*-75.5*	187.0
Employees at period end	**22,644**	**23,394**		**22,758**

n.s not significant

(in millions of euro)	March 31, 2010	December 31, 2009
Net debt	**2,099.2**	**2,200.8**

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

EBITDA reflects recurring EBITDA including other income and expense (non-recurring).

EBIT reflects EBITDA including amortization and depreciation, and impairment variation.

Revenues and operating results by business sector and geographical area

	Q1							
(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
Business sector	Q1 2010	% change vs. Q1 2009	Q1 2010	% change vs. Q1 2009	Q1 2010	% change vs. Q1 2009	Q1 2010	% change vs. Q1 2009
Construction materials	1,072.5	*-10.7*	135.7	*-28.2*	132.7	*-25.2*	23.9	*-63.0*
Packaging and insulation	53.9	*-1.7*	3.9	*-8.5*	3.9	*-8.5*	0.8	*-42.3*
Financial	39.6	*110.9*	30.2	*n.s.*	30.0	*n.s.*	29.9	*n.s.*
Banking	9.9	*6.7*	0.9	*-1.2*	0.9	*1.5*	(0.1)	*n.s.*
Property, services, other	1.5	*139.9*	1.1	*n.s.*	1.0	*n.s.*	1.0	*n.s.*
Intersector eliminations	(4.4)	*-48.8*	(0.4)	*-90.8*	(0.3)	*-90.8*	(0.4)	*-90.8*
Total	**1,173.0**	***-8.1***	**171.4**	***3.7***	**168.2**	***9.4***	**55.1**	***47.0***
Geographical area								
European Union	641.6	*-9.7*	84.5	*103.4*	80.4	*98.7*	25.3	*n.s.*
Other European countries	39.2	*7.7*	(2.4)	*-55.0*	(2.0)	*-29.7*	(6.5)	*-14.9*
North America	61.5	*-17.4*	(17.1)	*-85.8*	(17.1)	*-79.9*	(33.7)	*-60.2*
Asia and Middle East	108.3	*-8.7*	15.8	*-39.1*	15.5	*-31.5*	3.7	*-65.0*
Africa	294.5	*-1.3*	92.8	*-11.4*	92.8	*-11.4*	70.3	*-11.6*
Trading	64.7	*31.6*	3.0	*16.4*	3.0	*16.4*	2.3	*20.5*
Other countries	97.5	*2.3*	(5.2)	*n.s.*	(4.4)	*-22.6*	(6.3)	*(14.8)*
Inter-area eliminations	(134.3)	*26.1*						
Total	**1,173.0**	***-8.1***	**171.4**	***3.7***	**168.2**	***9.4***	**55.1**	***47.0***

n.s. not significant

The 8.1% decrease in **revenues** compared with the first quarter of 2009 reflected:

- the business slowdown for 7.2%,
- the negative exchange-rate effect for 1.0%,
- the changes in the scope of consolidation, which had a marginal positive impact of 0.1%.

The slowdown in business activities arose from the construction materials sector for 9.7% and the food packaging and thermal insulation sector for 3.3%, whereas the financial sector and the banking sector reported performance improvements of 193.1% and 4.0%.

The negative exchange-rate effect was chiefly linked to the depreciation of the Egyptian pound and the US dollar against the euro; the changes in the scope of consolidation had an immaterial impact.

Recurring EBITDA and **EBITDA** increased by 6.2 million euro (+3.7%) and 14.5 million euro (+9.4%) respectively from the year-earlier first quarter. The improvements arose essentially in the financial sector (+54.8 million euro and +54.5 million euro respectively), while reductions were reported in the other sectors; of these, the largest decline in absolute terms was in construction materials (-53.2 million euro and -44.7 million euro).

After a decrease in amortization and depreciation charges compared with the first quarter of 2009 (113.0 million euro compared with 116.2 million euro), **EBIT** rose by 47.0%, from 37.5 million euro to 55.1 million euro.

Net finance costs, including net exchange-rate differences and derivatives, increased by 7.2 million euro, from 31.0 million euro to 38.2 million euro; this included non-recurring costs of 21.7 million euro for redemption of the notes issued by Ciments Français in the USA in 2002 and 2006.

The **share of results of associates** was significantly lower, decreasing from 7.4 million euro to a negative balance of 1.8 million euro. This reflected the losses and smaller positive contributions from associates in the first quarter of 2010 compared with the year-earlier period.

The above results generated an increase of 7.9% in **result before tax** to 15.0 million euro, compared with 13.9 million euro at March 31, 2009.

Income tax expense for the first quarter had a positive effect of 2.7 million euro, compared with income tax expense of 16.8 million euro in the first quarter of 2009, as a result of the reduction in taxable income.

Net profit for the period was 17.7 million euro (a net loss of 2.9 million euro in the 2009 first quarter); **net profit attributable to the Group**, after net profit attributable to minorities of 6.1 million euro (+25.1 million euro at March 31, 2009), was 11.6 million euro (-28.0 million euro at March 31, 2009).

Total comprehensive income

In the first quarter of 2010, beginning from the net result for the period, the other components of comprehensive income reflected a positive balance of 204.6 million euro (a negative balance of 66.2 million euro in the first quarter of 2009), arising from: translation gains of 207.7 million euro, fair value losses on available-for-sale financial assets of 0.2 million euro, fair value losses on financial derivatives of 4.0 million euro and a positive income tax effect of 1.1 million euro. Considering these components and the net profit for the period described above, total comprehensive income for the first quarter was positive at 222.3 million euro (43.1 million euro attributable to the Group and 179.2 million euro attributable to minorities); this compares with negative total comprehensive income of 69.1 million euro in the first quarter of 2009 (a loss of 104.9 million euro attributable to the Group and income of 35.8 million euro attributable to minorities).
(see table on page 32 in the financial statements)

Investments in fixed assets

Investments in fixed assets in the first quarter, including changes in payables/receivables relating to purchases, amounted to 154.4 million euro (183.8 million euro in the year-earlier period), relating largely to property, plant and equipment and intangible assets (133.5 million euro compared with 175.5 million euro in the first quarter of 2009). Almost all investments were in the construction materials sector (131.1 million euro), in countries where strategic industrial investments have been made or are being completed.

Investments in non-current financial assets totaled 20.9 million euro (8.2 million euro in the first quarter of 2009) and referred to the construction materials sector for 16.1 million euro and the financial sector for 4.8 million euro.

Net debt

At March 31, 2010, net debt was 2,099.2 million euro, an improvement from 2,200.8 million euro at December 31, 2009. This reflected significant cash flows from operations and high finance income on the sale of equity investments and securities. At March 31, 2010, the Calcestruzzi subgroup had an intercompany current account debit balance of 197.6 million euro in respect of Italcementi S.p.A. (196.4 million euro at December 31, 2009). The amount in question has been classified as a current financial asset in the Italcementi S.p.A. separate financial statements and consequently included in computation of Group net debt, which decreased by an identical amount.

The gearing ratio was 35.28% at March 31, 2010, an improvement on 38.16% at December 31, 2009.

