ITALMOBILIARE

Consolidated quarterly report at September 30, 2010

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Contents

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Quarterly report
at September 30, 2010

November 12, 2010

ITALMOBILIARE
Società per Azioni

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

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

Board of statutory auditors

(Term ends on approval of financial statements at 12.31.2010)

Acting auditors	
Mario Cera	Chairman
Luigi Guatri	
Leonardo Cossu	
Substitute auditors	
Marco Confalonieri	
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 reponsibile for supervising the internal control system
3 Member of the Remuneration Committee
4 Member of the Internal Control Committee
5 Independent director (in accordance with the 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 September 30, 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 accounting principles are consistent with those used to draw up the Group annual report as at and for the year to December 31, 2009, with the exception of the principles and interpretations approved by the European Union and applicable as from January 1, 2010. These principles and interpretations are detailed in the notes; they did not have material impacts on the Group accounts for the third quarter of 2010 and for the period January 1 – September 30, 2010.

Regarding application of IAS 16 “Property, plant and equipment”, the updated list of the components and useful lives of the industrial assets in the cement sector, introduced with effect from January 1, 2010, generated a decrease of 21.5 million euro in amortization and depreciation charges with respect to the period January 1 – September 30, 2009.

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

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Information on operations

During the third quarter of 2010, signs of a consolidation in the production recovery in the main economies alternated with new indications of instability, which were particularly intense on the currency markets. A key cause for concern was the continuing fluctuation in economic conditions in the USA, where the difficulties on the labor market and the real estate market still seem to be largely unresolved. In Europe, the differences in the cyclical positions of the various countries continued to grow, while the rapid appreciation of the single currency adversely affected Eurozone exports.

The recovery of the world economy, which strengthened in the first half of the year, remains fragile: in particular, the vulnerability of the financial markets and the debt difficulties of the public sector in some European countries are making the financial markets unstable. In this context, by the end of the third quarter, the FTSE Mib index on the Italian stock market had fallen by about 12% since the beginning of the year, whereas the German and US benchmarks had risen.

The Italmobiliare Group closed the third quarter of 2010 with a **total net profit** of 60.1 million euro and **Group net profit** of 15.8 million euro, down from the year-earlier period.

In the year to September 30, 2010, the Group posted a **total net profit** of 144.5 million euro and **Group net profit** of 18.5 million euro, compared with 296.8 million euro (-51.3%) and 116.3 million euro (-84.1%) at September 30, 2009.

The other main results for the third quarter and the year to September 30, 2010, and the changes with respect to the results in the year-earlier periods, are as follows:

- **Revenues**: 1,297.4 million euro in the third quarter (-4.8%) and 3,925.9 million euro in the nine months (-5.1%);
- **Recurring EBITDA**: 240.0 million euro in the third quarter (-24.6%) and 703.9 million euro in the nine months (-18.0%);
- **EBITDA**: 241.2 million euro in the third quarter (-24.9%) and 699.6 million euro in the nine months (-17.9%);
- **EBIT**: 115.4 million euro in the third quarter (-42.6%) and 334.7 million euro in the nine months (-29.5%);
- **Finance income and costs**: net costs of 30.0 million euro in the third quarter (up by 15.7%) and of 89.4 million euro in the nine months (up by 5.4%);
- **Profit before tax**: 82.5 million euro in the third quarter (-48.4%) and 212.9 million euro in the nine months (-45.6%).

At the end of September 2010, **total shareholders' equity** was 5,885.1 million euro, compared with 5,767.1 million euro at December 31, 2009, and 6,066.9 million euro at June 30, 2010.

Net debt at September 30, 2010, stood at 2,108.4 million euro, from 2,200.8 million euro at December 31, 2009. Net debt at June 30, 2010, was 2,214.0 million euro.

As a result of the changes in shareholders' equity and debt, the gearing ratio improved from 38.16% at the end of December 2009 to 35.83% at the end of September 2010.

Italmobiliare Net Asset Value (NAV) at September 30, 2010, was 1,729.4 million euro (1,695.3 million euro at June 30, 2010, and 2,166.1 million euro at the end of 2009).