(in millions of euro)	March 31, 2010	December 31, 2009
Cash, cash equivalents and current financial assets	(2,328.6)	(1,908.3)
Short-term financing	1,372.7	1,225.2
Medium/long-term financial assets	(82.8)	(85.3)
Medium/long-term financing	3,137.9	2,969.2
Net debt of continuing operations	**2,099.2**	**2,200.8**

Financial indicators

(in millions of euro)	March 31, 2010	December 31, 2009
Net debt	2,099.2	2,200.8
Consolidated shareholders' equity	5,950.6	5,767.1
Gearing	**35.28%**	**38.16%**
Net debt	2,099.2	2,200.8
EBITDA before income and expense	1,061.9	1,055.7
Leverage[1]	**1.98**	**2.08**

[1] Leverage has been computed on rolling-year income statement data

CONSTRUCTION MATERIALS SECTOR

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

(in millions of euro)	Q1 2010	Q1 2009	% change	Full year 2009
Revenues	**1,072.5**	**1,201.2**	***-10.7***	**5,006.4**
Recurring EBITDA	**135.7**	**188.9**	***-28.2***	**971.6**
% of revenues	*12.7*	*15.7*		*19.4*
Other income (expense)	(2.9)	(11.5)	*n.s.*	(14.9)
EBITDA	**132.7**	**177.4**	***-25.2***	**956.7**
% of revenues	*12.4*	*14.8*		*19.1*
Amortization and depreciation	(109.1)	(112.8)	*-3.3*	(459.8)
Impairment variation	0.2	-	*n.s.*	(54.0)
EBIT	**23.9**	**64.6**	***-63.0***	**443.0**
% of revenues	*2.2*	*5.4*		*8.8*
Finance income and costs	(37.2)	(29.0)	*28.4*	(106.9)
Impairment on financial assets	-	-		(41.1)
Share of results of associates	1.0	1.2	*-21.7*	14.6
Result before tax	**(12.3)**	**36.9**	***n.s.***	**309.5**
% of revenues	*-1.1*	*3.1*		*6.2*
Income tax expense	3.7	(16.8)	*n.s.*	(94.2)
Net result for the period	**(8.6)**	**20.1**	***n.s.***	**215.3**
Net result attributable to the group	**(37.5)**	**(12.7)**	-	**71.3**
Minoriy interests	28.9	32.8	-	144.0
Employees at period end	**21,064**	**21,787**		**21,155**

n.s. not significant

(in millions of euro)	March 31, 2010	December 31, 2009
Net debt	**2,360.6**	**2,419.9**

The differences between economic conditions in the emerging countries and the industrialized nations is more marked in the construction materials sector. In the majority of emerging countries where the group operates, the sector is experiencing a lively expansion, blunted slightly during the severest phases of the international recession. Vice versa in the industrialized countries the sector is still extremely weak, and conditions in the first months of 2010 were exacerbated by particularly adverse meteorological conditions. In North America, too, after promising signs of a turnaround emerged in the second half of 2009, recent business performance has been well below expectations

Operating results suffered from this trend, whose effects were nonetheless buffered by action to contain operating expenses.

Sales volumes

	Q1 2010	% change vs. Q1 2009	
		Historic	At constant size
Cement and clinker *(millions of metric tons)*	12.3	*-5.0*	*-5.0*
Aggregates* *(millions of metric tons)*	8.1	*-10.7*	*-11.0*
Ready mixed concrete *(millions of m^3)*	2.4	*-4.2*	*-7.2*

* excluding outgoes on work-in-progress account

Sales volumes in the first quarter of 2010 were badly affected by performance in January and February, when meteorological conditions were generally highly unfavorable. In March, in the cement and aggregates sectors, the downturn was much more contained, while the ready mixed concrete sector made progress compared with March 2009.

In **cement and clinker**, the reduction in sales volumes arose in all the main mature countries. Among emerging countries, Egypt was substantially stable, Morocco, Turkey and India made limited progress, while significant declines were reported in Bulgaria and China with an overall downturn in the macro areas. Trading sales volumes were positive.

In **aggregates** the decline was significant and emerged on all markets with the sole exception of North America, whose strong percentage growth referred in any case to limited quantities.

Performance in **ready mixed concrete** was negative on all the mature markets. On the emerging markets the healthy trend in Turkey and Kuwait counterbalanced the reduction in sales volumes in the other countries.

Revenues, at 1,072.5 million euro, were down by 10.7% from the first quarter of 2009 due to the reduction in business operations (-9.7%) and a negative exchange-rate effect (-1.2%), together with a marginal positive consolidation effect (+0.2%).

In addition to the decrease in volumes, performance was also affected by the reduction in average sales prices, which produced substantially comparable negative effects.

Revenues decreased in all the macro regions, while performance improved in cement and clinker Trading and in other segments. The downturn was more widespread and severe on the mature markets, while situations varied among the emerging markets. At constant size and exchange rates, the decline in Emerging Europe, North Africa and Middle East was chiefly due to the severe reduction in Bulgaria, accompanied by limited progress or growth in the other countries. In Asia, on the other hand, Kazakhstan was the only country to report growth, at a very significant level.

The negative exchange-rate effect was largely due to the depreciation of the Egyptian pound and US dollar against the euro.

The decline in revenues produced a reduction in operating results, counterbalanced in part by action to contain operating expenses.

Recurring EBITDA (135.7 million euro) and **EBITDA** (132.7 million euro) decreased by 28.2% and 25.2% respectively, while **EBIT** (23.9 million euro) was down 63.0% on the first quarter of 2009.

The earnings decline was concentrated in certain countries, with causes varying according to specific conditions. France-Belgium, North America and Bulgaria reported a heavy negative volume effect, whereas the sharp fall in results in India was caused almost entirely by the reduction in sales prices. Egypt was affected by the strong increase in variable costs due to clinker procurements to meet the strong growth in local cement demand.

Operating results were positive and improved in Spain, Greece, Morocco and cement and clinker Trading.

Result before tax was negative at 12.3 million euro (positive at 36.9 million euro in the first quarter of 2009), largely as a result of the sharp fall in operating results described above. Earnings were also affected, albeit to a much smaller extent, by the rise in **net finance costs** from 29.0 million euro to 37.2 million euro, despite the positive impact of the reduction in net debt and short-term interest rates. Finance costs included approximately 21.7 million euro for reimbursement of the notes issued in the USA in 2002 and 2006.

The reduction in earnings generated a positive **income tax** effect of 3.7 million euro (expense of 16.8 million euro in the first quarter of 2009), for a total **net loss for the period** of 8.6 million euro (total net profit of 20.1 million euro in the year-earlier period).

The **loss attributable to the group** was 37.5 million euro (a loss of 12.7 million euro in the first quarter of 2009), while the result **attributable to minority interests** was a profit of 28.9 million euro (32.8 million euro in the year-earlier period).

Net debt at March 31, 2010, was 2,360.6 million euro, down by 59.3 million euro from December 31, 2009. The temporary increase in cash was due to the funds raised by the bond issued in March, to be used to re-finance forthcoming debt maturities.

The positive net debt trend benefited from high cash flows from operations, largely thanks to continued action to contain working capital through rigorous control of inventories and collection times.

Total investments in fixed assets amounted to 147.1 million euro (179.0 million euro in the first quarter of 2009) and consisted almost entirely of capital expenditure (131.1 million euro, from 171.4 million euro in the year-earlier first quarter). Investments in property, plant and equipment related to the countries where strategic industrial investments have been made or are being completed (Italy, Morocco, India, North America).

At March 31, 2010, the Calcestruzzi group had intercompany current account payables due to Italcementi S.p.A. of 197.6 million euro (196.4 million euro at December 31, 2009). The amount has been classified as a current financial asset in the Italcementi S.p.A. separate accounts and consequently is included in the computation of group net debt, which decreased by an identical amount.

ITALMOBILIARE

Significant events in the period

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

On March 19, 2010, **Italcementi Finance S.A**., the Italcementi S.p.A. wholly owned treasury vehicle, **issued bonds on the European market** maturing on March 19, 2020, for an aggregate nominal amount of **750 million euro**, with a 5.375% coupon. The issue raised 740,047,500 euro net of commission. The proceeds were utilized to provide financing for an equivalent term for Italcementi S.p.A. and Ciments Français S.A., for 210 million euro and 540 million euro respectively, in order to re-finance existing debt and extend the average residual life of group borrowings. The EMTN program, authorized for a maximum amount of 2 billion euro and guaranteed by Italcementi S.p.A., is part of a broader project to optimize management of financial operations. The project is based on a stronger role for Italcementi S.p.A., which, as the parent company, will also be responsible for coordination and for direct implementation of the financing programs for all group operations as a whole.