Performance in the Italmobiliare Group core businesses was as follows:

- For the third quarter of 2010, the **construction materials segment**, headed by the Italcementi group, reported a 4.0% decrease in revenues, due to the decline in sales volumes and, above all, the unfavorable price dynamic on some markets. The third-quarter reductions in recurring EBITDA (-22.3%) and EBIT (-37.0%) reflected, in addition to lower revenues, the adverse trend in variable costs, largely as a consequence of the increase in the price of energy factors, offset in part by the sale of CO_2 emission rights and by the reduction in fixed costs, although this was smaller than in the first half of the year. During the quarter, the group continued measures to contain fixed costs and improve industrial efficiency. The net profit for the third quarter was 51.7 million euro, down by 45.1% from the third quarter of 2009. In the January-September 2010 period, revenues were down 4.7% from the year-earlier period, as a result of lower sales volumes but also, as in the third quarter, mainly as a result of the downturn in sales prices. The revenue reduction had a negative impact on operating results. Recurring EBITDA fell by 16.2%, while the decrease in EBIT, impacted by higher amortization and depreciation charges than in the year-earlier period, was 25.1%. Total net profit was 133.4 million euro, a decrease of 39.7% from the first nine months of 2009;

- in the **food packaging and thermal insulation segment**, consisting of the Sirap Gema group, third-quarter 2010 revenues were 61.3 million euro (61.2 million euro in the third quarter of 2009), with a small decrease in food packaging (-1.7%), while thermal insulation revenues improved by 4.0%. As in the first half of the year, operating results for the third quarter were sharply down, mainly because of the rise in the cost of polymer raw materials and the slackening in demand, which meant it was not possible to adjust sales prices. Consequently EBITDA (5.3 million euro) and EBIT (2.2 million euro) were down respectively by 47.6% and 69.4%. Net profit for the third quarter was 0.7 million euro, a fall of 82.0% from the year-earlier period. In the year to the end of September revenues were down slightly (175.5 million euro compared with 179.6 million euro in the nine months of 2009), with a larger decrease in food packaging (-5.8%). After amortization and depreciation charges of 8.7 million euro, EBIT for the nine months was 6.8 million euro (14.7 million euro at September 30, 2009). Net profit for the period was 1.6 million euro (4.7 million euro at September 30, 2009), showing a smaller reduction than operating results, thanks to lower finance costs, exchange-rate gains and income tax;

- the **financial segment**, which includes the parent company Italmobiliare and the wholly owned financial companies, reported a net profit for the third quarter of 8.9 million euro compared with 35.3 million euro in the third quarter of 2009. Net profit for the year to September 30, 2010, also declined, by 71.6%, reaching 28.5 million euro (100.2 million euro in the year to September 30, 2009), largely as a result of lower dividends received from equity investments and lower unrealized gain and capital gains on the bond portfolio, which were particularly significant in 2009;

- the **banking segment** comprising Finter Bank Zürich and Crédit Mobilier de Monaco reported a net loss in the third quarter of 1.0 million euro compared with a net loss of 0.3 million euro in the year-earlier period; it posted a net loss in the year to September 30, 2010, of 1.6 million euro (net profit of 2.2 million euro at September 30, 2009), largely as a result of the reduction in commission income and interest income. The loss arose essentially at Finter Bank Zürich;
- the **property segment, services and other** does not have a prominent role within the global context of the Group. Its operating results for the third quarter of 2010 were negligible in size and are not particularly significant. The segment reported a net profit for the year to the end of September of 201,000 euro (a net loss of 175,000 euro at September 30, 2009) thanks to the capital gain on the sale of property in Punta Ala.

In its separate financial statements for the year to September 30, 2010, the parent company Italmobiliare posted a net profit for the period of 36.4 million euro, down by 51.3% from the year-earlier period largely as a result of the lower dividends paid by its subsidiaries and associates.