Performance by geographical area

(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
Geographical area	**Q1 2010**	**% change vs. Q1 2009**	**Q1 2010**	**% change vs. Q1 2009**	**Q1 2010**	**% change vs. Q1 2009**	**Q1 2010**	**% change vs. Q1 2009**
Central Western Europe	542.6	*-12.4*	48.6	*-15.6*	44.7	*-20.8*	(5.0)	*n.s.*
North America	61.5	*-17.4*	(17.1)	*-85.8*	(17.2)	*-79.9*	(33.7)	*-60.2*
Emerging Europe, North Africa and Middle East	341.4	*-4.8*	92.0	*-16.1*	92.5	*-16.1*	63.0	*-18.8*
Asia	95.0	*-11.9*	14.4	*-46.1*	14.1	*-38.4*	3.3	*-71.9*
Cement and clinker trading	64.7	*31.6*	3.0	*16.4*	3.0	*16.3*	2.4	*22.3*
Others	97.5	*2.3*	(5.2)	*n.s.*	(4.4)	*n.s.*	(6.0)	*n.s.*
Inter-area eliminations	(130.2)	*n.s.*	-	-	-	-	-	-
Total	**1,072.5**	***-10.7***	**135.7**	***-28.2***	**132.7**	***-25.2***	**23.9**	***-63.0***

n.s. not significant
[1] Central Western Europe: Italy, France-Belgium, Spain, Greece
[2] North America: U.S.A., Canada
[3] Emerging Europe, North Africa and Middle East: Egypt, Morocco, Bulgaria, Turkey, Kuwait, Saudi Arabia, Libya
[4] Asia: Thailand, India, China, Kazakhstan

Central Western Europe

Revenues in Central Western Europe in the first quarter of 2010 fell by 12.4%, as a result of the crisis in private building construction and unfavorable weather conditions in January and February.

In **Italy** the effects of the reductions in sales prices and volumes on recurring EBITDA were offset to a large extent by the decrease in variable costs as a result of lower energy costs and savings on fixed costs, thanks to the production and logistics re-structuring.

Overall operating results in **France** and **Belgium** were down on the first quarter of 2009: the sharp reduction in volumes was counterbalanced in part by action to contain fixed costs; in **Spain**, despite the negative impact of volumes and prices, operating results increased with respect to the year-earlier period, thanks to control of fixed costs and lower fuel expenditure.

The difficult economic situation in **Greece** affected group performance. Sales volumes fell, except in cement, where performance was steady with the first quarter of 2009, although this was only due to strong export growth. Operating results improved, thanks to the containment of operating expenses

North America

Forecasts indicate that the American economy will strengthen only in the second half of 2010, with expected GDP growth of 3%, but performance will be much slower in the construction industry, which declined by 13% compared with 2009, according to the latest estimates (February figures). All segments slackened, but the downturn was particularly marked in non-residential private building.

Cement consumption dropped compared with the first quarter of 2009, due to poor weather conditions in February and the reduction in sales prices.

The decrease in sales volumes affected operating results, despite additional savings on fixed costs.

Emerging Europe, North Africa and Middle East

Performance varied among the countries in this area.

In **Egypt,** group domestic sales volumes rose by 1.5% with a positive price trend, while operating results slackened despite containment of costs.

In **Morocco**, cement consumption fell due to bad weather, despite the increase in sales volumes as a result of the new production capacity of the Ait Baha cement plant. The small improvement in operating results arose from the overall positive impact of volumes, prices and variable costs.

In **Bulgaria,** where conditions were extremely difficult, group cement sales volumes dropped very significantly, accompanied by a fall in sales prices as a result of imports from Turkey. These factors produced a sharp decrease in operating results, despite lower operating expenses.

In **Turkey,** cement sales volumes were stable on the domestic market and made a slight improvement in exports. Growth was stronger in ready mixed concrete (+23%). The reduction in sales prices in both businesses produced a downturn in operating results, despite the positive volume effect and containment of variable costs.

Asia

Trends also varied in the Asian countries where the group operates.

In **Thailand**, despite continuing political uncertainty, the economic situation improved, helped by the government stimulus package and by exports. Operating results for the first quarter of 2010 were up on the year-earlier period when the group posted non-recurring expense for the corporate restructuring.

In **India,** the economy and the construction sector continued to grow in the first quarter of 2010. Although sales increased, operating results were significantly down on the first quarter of 2009, chiefly as a result of average sales prices .

In **China,** where economic growth buoyed cement consumption, operating results slackened from the year-earlier first quarter, but this was counterbalanced by the containment of operating expenses.

In **Kazakhstan**, group sales volumes rose strongly. First-quarter operating results made important progress compared with the year-earlier period despite the rise in energy costs, offset by action to improve industrial efficiency.

Cement and clinker trading

In the first quarter of 2010, intragroup and third-party cement and clinker sales volumes rose by 64.3% from the year-earlier period, when operations were badly affected by the full impact of the international crisis.

The strong increase in volumes arose largely from intragroup sales, to Egypt in particular where the market is experiencing continuous growth.

Operating results improved as a result of the rise in sales volumes.

E-business

Despite the impact of the negative national and international economic cycle, in the first quarter of 2010 BravoSolution S.p.A. reported revenues of 12.6 million euro, a satisfactory improvement of 7.6% on the year-earlier period (11.7 million euro). Growth was also reported for EBITDA and EBIT, which amounted to 1.2 million euro and 0.3 million euro respectively.

Although economic conditions are not favorable, for the full year an increase is expected in revenues, together with an improvement in results, to enable a consolidated net profit to be posted for 2010.

Calcestruzzi

On April 30, 2010, the Calcestruzzi S.p.A. Board of Directors noted the company results as at and for the year to March 31, 2010, as follows:

- revenues of 60.4 million euro (-21.0% on 76.5 million euro in the first quarter of 2009);
- negative recurring EBITDA of 6.8 million euro (-6.4 million euro in the first quarter of 2009);
- negative EBIT of 9.2 million euro (-8.1 million euro in the first quarter of 2009);
- a net loss for the period of 9.4 million euro (-8.9 million euro in the first quarter of 2009);
- net debt of 171.0 million euro (net debt of 165.5 million euro at December 31, 2009).

Together with the results of the other companies in the Calcestruzzi group, Italcementi S.p.A. drew up the consolidated balance sheet and income statement for the Calcestruzzi group at March 31, 2010, as follows:

- revenues of 76.1 million euro (-20.4% on 95.6 million euro in the first quarter of 2009);
- negative recurring EBITDA of 6.8 million euro (-7.4 million euro in the first quarter of 2009);
- negative EBIT of 10.3 million euro (-10.4 million euro in the first quarter of 2009);
- a net loss of 10.9 million euro (a net loss of 11.4 million euro in the first quarter of 2009);
- shareholders' equity of 62.0 million euro (72.8 million euro at December 31, 2009);
- net debt of 204.6 million euro (200.0 million euro at December 31, 2009).

Significant events after the first quarter

During the first quarter, Ciments Français launched an **offer to repurchase** the "**US Private Placement Notes"** issued in 2002 and 2006 for a total of 500 million US dollars at a price of 1,065 US dollars per 1,000 US dollars face value. The offer closed with the re-purchase, on April 14, 2010, of all the "Notes" issued in 2006 (maturing in 2018 and 2021) and of 183.5 million of the total 200 million US dollars issued in 2002 (maturing in 2012 and 2014). The instruments concerned by the re-purchase have been classified as short-term financial liabilities at March 31, 2010, and the net expense relating to the transaction was provided in the first quarter.

In parallel with the re-purchase offer, Ciments Français agreed a 'clarifying amendment' with the holders of the "Notes", expressly permitting Ciments Français to borrow funds from Italcementi or from subsidiaries.