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Group business and financial highlights

Third quarter

(in millions of euro)	Q3 2010	Q3 2009	% change
Revenues	**1.297,4**	**1.362,2**	***(4,8)***
Recurring EBITDA	**240,0**	**318,4**	***(24,6)***
% of revenues	*18,5*	*23,4*	
Other income (expense)	1,2	2,9	*(56,8)*
EBITDA	**241,2**	**321,3**	***(24,9)***
% of revenues	*18,6*	*23,6*	
Amortization and depreciation	(125,2)	(115,2)	*8,7*
Impairment variation	(0,6)	(5,1)	*(88,1)*
EBIT	**115,4**	**201,0**	***(42,6)***
% of revenues	*8,9*	*14,8*	
Finance income and costs	(30,0)	(25,9)	*15,7*
Impairment on financial assets	(10,1)	(22,3)	*(54,5)*
Share of results of associates	7,2	7,0	*3,1*
Profit before tax	**82,5**	**159,8**	***(48,4)***
% of revenues	*6,4*	*11,7*	
Income tax expense	(22,4)	(27,2)	*(17,7)*
Net profit for the period	**60,1**	**132,6**	***(54,7)***
% of revenues	*4,6*	*9,7*	
Group net profit	**15,8**	**57,6**	***(72,6)***
% of revenues	*1,2*	*4,2*	
Minority interests	44,3	75,0	*(40,9)*

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.

ITALMOBILIARE

Year to September 30, 2010

(in millions of euro)	Year to 09.30.10	Year to 09.30.09	% change	Full year 2009
Revenues	**3.925,9**	**4.138,9**	***(5,1)***	**5.365,4**
Recurring EBITDA	**703,9**	**858,5**	***(18,0)***	**1.055,7**
% of revenues	*17,9*	*20,7*		*19,7*
Other income (expense)	(4,3)	(6,3)	*(31,8)*	(11,7)
EBITDA	**699,6**	**852,2**	***(17,9)***	**1.044,0**
% of revenues	*17,8*	*20,6*		*19,5*
Amortization and depreciation	(364,0)	(348,0)	*4,6*	(474,9)
Impairment variation	(0,9)	(29,4)	*(97,1)*	(54,4)
EBIT	**334,7**	**474,8**	***(29,5)***	**514,7**
% of revenues	*8,5*	*11,5*		*9,6*
Finance income and costs	(89,4)	(84,8)	*5,4*	(111,4)
Impairment on financial assets	(39,2)	(24,7)	*58,5*	(47,7)
Share of results of associates	6,8	26,1	*(73,9)*	28,1
Profit before tax	**212,9**	**391,4**	***(45,6)***	**383,7**
% of revenues	*5,4*	*9,5*		*7,2*
Income tax expense	(68,4)	(94,6)	*(27,5)*	(99,4)
Net profit for the period	**144,5**	**296,8**	***(51,3)***	**284,3**
% of revenues	*3,7*	*7,2*		*5,3*
Group net profit	**18,5**	**116,3**	***(84,1)***	**97,3**
% of revenues	*0,5*	*2,8*		*1,8*
Minority interests	126,0	180,5	*(30,3)*	187,0
Employees at period end (heads)	**22.479**	**23.096**		**22.758**

(in millions of euro)	September 30 2010	June 30 2010	December 31 2009
Net debt	**2.108,4**	**2.214,0**	**2.200,8**

Revenues and operating results by business segment and geographical area

Third quarter

	Revenues		Recurring EBITDA		EBITDA		EBIT	
Business sector	**Q3 2010**	**% change vs. Q3 09**	**Q3 2010**	**% change vs. Q3 09**	**Q3 2010**	**% change vs. Q3 09**	**Q3 2010**	**% change vs. Q3 09**
Construction materials	1.210,8	*(4,0)*	225,5	*(22,3)*	227,1	*(19,8)*	105,5	*(37,0)*
Packaging and insulation	61,3	*0,2*	5,3	*(47,6)*	5,3	*(47,6)*	2,2	*(69,4)*
Financial	20,6	*(21,9)*	9,5	*(60,8)*	9,2	*(66,3)*	9,2	*(66,4)*
Banking	8,6	*(19,8)*	-	*n.s.*	-	*n.s.*	(1,0)	*n.s.*
Property, services, other	0,4	*(93,3)*	-	*n.s.*	-	*n.s.*	(0,1)	*n.s.*
Intersector eliminations	(4,3)	*11,4*	(0,3)	*(32,9)*	(0,4)	*(32,6)*	(0,4)	*(32,2)*
Total	**1.297,4**	***(4,8)***	**240,0**	***(24,6)***	**241,2**	***(24,9)***	**115,4**	***(42,6)***
Geographical area								
European Union	720,6	*(6,3)*	134,3	*(20,3)*	135,4	*(26,1)*	74,5	*(35,5)*
Other European countries	68,4	*25,7*	8,5	*n.s.*	8,6	*n.s.*	4,1	*n.s.*
North America	131,4	*7,5*	19,1	*(1,8)*	19,1	*26,2*	1,0	*(79,1)*
Asia and Middle East	127,7	*9,4*	13,7	*(55,0)*	13,8	*(54,1)*	2,0	*(89,4)*
Africa	239,4	*(8,2)*	85,8	*(8,7)*	85,8	*(8,8)*	57,6	*(18,4)*
Trading	54,4	*(14,3)*	2,2	*(30,0)*	2,1	*(26,6)*	1,5	*(34,7)*
Other	118,7	*41,8*	(23,6)	*n.s.*	(23,6)	*n.s.*	(25,3)	*n.s.*
Inter-area eliminations	(163,2)	*51,0*	-	-	-	-	-	-
Total	**1.297,4**	***(4,8)***	**240,0**	***(24,6)***	**241,2**	***(24,9)***	**115,4**	***(42,6)***