On April 27, 2010, with regard to the assets that make up the **Calcestruzzi** business concern, the Caltanissetta preliminary investigating magistrate issued an "order for the **return of the corporate assets** under seizure with prescriptions". The order was notified on May 5 to Italcementi S.p.A., which, with the assistance of experts, has begun to examine the order and the relevant accounting principles, and will inform the market promptly of its decisions concerning the possible re-consolidation of Calcestruzzi operations in the group financial statements.

Full-year outlook

The international outlook remains highly uncertain; the signs of an easing in the market downturn reported in the mature countries at the end of the first quarter and continuing healthy demand in Asia and North America suggest that in the coming months the scenario will be less negative than in the first quarter, although difficulties will remain due to pressures on price levels in some countries.

In this context, despite the positive results already achieved and those still expected from the measures to raise efficiency and cut costs, for the rest of the year operating expenses are likely to reflect the difficult conditions on the markets.

FOOD PACKAGING AND THERMAL INSULATION SECTOR

The Group operates in the food packaging and thermal insulation sector through Sirap Gema S.p.A. and its subsidiaries. The table below sets out the condensed income statement for this sector.

(in millions of euro)	Q1 2010	Q1 2009	% change	Full year 2009
Revenues	**53.9**	**54.8**	***-1.7***	**238.3**
Recurring EBITDA	**3.9**	**4.3**	***-8.5***	**31.2**
% of revenues	*7.3*	*7.9*		*13.1*
Other income (expense)	-	-		-
EBITDA	**3.9**	**4.3**	***-8.5***	**31.2**
% of revenues	*7.3*	*7.9*		*13.1*
Amortization and depreciation	(2.9)	(3.0)	*-2.8*	(12.2)
Impairment variation	(0.2)	-	*n.s.*	(0.4)
EBIT	**0.8**	**1.3**	***-42.3***	**18.6**
% of revenues	*1.4*	*2.4*		*7.8*
Finance income and costs	(0.9)	(3.0)	*-72.0*	(7.0)
Result before tax	**(0.1)**	**(1.7)**	*-95.2*	**11.6**
% of revenues	*(0.1)*	*(3.0)*		*4.9*
Income tax expense	(0.5)	(0.5)	*-3.4*	(4.6)
Net result for the period	**(0.6)**	**(2.2)**	*73.9*	**7.0**
Net result attributable to the group	**(0.6)**	**(2.2)**	*72.8*	**7.0**
Minority interests	n.s.	n.s.	*n.s.*	n.s.
Employees at period end	**1,371**	**1,375**		**1,387**

n.s. not significant

(in millions of euro)	March 31, 2010	December 31, 2009
Net debt	**117.0**	**119.7**

In the first quarter of 2010 demand dropped and the significant upward trend in polymer prices continued.

Generally speaking, the weakness of demand and the shift in the mix toward products with lower value added generated strong pressure on sales prices, which it was not always possible to contain. Unlike the trend for most of 2009, margins were also penalized by the rising cost of raw materials, whose effects were nevertheless buffered by the inventories policy and the benefits of measures taken in 2009 to raise the efficiency of supply chain management and production. Sirap France successfully improved its earnings compared with the first quarter of 2009 despite market difficulties, while Sirap Insulation S.r.l. was particularly affected by raw materials, prices, the change in the sales mix and adverse meteorological conditions.

Consolidated **revenues** were down 1.7% largely as a result of negative price changes (in the insulation business in particular), counterbalanced in part by translation gains arising from the appreciation of the East European currencies against the euro (approximately +1.6%).

EBIT was 0.8 million euro, a decrease from the year-earlier period (-42.3%) caused not only by the increase in raw material costs mentioned above (a particularly significant factor in the thermal insulation sector), but also by impairment losses in connection with the planned sale of the majority share in CJSC Inline-R (Russia) to the local partner.

Finance costs at 0.9 million euro reflected a strong improvement of 2.1 million euro from the year-earlier first quarter, largely as a result of the change in the exchange-rate effect caused by the appreciation of the East European currencies (after sharp depreciation in the first quarter of 2009), the reduction in the average rate in 2010 compared with the first three months of 2009 and lower average exposure.

Income tax expense was substantially unchanged, and consisted largely of IRAP regional production taxes.

The sharp reduction in finance costs described above allowed the group to limit its **net loss for the period** to 0.6 million euro, a reduction compared with the year-earlier period (-2.2 million euro).

Net debt stood at 117 million euro and was slightly down on the figure at December 31, 2009, thanks to cash flow from operations and containment of working capital.

Investments in fixed assets amounted to 1.9 million euro (3.8 million euro in the first quarter of 2009) and were largely in food packaging.

Significant events in the period

No significant events are reported for the period.

Performance by business and geographical area

(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	Q1 2010	% change vs. Q1 2009	Q1 2010	% change vs. Q1 2009	Q1 2010	% change vs. Q1 2009	Q1 2010	% change vs. Q1 2009
Food packaging								
Italy	21.7	*-9.0*	2.1	*-7.2*	2.1	*-7.2*	0.5	*43.1*
France	5.8	*-6.0*	0.6	*35.8*	0.6	*35.8*	0.4	*35.0*
Other EU countries	14.4	*2.5*	0.8	*24.1*	0.8	*24.1*	0.3	*34.1*
Other non-EU countries	4.5	*-3.5*	0.1	*n.s.*	0.1	*n.s.*	(0.2)	*n.s.*
Eliminations	(3.5)		(0.1)		(0.1)		-	
Total	**42.9**	***-3.6***	**3.5**	***7.2***	**3.5**	***8.5***	**1.0**	***24.6***
Thermal insulation	**11.5**	***-3.2***	**0.4**	***-61.9***	**0.4**	***-61.9***	**(0.2)**	***n.s.***
Eliminations	(0.5)							
Total	**53.9**	***-1.7***	**3.9**	***-8.5***	**3.9**	***-8.5***	**0.8**	***-42.3***

n.s. not significant

Food packaging

Generally speaking the continuing effects of the economic crisis pushed down food consumption, especially in the first two months of the year, with a slight recovery in March. This trend weakened demand for packaging products.

On the Italian market the main difficulties in the foam container segment were in the mass merchandising channel, where there is a higher proportion of red meat consumption, while industry performance was steadier (poultry); performance remained weak in rigid containers, with continuing uncertainty especially in the delicatessen and bakery segments. Similar difficulties were reported in France, leading to a decrease in sales volumes. First-quarter EBIT in both areas improved, however, benefiting from the limited impact of the rise in raw materials and the positive impact of the re-organization of the French subsidiary and the rigid-container segment.

The Polish market bucked the general trend: demand for rigid containers rose to pre-crisis levels, turnover improved by 27.3%, buoyed in part by the recovery of the Polish currency (a translation gain for approximately 10% of turnover).

In the other European countries of the Petruzalek group, the situation continued to be affected by weak demand and limited investments in packaging machines as a result of the credit squeeze that began in 2009.

Thermal insulation

The general fall in demand as a result of the decline in building investment raised competition among producers, with negative effects on sale prices. Sirap Insulation S.r.l. reported a small reduction in revenues (-3.2%) while maintaining overall volumes, although the sales mix shifted toward products with lower added value.

EBIT (-0.2 million euro at March 31, 2010, compared with +0.5 million euro at March 31, 2009) reflected the reduction in prices, the negative change in the sales mix and the rise in the cost of raw materials, which was particularly significant in this business in the first quarter.

Significant events after the first quarter

On April 7, 2010, an agreement for the sale of 48.23% of the Russian subsidiary CJSC Inline-R was reached between Inline Poland Sp.z.o.o. and the minority shareholder of the Russian company. The negotiated consideration is 0.3 million euro, to be paid in approximately three years and six months, guaranteed by a lien on a building owned by the purchaser. The contract is subject to registration of the sale transaction and the lien on the local registers.