n.s. not significant

In the third quarter of 2010, Group consolidated **revenues** were 1,297.4 million euro from 1,362.2 million euro in the third quarter of 2009. The decrease of 4.8% stemmed from all Group business segments with the exception of food packaging and thermal insulation, where revenues were substantially in line with the third quarter of 2009.

Third-quarter **recurring EBITDA** (240.0 million euro) and **EBIT** (115.4 million euro) decreased by 24.6% and 42.6% respectively from the year-earlier period. The reduction referred to all the core businesses, but most notably to the financial segment, due to the instability of the financial markets, and to food packaging and thermal insulation, due to higher raw material costs.

Third-quarter operating results showed a larger YoY decrease than first-half operating results, owing to the reduction in revenues and the cost dynamic. In geographical terms, the EU countries as a whole made the largest contribution in absolute terms to revenues and EBIT.

Year to September 30, 2010

	Revenues		Recurring EBITDA		EBITDA		EBIT	
Business sector	**Sept. 30 2010**	**% change vs. 9M 09**	**Sept. 30 2010**	**% change vs. 9M 09**	**Sept. 30 2010**	**% change vs. 9M 09**	**Sept. 30 2010**	**% change vs. 9M 09**
Construction materials	3.665,9	*(4,7)*	660,0	*(16,2)*	656,3	*(14,9)*	303,4	*(25,1)*
Packaging and insulation	175,5	*(2,3)*	15,8	*(33,6)*	15,8	*(33,6)*	6,8	*(53,6)*
Financial	85,5	*(27,5)*	44,7	*(45,9)*	44,1	*(48,6)*	44,0	*(48,6)*
Banking	27,5	*(10,8)*	1,3	*(73,5)*	1,3	*(72,8)*	(1,5)	*n.s.*
Property, services, other	2,3	*(68,8)*	0,9	*(112,9)*	0,9	*n.s.*	0,8	*n.s.*
Intersector eliminations	(30,8)	*(30,9)*	(18,8)	*(43,7)*	(18,8)	*(43,7)*	(18,8)	*(43,7)*
Total	**3.925,9**	***(5,1)***	**703,9**	***(18,0)***	**699,6**	***(17,9)***	**334,7**	***(29,5)***
Geographical area								
European Union	2.144,7	*(9,6)*	365,3	*(20,4)*	360,1	*(24,2)*	182,0	*(35,7)*
Other European countries	160,9	*11,4*	5,1	*n.s.*	5,7	*n.s.*	(7,1)	*(40,3)*
North America	317,0	*1,7*	13,7	*50,6*	12,6	*n.s.*	(40,3)	*42,6*
Asia and Middle East	368,9	*4,2*	51,1	*(39,1)*	51,1	*(35,9)*	12,9	*(48,2)*
Africa	859,3	*1,7*	286,8	*(3,7)*	287,1	*(3,6)*	211,4	*(6,0)*
Trading	183,1	*6,5*	13,4	*57,6*	13,4	*57,6*	11,4	*74,3*
Other	321,4	*20,2*	(31,5)	*n.s.*	(30,4)	*98,2*	(35,6)	*46,1*
Inter-area eliminations	(429,4)	*31,1*	-	-	-	-	-	-
Total	**3.925,9**	***(5,1)***	**703,9**	***(18,0)***	**699,6**	***(17,9)***	**334,7**	***(29,5)***