Inline Poland is to retain a share of 23.99% in the company, thereby limiting its commitment at a time of economic uncertainty but maintaining a presence on the potentially important Russian market, which could be augmented should conditions improve.

Full-year outlook

2010 full-year earnings will depend on developments in the economic crisis (which is having a protracted effect, making it difficult to forecast the timing of a recovery) and on the strong upward trend in polymer prices already apparent at the end of 2009. Should current market conditions persist, it will be difficult to transfer the rise in polymer prices, which is not expected to ease until later in the year, to sales prices; margins are therefore likely to narrow.

FINANCIAL SECTOR

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

(in millions of euro)	**Q1 2010**	**Q1 2009**	**% change**	**Full year 2009**
Revenues	39.6	18.8	*110.9*	125.1
EBIT	29.9	(24.5)	*n.s.*	85.0
Net result for the period	**26.6**	**(17.8)**	***n.s.***	**91.8**

n.s. not significant

The net profit for the period reflects the results of associates valued with the equity method.

(in millions of euro)	**March 31, 2010**	**December 31, 2009**
Net financial position	298.8	255.0
Shareholders' equity	1,402.5	1,399.9
Number of employees at period end	51	50

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 results in the format normally used for financial companies. This reflects:

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

(in millions of euro)	**Q1 2010**	**Q1 2009**	**% change**	**December 31, 2009**
Net income on equity investments	19.6	10.2	*92.6*	60.0
Net income (expense) from cash investments	13.5	(21.1)	*n.s.*	52.6
Net debt charges	(1.1)	(4.3)	*-72.7*	(8.0)
Total financial income and expense	**32.0**	**(15.2)**	***n.s.***	**104.6**
Other income and expense	(4.9)	(3.2)	*55.6*	(12.8)
Income tax expense	(0.5)	0.6	*n.s.*	-
Net result for the period	**26.6**	**(17.8)**	***n.s.***	**91.8**

n.s. not significant

Net income on equity investments amounted to 19.6 million euro compared with 10.2 million euro in the first quarter of 2009. This strong increase arose essentially from gains of 21.5 million euro on sales of available-for-sale equity investments, which more than made up for the negative effect of the results of associates consolidated with the equity method.

Net income (expense) from cash investments in the first quarter of 2010 reflected income of 13.5 million euro, a strong improvement from net expense of 21.1 million euro in the year-earlier period. This was due to an increase in income items (from 13.4 million euro to 15.7 million euro) and a substantial decrease in expense items (2.2 million euro in the first quarter of 2010 compared with 34.5 million euro in the year-earlier period). The financial markets were far stronger in the first quarter of 2010 compared with the first quarter of 2009, and were a significant factor, enabling substantial gains to be posted.

Net debt charges were significantly lower than in the first quarter of 2009 (1.1 million euro compared with 4.3 million euro) as a result of lower debt and much lower interest rates.

Combining the results of the individual components, the financial sector had **total net financial income** of 32.0 million euro, an improvement of 47.2 million euro from the year-earlier period.

The balance on **other income and expense** was negative at 4.9 million euro (net expense of 3.2 million euro in the first quarter of 2009). The increase in expense was largely due to a reduction in other income.

After tax (-0.5 million euro, from +0.6 million euro), **net result for the period** was positive for 26.6 million euro, an improvement of 44.4 million euro from the net loss of 17.8 million euro posted in the year-earlier period.

The companies in the financial sector hold substantial equity investments, the majority classified as “Available for sale”. The fair value changes in these investments, excluding consolidated investments carried at cost, are reflected in shareholders' equity under the “Fair value reserve”. At March 31, 2010, the consolidated fair value reserve in the financial sector stood at 150.6 million euro, down by 33.8 million euro from December 31, 2009.

Significant events in the period

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

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

The financial sector currently holds a total of 102,986,356 UniCredit shares, consequently the investment has decreased from 0.674% at December 31, 2009, to 0.534% of voting capital.

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 the financial sector, which is composed of the parent company Italmobiliare S.p.A. and the wholly owned financial companies.

	March 31, 2010		December 31, 2009	
In thousands of euro)	**Italmobiliare**	**Financial sector**	**Italmobiliare**	**Financial sector**
Cash, cash equivalents and current financial assets	126,485	500,564	104,014	464,915
Short-term financing	(10,037)	(12,962)	(6,959)	(10,760)
Short-term net financial position	**116,448**	**487,602**	**97,055**	**454,155**
Medium/long-term financial assets	10,422	59,422	10,636	59,636
Medium/long-term financing	(248,252)	(248,252)	(258,799)	(258,799)
Medium/long-term financial position	**(237,830)**	**(188,830)**	**(248,163)**	**(199,163)**
Net financial position	**(121,382)**	**298,772**	**(151,108)**	**254,992**

Italmobiliare had net debt of 121.4 million euro at the end of March 2010, an improvement from December 31, 2009 (-151.1 million euro) as a result of proceeds from the sale of UniCredit equities and rights for 38.4 million euro and the decrease in net finance costs, counterbalanced only in part by higher current operating expense.

The financial sector had a positive consolidated net financial position of 298.8 million euro (+255 million euro at December 31, 2009), an improvement of 43.8 million euro arising largely, as for the parent company, from the sale of UniCredit shares and rights and higher finance income of 15.6 million euro.

Significant events after the first quarter

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

Full-year outlook

Results in the financial sector depend on dividend flows and trends on the financial markets. Based on early indications, dividend flows from companies outside the sector are expected to decrease significantly, while future trends in interest rates, on the financial markets (the equity and bond markets in particular) and the crisis in the real economy constitute elements of great uncertainty. Consequently it is extremely difficult to formulate any reliable full-year forecast for overall results in this sector at the present time.

BANKING SECTOR

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

(in millions of euro)	**Q1 2010**	**Q1 2009**	**% change**	**Full year 2009**
Revenues	9.9	9.3	*6.7*	42.2
EBIT	(0.1)	0.5	*n.s.*	1.5
Net result for the period	**(0.1)**	**0.4**	***n.s.***	**1.2**

n.s. not significant

(in millions of euro)	**March 31, 2010**	**December 31, 2009**
Net financial position	73.2	77.3
Group shareholders' equity	102.9	99.0
Number of employees at period end	141	150

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, as follows:

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

(in millions of euro)	**Q1 2010**	**Q1 2009**	**% change**	**Full year 2009**
Net interest income	1.6	1.6	*1.5*	5.9
Intermediation margin	8.9	9.5	*-6.5*	40.4
Gross operating profit	1.1	1.0	*3.8*	4.9
Profit from operations	(0.1)	0.5	*n.s.*	1.5
Net result for the period	**(0.1)**	**0.4**	***n.s.***	**1.2**

n.s. not significant

The results of the banking sector consisted almost entirely of the results of Finter Bank Zürich.

Finter Bank Zürich

In the first quarter of 2010 the Finter Bank Zürich group reported an increase in consolidated revenues from 13.4 to 14.1 million Swiss francs (+5.2% from the year-earlier period).

The increase arose from trading on the bank's portfolio which generated a net profit of 1.2 million Swiss francs (a net loss of 0.7 million Swiss francs in the year-earlier first quarter), counterbalanced in part by a reduction in commission income (10.3 against 11.2 million Swiss francs) on client transactions and lower interest income (1.2 against 2.0 million Swiss francs).

A moderate reduction in operating expenses, other net operating expenses of 1.8 million Swiss francs (compared with other net operating income of 0.2 million Swiss francs in the first quarter of 2009) and a rise in amortization and depreciation charges from 0.6 to 1.4 million Swiss francs brought EBIT for the first quarter to -0.2 million Swiss francs, a decrease of 0.8 million Swiss francs from the result in the year-earlier period.

After tax, the bank posted a consolidated net loss of 0.2 million Swiss francs compared with a net profit of 0.5 million Swiss francs for the quarter to March 31, 2009.