n.s. not significant

Revenues for the first nine months amounted to 3,925.9 million euro, a decline of 5.1% from the year-earlier period. To a varying extent, reductions arose in all the Group core businesses (gross of inter-segment eliminations): construction materials (-4.7%), packaging and insulation (-2.3%), financial (-27.5%) and banking (-10.8%). Although the property, services, other segment posted a large fall in revenues (-68.8%), it is not of material importance within the Group as a whole.

The overall decrease arose from the slowdown in business performance (-6.9%) offset by a positive exchange-rate effect of 2.0%, while changes in the scope of consolidation were negligible (-0.2%). The positive exchange-rate effect reflected the general appreciation of other currencies against the euro, specifically the Egyptian pound, the US dollar, the Thai baht, the Indian rupee and the Swiss franc.

The decline in revenues had a negative impact on operating results. **Recurring EBITDA** (703.9 million euro) and **EBIT** (334.7 million euro) for the nine months were down 18.0% and 29.5% respectively from the year-earlier period, with decreases reported in all core businesses.

On a geographical basis, the fall in operating results was particularly significant in the EU countries and in some emerging countries.

Finance costs, other items and net profit for the period

Net finance costs amounted to 89.4 million euro, up by 5.4% from the year-earlier period (84.8 million euro), due to non-recurring expenses of 21.4 million euro for repayment of the Notes issued in the USA, offset only in part by the decrease in net interest expense on net debt (from 82.8 million euro to 71.1 million euro) and by net exchange-rate gains (9.3 million euro, compared with net losses of 7.3 million euro).

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

Impairment on financial assets showed a loss of 39.2 million euro, compared with a loss of 24.7 million euro at September 30, 2009; this was largely due to impairment losses of 29.5 million euro at the Calcestruzzi group and 9.6 million euro on some listed equity investments.

The **share of results of associates** showed a significant decrease from 26.1 million euro to 6.8 million euro after the losses reported by associates in publishing and financial holdings.

Income tax expense for the nine months amounted to 68.4 million euro, generating an increase in the aggregate average tax rate (32.16% at September 30, 2010, compared with 24.15% for the year-earlier period).

As a result **net profit** for the year to September 30, 2010, was 144.5 million euro, a decrease of 51.3% from the year-earlier period. After profit attributable to minorities of 126.0 million euro (-30.3%), **net profit attributable to the Group** was 18.5 million euro (-84.1%). This disparate trend arose largely from the improvement in results at companies with significant minority interests and a decrease in results at companies with limited minority interests.

Total comprehensive income

In the period January 1 – September 30, 2010, beginning from the net result for the period, the other components of comprehensive income reflected a positive balance of 98.9 million euro (98.5 million euro in the year-earlier period), arising from: translation gains of 168.9 million euro, fair value gains on financial derivatives of 4.9 million euro, fair value losses on available-for-sale financial assets of 75.2 million euro, and a positive income tax effect of 0.3 million euro. Considering the net profit for the period of 144.5 million euro described above and the previously illustrated components, total comprehensive income for the period was positive at 243.4 million euro (a loss of 12.7 million euro attributable to the Group and income of 256.1 million euro attributable to minorities); this compares with positive total comprehensive income of 395.4 million euro in 2009 (income of 280.1 million euro attributable to the Group and income of 115.3 million euro attributable to minorities).

The statement of comprehensive income is provided in the consolidated financial statements.

Net debt

At September 30, 2010, **net debt** was 2,108.4 million euro, a decrease of 92.4 million euro from December 31, 2009 (2,200.8 million euro) and 105.6 million euro from June 30, 2010.

Action continued during the year to contain working capital, with positive effects on cash flows from operations. These were a factor in the improvement in net debt, despite investments in fixed assets for a total of 400.0 million euro (including capital expenditure of 367.9 million euro) and dividends paid (136.5 million euro).