The Finter Life insurance company (owned 91.8% by Finter Bank Zürich and consolidated on a line-by-line basis) reported a net loss of 0.1 million Swiss francs for the first quarter of 2010.

Finter Bank Zürich consolidated shareholders' equity rose from 138.3 million Swiss francs at December 31, 2009, to 138.6 million Swiss francs at the end of March 2010. Shareholders' equity benefited from the strengthening of the US dollar against the Swiss franc.

Assets under management at the end of the first quarter of 2010 stood at 5.3 billion Swiss francs. The decrease with respect to the end of 2009 arose from client outflows and trends on the financial markets.

Crédit Mobilier de Monaco

Crédit Mobilier de Monaco is a bank in Monaco active primarily in guarantee-backed loans. It reported a net profit of 28 thousand euro for the first quarter of 2010, compared with 43 thousand euro for the quarter to March 31, 2009.

Significant events in the period

No significant events are reported.

Significant events after the first quarter

No significant events are reported.

Full-year outlook

The uncertainty on the markets in general and the financial markets in particular makes it difficult to draw up reliable forecasts for 2010 full-year results in the banking sector. Management is continuing existing programs and planning new measures to achieve a stable reduction in costs and a recovery in revenues.

PROPERTY SECTOR, SERVICES AND OTHER

This sector includes a number of real estate companies and services companies. The services companies essentially provide services within the Group.

The sector's revenues for the year to March 31, 2010, amounted to 1.5 million euro, up from the first quarter of 2009 (0.6 million euro) as a result of the sale of land in Punta Ala. Net profit improved by 0.3 million euro from the first quarter of 2009 (0.1 million euro).

The weight of the sector is of marginal importance to Group results.

DEALINGS WITH RELATED PARTIES

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

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

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

No atypical or unusual transactions took place in the first quarter.

Dealings with subsidiaries and associates

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

Italmobiliare also provides an “administrative service” for some associates, regulated on the basis of the costs attributable to performance of the service.

Calcestruzzi

After the deconsolidation of the Calcestruzzi group, all business and financial dealings with the group are included in dealings with related parties. Italcementi S.p.A. and subsidiaries sold goods and services to Calcestruzzi S.p.A. and its subsidiaries for 24.1 million euro and charged finance costs for a net amount of 0.4 million euro.

Dealings with other related parties

Dealings with other related parties in the first quarter of 2010 were as follows:

- administrative, financial, contractual and fiscal consultancy services, as well as support for the organization of corporate restructuring operations, supplied to the Italmobiliare Group by Finsise S.p.A., whose majority shareholder is Italo Lucchini, Deputy Chairman of Italmobiliare, for considerations totaling approximately 72,900 euro; the remuneration due to Mr Lucchini as a member of the Ciments Français S.A. Board of Directors was 5,000 euro;
- consultancy services for the senior management of Italmobiliare in relation to the rationalization and development of Group activities, provided by Piergiorgio Barlassina, an Italmobiliare director, for considerations totaling 62,500 euro;
- legal consultancy, judicial and extrajudicial assistance provided to the Italmobiliare Group by the associate law firm Dewey & LeBoeuf, of which Italmobiliare director Luca Minoli is a partner, for considerations totaling 48,200 euro;

In the first quarter of 2010 Italmobiliare S.p.A. made an endowment of 300,000 euro to the Italcementi Cav. Lav. Carlo Pesenti foundation to cover operating expenses.

The Italcementi group charged the Italcementi Cav. Lav. Carlo Pesenti foundation for contractually agreed administrative and corporate services, and for costs incurred on behalf of the foundation for an amount of approximately 45,000 euro.

OUTLOOK

Although positive indications can be seen in demand in non-European countries, the great uncertainty about developments in the international economic situation is reflected in the operating results of the Group's industrial companies. Furthermore, the scenario on the financial markets depends on the consequences of the Greek public debt crisis and, at a more general level, on debt sustainability in a number of Western countries.

During 2010 the financial markets will presumably be influenced by the possibility for the global economic cycle to pick up more strongly than expected and thereby generate the conditions for a recovery in public finances.

Consequently, in a volatile situation subject to these uncertainties, full-year earnings, while positive, could be down on last year's results.

Consolidated quarterly situation

ITALMOBILIARE

Financial statements

Income statement

(in thousands of euro)	Q1 2010	%	Q1 2009	%	Change	%
Revenues	**1,173,000**	**100.0**	**1,276,209**	**100.0**	**(103,209)**	**-8.1**
Other revenues	10,905		20,907		(10,002)	
Change in inventories	9,140		(17,583)		26,723	
Internal work capitalized	10,879		9,005		1,874	
Goods and utilities expenses	(477,595)		(500,332)		22,737	
Services expenses	(261,813)		(280,318)		18,505	
Employee expenses	(249,861)		(253,424)		3,563	
Other operating income (expense)	(43,245)		(89,241)		45,996	
Recurring EBITDA	**171,410**	**14.6**	**165,223**	**12.9**	**6,187**	**3.7**
Net capital gains on sale of fixed assets	1,598		747		851	
Non-recurring employee expenses for re-organizations	(4,188)		(12,340)		8,152	
Other non-recurring income (expense)	(660)		117		(777)	
EBITDA	**168,160**	**14.3**	**153,747**	**12.0**	**14,413**	**9.4**
Amortization and depreciation	(113,040)		(116,264)		3,224	
Impairment variation	(32)				(32)	
EBIT	**55,088**	**4.7**	**37,483**	**2.9**	**17,605**	**47.0**
Finance income	12,208		8,879		3,329	
Finance costs	(52,971)		(36,670)		(16,301)	
Net exchange-rate differences and derivatives	2,559		(3,212)		5,771	
Impairment on financial assets	(86)		-		(86)	
Share of results of associates	(1,749)		7,467		(9,216)	
Result before tax	**15,049**	**1.3**	**13,947**	**1.1**	**1,102**	**7.9**
Income tax expense	2,672		(16,833)		19,505	
Net result for the period	**17,721**	**1.5**	**(2,886)**	**-0.2**	**20,607**	**n.s.**
Attributable to:						
Group	11,556	1.0	(28,001)	-2.2	39,557	n.s.
Minority interests	6,165	0.5	25,115	2.0	(18,950)	-75.5

Statement of comprehensive income

(in thousands of euro)	Q1 2010	%	Q1 2009	%	Change	%
Net profit for the period	**17,721**	**1.5**	**(2,886)**	**-0.2**	**20,607**	**n.s**
Fair value adjustments to:						
Available-for-sale financial assets	(256)		(82,796)		82,540	
Derivative financial instruments	(4,054)		(30,501)		26,447	
Translation differences	207,723		39,692		168,031	
Tax relating to components of other comprehensive income	1,141		7,426		(6,285)	
Components of other comprehensive income	**204,554**		**(66,179)**		**270,733**	
Total comprehensive income	**222,275**	**18.9**	**(69,065)**	**-5.4**	**291,340**	**n.s.**
Attributable to:						
Group	43,091		(104,877)		147,968	
Minority interests	179,184		35,812		143,372	

Financial position

(in thousands of euro)	March 31, 2010	December 31, 2009	Change	%
Cash, cash equivalents and current financial assets	(2,328,592)	(1,908,333)	(420,259)	22.0
Short-term financing	1,372,664	1,225,183	147,481	12.0
Medium/long-term financial assets	(82,811)	(85,304)	2,493	-2.9
Medium/long-term financing	3,137,896	2,969,273	168,623	5.7
Net debt	**2,099,157**	**2,200,819**	**(101,662)**	**-4.6**

The Net Financial Position at March 31, 2010, determined in compliance with Consob Communication no. DEM/6064293 of July 28, 2006 (i.e., not including medium/long-term financial assets) stood at 2,181,968 thousand euro (2,286,123 thousand euro at December 31, 2009).