The gearing ratio (net debt/shareholders' equity) at September 30, 2010, was 35.83%, an improvement from 38.16% at December 31, 2009.

(in millions of euro)	September 30 2010	June 30 2010	December 31 2009
Cash, cash equivalents and current financial assets	(2.346,1)	(1.948,5)	(1.908,3)
Short-term financing	930,7	978,9	1.225,2
Medium/long-term financial assets	(149,9)	(114,1)	(85,3)
Medium/long-term financing	3.673,7	3.297,7	2.969,2
Net debt	**2.108,4**	**2.214,0**	**2.200,8**

Financial ratios

(absolute amounts in millions of euro)	September 30 2010	June 30 2010	December 31 2009
Net debt	2.108,4	2.214,0	2.200,8
Consolidated shareholders' equity	5.885,1	6.066,9	5.767,1
Gearing	**35,83%**	**36,49%**	**38,16%**
Net debt	2.108,4	2.214,0	2.200,8
EBITDA before other income and expense [1]	901,0	979,4	1.055,7
Leverage	**2,34**	**2,26**	**2,08**

[1]12-month rolling year

Investments in fixed assets

Group investments in fixed assets at September 30, 2010, amounted to 400.0 million euro, down by 187.0 million euro from September 30, 2009; they were largely concerned with the enhancement and re-organization of the industrial structure and the completion of strategic projects.

Capital expenditures, mainly in construction materials and, to a much smaller extent, in food packaging and thermal insulation, was 367.9 million euro, down by 188.6 million euro from September 30, 2009 (556.5 million euro).

Investments in non-current financial assets totaled 32.2 million euro (30.5 million euro in the first nine months of 2009), and referred to the construction materials segment and the financial segment.

Construction materials segment

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

Third quarter

(in millions of euro)	Q3 2010	Q3 2009	% change
Revenues	**1.210,8**	**1.261,7**	***(4,0)***
Recurring EBITDA	**225,5**	**290,3**	***(22,3)***
% of revenues	*18,6*	*23,0*	
Other income (expense)	1,5	(7,3)	*n.s.*
EBITDA	**227,1**	**283,0**	***(19,8)***
% of revenues	*18,8*	*22,4*	
Amortization and depreciation	(121,2)	(110,5)	*9,6*
Impairment variation	(0,4)	(5,1)	*(92,0)*
EBIT	**105,5**	**167,3**	***(37,0)***
% of revenues	*8,7*	*13,3*	
Finance income and costs	(29,2)	(25,0)	*16,6*
Impairment on financial assets	(9,9)	(23,4)	*(57,6)*
Share of results of associates	6,4	6,3	*2,3*
Profit before tax	**72,9**	**125,2**	***(41,8)***
% of revenues	*6,0*	*9,9*	
Income tax expense	(21,2)	(31,2)	*(32,0)*
Net profit for the period	**51,7**	**94,1**	***(45,1)***
% of revenues	*4,3*	*7,5*	
Group net profit	**18,1**	**48,4**	***(62,7)***
Minority interests	33,6	45,7	*26,4*

n.s. not significant

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Year to September 30, 2010

(in millions of euro)	Year to 09.30.10	Year to 09.30.09	% change	Full year 2009
Revenues	**3.665,9**	**3.847,5**	***(4,7)***	**5.006,4**
Recurring EBITDA	**660,0**	**787,7**	***(16,2)***	**971,6**
% of revenues	*18,0*	*20,5*		*19,4*
Other income (expense)	(3,7)	(16,5)	*(77,3)*	(14,9)
EBITDA	**656,3**	**771,2**	***(14,9)***	**956,7**
% of revenues	*17,9*	*20,0*		*19,1*
Amortization and depreciation	(352,3)	(336,6)	*4,7*	(459,8)
Impairment variation	(0,6)	(29,4)	*(98,1)*	(54,0)
EBIT	**303,4**	**405,2**	***(25,1)***	**443,0**
% of revenues	*8,3*	*10,5*		*8,8*
Finance income and costs	(86,9)	(81,4)	*6,7*	(106,9)
Impairment on financial assets	(30,6)	(23,4)	*30,8*	(41,1)
Share of results of associates	12,7	9,8	*29,6*	14,6
Profit before tax	**198,6**	**310,2**	***(36,0)***	**309,5**
% of revenues	*5,4*	*8,1*		*6,2*
Income tax expense	(65,1)	(88,8)	*(26,7)*	(94,2)
Net profit for the period	**133,4**	**221,4**	***(39,7)***	**215,3**
% of revenues	*3,6*	*5,8*		*4,3*
Group net profit	**18,5**	**103,5**	***(82,2)***	**71,3**
Minority interests	115,0	117,9	*(2,5)*	144,0
Employees at period end (heads)	**20.973**	**21.493**		**21.155**

(in millions of euro)	September 30 2010	June 30 2010	December 31 2009
Net debt	**2.357,0**	**2.458,1**	**2.419,9**

Significant differences emerged in economic conditions in the construction materials segment: in the group’s European countries, results in France and Italy remained negative, but were a little better than expected, whereas the downturn in operations continued at only a slightly slower pace in Spain and Greece. In North America the residential segment has not yet shown irrefutable signs of a firm recovery, whereas a strong trend was observed in public works. The healthy progress in the construction segment continued in the group emerging countries as a whole.

Performance in the construction materials segment

Third quarter

Sales volumes	Q3 2010	% change vs Q3 2009	
		historic	at constant size
Cement and clinker *(millions of mt)*	13,7	*(4,8)*	*(4,8)*
Aggregates[1] *(millions of mt)*	9,5	*(1,8)*	*(2,3)*
Ready mixed concrete *(millions of m³)*	2,9	*2,9*	*2,3*

[1] excluding outgoes on work-in-progress account

After the recovery in the second quarter, third-quarter sales volumes were down overall from the year-earlier period as a result of performance in cement/clinker and aggregates, whereas progress was reported in ready mixed concrete.

In **cement and clinker**, the mature markets reported a small decline. The emerging markets reported healthy progress in Asia, thanks to India and China, but were affected by the fall in Egypt.

The **aggregates** sector was stable in North America and benefited from the good recovery in France-Belgium, but this did not offset the fall on the other markets.

In the **ready mixed concrete** sector, performance was positive thanks to the emerging countries, notably Turkey. While slight progress was reported in North America, Central Western Europe was adversely affected by the fall in sales volumes in Spain and, to a smaller extent, in Greece.

Year to September 30, 2010

Sales volumes	Year to 09.30.2010	% change vs 09.30.2009	
		historic	at constant size
Cement and clinker *(millions of mt)*	41,2	*(2,4)*	*(2,4)*
Aggregates[1] *(millions of mt)*	28,7	*(3,3)*	*(3,7)*
Ready mixed concrete *(millions of m³)*	8,6	*1,9*	*(0,1)*

[1] excluding outgoes on work-in-progress account

In the year to the end of September, the sales volumes recovery continued in ready mixed concrete. Sales volumes in the other businesses fell, although in aggregates the decline eased with respect to the first half.

In **cement and clinker**, sales volumes fell in all the mature countries. The emerging countries reported extensive progress, with brilliant performance in India, China and Kazakhstan, but this was penalized by the trend in Egypt in the third quarter.

In **aggregates** performance declined on all markets except North America, whose notable progress, with respect to low absolute values, was driven by the strong positive trend of the first half.

In **ready mixed concrete,** performance at constant size was negative in Central Western Europe, stable in North America and very positive in the emerging markets, largely thanks to Turkey and Thailand.

2010 third-quarter **revenues**, at 1,210.8 million euro, fell by 4.0%, due to the unfavorable price dynamic on some markets and the fall in sales volumes. In absolute values and at constant size and exchange rates, the revenue reduction arose largely in Italy and Egypt, while the strongest progress came in France and Turkey. The important exchange-rate effect reflected the general appreciation of the other currencies against the euro.

In the year to September 30, revenues, at 3,665.9 million euro, were down 4.7% from the year-earlier period as a result of the slowdown in business performance (-6.7%), counterbalanced in part by the positive exchange-rate effect (+2.0%), while the consolidation effect was immaterial.

At constant size and exchange rates, the slowdown affected all the macro business areas. The largest declines were in Italy, Bulgaria and Spain; performance was positive in Thailand, China and Kazakhstan.