Shareholders' equity

(in thousands of euro)	March 31, 2010	December 31, 2009	Change	%
Total shareholders' equity	**5,950,603**	**5,767,124**	**183,479**	**3.2**

Comments on the financial statements

Foreword

This quarterly report at March 31, 2010, has been drawn up in accordance with the provisions of article 154 ter, paragraph 5, of Legislative Decree no. 58 of February 24, 1998, and subsequent amendments. It has been prepared using the measurement and valuation criteria of the International Financial Reporting Standards (IFRS).

Basis of presentation

The consolidated financial statements are based on the accounts of the consolidated companies at March 31, 2010, adjusted where necessary to ensure alignment with the IFRS-compliant classification criteria and accounting principles adopted by the Group.

The measurement criteria and consolidation principles are those used to prepare the 2009 annual report, supplemented and amended with the principles that came into force and were adopted as from January 1, 2010. Of these, the most significant for the Group were: IFRS 3 “Business combinations”, IAS 27 revised “Consolidated and separate financial statements”, the amendment to IAS 32 “Classification of rights issues” and the amendment to IAS 39 “Designation of hedging instruments”, although they did not produce material effects in the period under review.

Regarding application of IAS 16 “Property, plant and equipment”, the list of the components and useful lives of the industrial assets in the construction materials sector was reviewed.

Exchange rates used to translate the financial statements of foreign entities

The accounts denominated in foreign currency of the foreign subsidiaries consolidated on a line-by-line basis or a proportionate basis and those of the foreign associates valued with the equity method have been translated into the reporting currency using the exchange rate at March 31, 2010, for assets and liabilities and the average exchange rate for the first three months of 2010 for income and expense.

Exchange rates for 1 euro:

	Average rates			Closing rates		
Currencies	**Q1 2010**	**Full year 2009**	**Q1 2009**	**March 31, 2010**	**December 31, 2009**	**March 31, 2009**
Thai baht	45.47216	47.79504	46.03913	43.59800	47.98600	47.22300
Czeck crown	25.86805	26.43652	27.60083	25.44000	26.47300	27.38800
Serbian dinar	98.71830	93.98830	93.86010	99.79030	96.20440	94.97790
Kuwaiti dinar	0.39818	0.40163	0.37838	0.38926	0.41315	0.38808
Moroccan dirham	11.23759	11.25223	11.09667	11.20320	11.33490	11.15930
Canadian dollar	1.43829	1.58530	1.62226	1.36870	1.51280	1.66850
US dollar	1.39291	1.39400	1.30286	1.34790	1.44060	1.33080
Hungarian florin	268.52200	280.43700	294.19100	265.75000	270.42000	308.18000
Swiss franc	1.46321	1.51013	1.49769	1.42760	1.48360	1.51520
Ukrainian hrivna	11.07950	11.12350	10.42620	10.69210	11.56420	10.55770
Croatian kuna	7.28494	7.34074	7.41158	7.26380	7.30000	7.47690
Albanian lek	138.74060	132.06922	128.18024	139.17500	138.03300	131.33500
Moldavian leu	17.37505	15.50707	13.83270	16.71960	17.72180	14.58580
Bulgarian lev	1.95583	1.95583	1.95583	1.95583	1.95583	1.95583
Egyptian pound	7.56876	7.74032	7.26997	7.42002	7.90576	7.50409
Bosnian mark	1.95583	1.95583	1.95583	1.95583	1.95583	1.95583
New Turkish lira	2.07874	2.15138	2.15138	2.05230	2.16030	2.22580
New Romanian leu	4.11302	4.23901	4.26816	4.09700	4.23630	4.23850
Mauritanian ouguiya	362.22313	364.95711	338.88243	356.92400	377.42300	352.86200
Mexican peso	17.65552	18.78758	-	16.65730	18.92230	-
Chinese renmimbi	9.44174	9.52237	8.90659	9.20060	9.83500	9.09420
Saudi Arabian riyal	5.18596	5.22798	-	5.05480	5.40329	-
Qatar riyal	5.03362	5.07816	-	4.90716	5.24609	-
Russian ruble	41.26970	44.13940	44.41650	39.69500	43.15400	45.03200
Indian rupee	63.47958	67.34896	64.79482	60.51400	67.04000	67.39200
Sri Lanka rupee	158.13725	160.25073	148.71532	153.70600	164.74000	154.01100
Pound sterling	0.88760	0.89140	0.90878	0.88980	0.88810	0.93080
Kazakh tenge	204.21324	205.96651	181.09378	198.20200	213.77500	201.09200
Polish zloty	3.98694	4.32867	4.49884	3.86730	4.10450	4.68850

Scope of consolidation

No material changes took place in the scope of consolidation in the first quarter of 2010.

Income statement

Revenues

Revenues from sales and services totaled 1,173,000 thousand euro, as follows:

(In thousands of euro)	Q1 2010	Q1 2009	Change	% change
Industrial revenues				
Product sales	1,083,422	1,215,797	(132,375)	-10.9%
Revenues from services	33,488	31,222	2,266	7.3%
Other revenues	7,625	6,998	627	9.0%
Total	**1,124,535**	**1,254,017**	**(129,482)**	**-10.3%**
Financial revenues				
Interest	2,332	3,793	(1,461)	-38.5%
Dividends	47	17	30	n.s.
Capital gains and other revenues	35,712	9,135	26,577	n.s.
Total	**38,091**	**12,945**	**25,146**	**194.3%**
Banking revenues				
Interest	1,422	1,894	(472)	-24.9%
Commission and other revenues	7,839	7,020	819	11.7%
Total	**9,261**	**8,914**	**347**	**3.9%**
Real estate and service revenues	**1,113**	**333**	**780**	**n.s.**
Grand total	**1,173,000**	**1,276,209**	**(103,209)**	**-8.1%**

Goods and utilities expenses

Goods and utilities expenses amounted to 477,595 thousand euro, as follows:

(in thousands of euro)	Q1 2010	Q1 2009	Change	% change
Raw materials and semifinished goods	115,174	111,745	3,429	3.1%
Fuel	106,904	103,346	3,558	3.4%
Materials and machinery	76,365	79,568	(3,203)	-4.0%
Finished goods	67,353	46,865	20,488	43.7%
Electricity, water, gas	109,838	115,637	(5,799)	-5.0%
Change in inventories of raw materials, consumables, other	1,961	43,171	(41,210)	-95.5%
Total	**477,595**	**500,332**	**(22,737)**	**-4.5%**

Services expenses

Services expenses amounted to 261,813 thousand euro, as follows:

(in thousands of euro)	Q1 2010	Q1 2009	Change	% change
External services and maintenance	89,264	100,503	(11,239)	-11.2%
Transport	98,054	100,820	(2,766)	-2.7%
Legal fees and consultancy	12,976	19,720	(6,744)	-34.2%
Rents	20,636	20,180	456	2.3%
Insurance	11,350	11,543	(193)	-1.7%
Subscriptions	2,391	2,812	(421)	-15.0%
Other	27,142	24,740	2,402	9.7%
Total	**261,813**	**280,318**	**(18,505)**	**-6.6%**

Employee expenses

Employee expenses totaled 249,861 thousand euro, as follows:

(in thousands of euro)	Q1 2010	Q1 2009	Change	% change
Wages and salaries	170,333	173,507	(3,174)	-1.8%
Social security charges	39,018	43,728	(4,710)	-10.8%
Provisions and contributions to pension funds	15,829	11,609	4,220	36.4%
Cost of stock option plans	2,347	3,829	(1,482)	-38.7%
Other costs	22,334	20,751	1,583	7.6%
Total	**249,861**	**253,424**	**(3,563)**	**-1.4%**

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

The number of employees is shown below:

(heads)	Q1 2010	Q1 2009	Full year 2009
Number of employees at period end	22,664	23,394	22,758
Average number of employees	22,719	23,657	23,303

Other operating income (expense)

Other operating expense net of other operating income amounted to 43,245 thousand euro, as follows:

(in thousands of euro)	Q1 2010	Q1 2009	Change	% change
Other taxes	19,256	31,492	(12,236)	-38.9%
Provision for bad debts	3,008	7,014	(4,006)	-57.1%
Provision for environmental restoration - quarries	1,213	5,255	(4,042)	-76.9%
Interest expense and other expense for companies in financial, banking, insurance sectors	4,612	39,714	(35,102)	-88.4%
Miscellaneous income	25,203	12,110	13,093	n.s.
Miscellaneous expense	(10,047)	(6,344)	(3,703)	58.4%
Total	**43,245**	**89,241**	**(45,996)**	**-51.5%**

Non-recurring income (expense)

Non-recurring expense net of non-recurring income amounted to 3,250 thousand euro (expense of 11,476 thousand euro in the first quarter of 2009), as follows:

(in thousands of euro)	Q1 2010	Q1 2009	Change	% change
Net capital gains on sale of fixed assets	1,598	747	851	n.s.
Non-recurring employee expenses for re-organizations	(4,188)	(12,340)	8,152	-66.1%
Other non-recurring income (expense)	(660)	117	(777)	n.s.
Total	**(3,250)**	**(11,476)**	**8,226**	**-71.7%**

Expenses for re-organizations in the first quarter of 2010 referred mainly to charges for the closure of two grinding centers in Italy.

Amortization and depreciation

Amortization and depreciation totaled 113,040 thousand euro (116,264 thousand euro in the first quarter of 2009) and included depreciation charges for property, plant and equipment for 109,433 thousand euro (113,395 thousand euro in the first quarter of 2009).

The review of the useful lives of the industrial assets in the construction materials sector produced a positive effect of 7,179 thousand euro in the first quarter of 2010.

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

Finance costs net of finance income amounted to 38,204. thousand euro, as follows:

	Q1 2010		Q1 2009	
(in thousands of euro)	Income	Costs	Income	Costs
Interest income	6,966		6,218	
Interest expense		(44,531)		(39,033)
Sub total	**6,966**	**(44,531)**	**6,218**	**(39,033)**
Net interest in respect of net financial position		**(37,565)**		**(32,815)**
Net dividends	97		657	
Gains on sale of equity investments	4,208		741	
Other finance income	937		1,263	
Capitalized interest expense		3,873		3,531
Other finance costs		(12,313)		(1,168)
Sub total	**5,242**	**(8,440)**	**2,661**	**2,363**
Total finance income and (costs)	**12,208**	**(52,971)**	**8,879**	**(36,670)**
Gains/(losses) on interest-rate derivative contracts		(1,426)	388	
Gains/(losses) on foreign-exchange derivative contracts		(6,043)		(10,798)
Net exchange-rate differences	10,028		7,198	
Net exchange-rate differences and derivatives	**2,559**			**(3,212)**
Total finance income (costs), net exchange-rate differences and derivatives		**(38,204)**		**(31,003)**

Total finance costs net of finance income includes net costs of 21,693 thousand euro relating to the redemption of notes from the private placements in the USA in 2002 and 2006.

Share of results of associates

(in thousands of euro)	Q1 2010	Q1 2009	Change	% change
Mittel (Italy)	82	6,225	(6,143)	-98.7%
Asment (Morocco)	1,863	2,154	(291)	-13.5%
Tecnogravel (Egypt)	325	311	14	4.5%
Innocon (Canada)	55	(224)	279	n.s.
Ciment Quebec (Canada)	(51)	(1,672)	1,621	-96.9%
RCS MediaGroup (Italy)	(4,077)	-	(4,077)	n.s.
Others	54	673	(619)	-92.0%
Total	**(1,749)**	**7,467**	**(9,216)**	**n.s.**

Income tax expense

Income tax reflected income of 2,672 thousand euro for the first quarter, as follows:

(in thousands of euro)	Q1 2010	Q1 2009	Change	% change
Current tax	(19,338)	(26,694)	7,356	-27.6%
Prior-year tax and other non-recurring fiscally driven items, net	1,397	(776)	2,173	n.s.
Deferred tax	20,613	10,637	9,976	93.8%
Total	**2,672**	**(16,833)**	**19,505**	**n.s.**

Non-recurring transactions

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

	Q1 2010					
(in thousands of euro)	Shareholders' equity		Net profit for the period		Net debt	
	amount	%	amount	%	amount	%
Book values	**5,950,603**		**17,721**		**(2,099,157)**	
Net capital gains on sale of fixed assets	1,598	0.03%	1,598	9.02%	11,230	-0.53%
Non-recurring employee expenses for re-organizations	(4,188)	0.07%	(4,188)	23.63%		
Other non-recurring income (expense)	(660)	0.01%	(660)	3.72%	(330)	0.02%
Tax on non-recurring transactions	967	0.02%	967	5.46%		
Non-recurring tax						
Total	**(2,283)**	**0.04%**	**(2,283)**	**12.88%**	**10,900**	**-0.52%**
Figurative value without non-recurring transactions	**5,952,886**		**20,004**		**(2,110,057)**	

	Q1 2009					
(in thousands of euro)	Shareholders' equity		Net profit for the period		Net debt	
	amount	%	amount	%	amount	%
Book values	**5,423,726**		**(2,886)**		**(2,605,299)**	
Net capital gains on sale of fixed assets	747	0.01%	747	25.88%	3,608	-0.17%
Non-recurring employee expenses for re-organizations	(12,340)	0.23%	(12,340)	n.s.		
Other non-recurring income (expense)	117	0.00%	117	4.05%		
Tax on non-recurring transactions	3,120	0.06%	3,120	n.s.		
Non-recurring tax						
Total	**(8,356)**	**0.15%**	**(8,356)**	**n.s.**	**3,608**	**-0.17%**
Figurative value without non-recurring transactions	**5,432,082**		**5,470**		**(2,608,907)**	

Investments in fixed assets

Investments in fixed assets in the first quarter of 2010 are set out below:

(in thousands of euro)	Q1 2010	Q1 2009	Change	% change
Investments in intangible assets	4,592	1,406	3,186	226.6%
Investments in property, plant and equipment	89,781	152,570	(62,789)	-41.2%
Investments in non-current financial assets	11,910	8,217	3,693	44.9%
Change in payables for PPE and intangible asset purchases	37,171	21,539	15,632	72.6%
Change in payables for non-current financial asset purchases	8,945	18	8,927	n.s.
Total	**152,399**	**183,750**	**(31,351)**	**-17.1%**

Investments in property, plant and equipment totaling 89,781 thousand euro focused on North America for 8,297 thousand euro, the European Union for 35,647 thousand euro and Africa for 26,830 thousand euro.

Net debt

Net debt at March 31, 2009, was 2,099,157 thousand euro (2,200,819 thousand euro at December 31, 2009). It comprised gross financing for 4,510,560 thousand euro and gross financial assets for 2,411,403 thousand euro.

Medium/long-term financing included the bond issued by Italcementi Finance S.A. on the European market for an aggregate nominal amount of 750 million euro, with a 5.375% coupon, whose net value at March 31, 2010, was 739.5 million euro.

Net debt at March 31, 2010, included the current account credit balance of 197,592 thousand euro in respect of the companies in the Calcestruzzi group (196,355 thousand euro at December 31, 2009).

The decrease in net debt from December 31, 2009, was 101,662 thousand euro. It arose from net cash flows generated as follows:

- on operating activities, before changes in working capital, for +87.1 million euro;
- on changes in working capital for +130.4 million euro;
- on investments in fixed assets for -154.4 million euro;
- on divestments for +53.4 million euro;
- on other movements for -14.8 million euro.

* * *

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