Operating results reflected the heavy fall in revenues, caused mainly by the sharp reduction in sales prices. The sale of CO_2 emission rights was a positive factor, as was containment of operating expenses, achieved through incisive measures to improve industrial efficiency and contain fixed costs in the majority of group countries.

Compared with the third quarter of 2009, **recurring EBITDA**, at 225.5 million euro, was down 22.3% while **EBIT**, at 105.5 million euro, was down by 37.0%.

In the year to September 30, 2010, **recurring EBITDA** (660.0 million euro) fell by 16.2% after the widespread decline in operating results in the group areas, especially in Central Western Europe (largely due to performance in Italy) and some emerging countries (India, Egypt and Bulgaria). Conversely, the strongest progress, also at constant size and exchange rates, was in North America and Trading. **EBIT** was 303.4 million euro, down by 25.1% due to the rise in amortization and depreciation charges caused by the operating start-up of new production plants.

In the period January 1 – September 30, 2010, **finance costs net of finance income** amounted to 86.9 million euro, an increase of 6.7% from the year-earlier period (81.4 million euro), despite the reduction in net interest expense on net debt (from 80.4 million euro to 69.5 million euro) and net exchange-rate gains (9.1 million euro, compared with net losses of 6.7 million euro). As noted in the previous 2010 interim reports, finance costs in the current year reflect the impact of non-recurring expenses of approximately 21.4 million euro for the reimbursement of the Notes issued in the USA.

Impairment on financial assets, relating almost entirely to the Calcestruzzi group, amounted to -30.6 million euro (+30.8% from 2009).

The **share of results of associates** was 12.7 million euro (9.8 million euro) and benefited mainly from the results of Asment (Morocco) and Ciment du Quebec (Canada).

For the year to the end of September 2010, **profit before tax** amounted to 198.6 million euro (-36.0% from 2009), a decrease caused mainly by the trend in operating results. **Income tax** expense was 65.1 million euro, down by 26.7%.

Net profit for the nine months was 133.4 million euro, down by 39.7% from the year-earlier period, a decrease attributable almost entirely to the group (-82.2%, from 103.5 to 18.5 million euro), while net profit attributable to minority interests was substantially stable (-2.5%, from 117.9 to 115.0 million euro). This dynamic reflected the larger fall in the results of companies with limited minority interests and the greater weight of the results of companies with material minority interests.

Net debt at September 30, 2010, stood at 2,357.0 million euro, a decrease of 62.9 million euro from December 31, 2009 (2,419.9 million euro) and 101.1 million euro from June 30, 2010.

Measures to contain working capital continued, with positive results on cash flow from operations. This assisted the improvement in net debt, despite the continuing high level of investments in fixed assets (360.8 million euro), a reduction of 34.0% from September 30, 2009, and payment of dividends for 116.2 million euro, in line with the previous year.

Significant events during the period

The significant events of the third quarter of 2010 are described below.

In September, at the Investor Event in Agadir, Morocco, the group illustrated its medium/long-term growth guidelines for a strong presence on the emerging markets and greater production efficiency in the industrialized nations. This is the context for the start-up of the revamping at the **Devnya** cement plant in Bulgaria (scheduled to begin operations in 2012), which will raise annual cement production capacity by approximately 3 million metric tons and also improve industrial and environmental performance. The group also announced an agreement in China, in Shaanxi province where Fuping Cement already operates, to purchase an initial minority shareholding in **Shifeng Cement**, a company with a modern 2 million mt/y production line. In the industrialized countries, one of the next steps will be taken in **Italy,** where the authorization procedures for plant revamps in the northern regions are underway.

During the meeting with the financial community, an agreement was announced between **Italcementi Finance** and a pool of 16 international banks granting a five-year revolving line of credit for a total of 920 million euro. This transaction, which provides early refinancing of expiring lines of credit including the Ciments Français syndicated line (700 million euro to 2012), significantly strengthens group liquidity reserves.

Other significant events in the first half of the year, already reported in the half-year financial report as at June 30, 2010, are outlined below.

In March, **Italcementi Finance S.A.** issued bonds on the European market maturing on March 19, 2020, for a nominal amount of 750 million euro. The proceeds were utilized to provide financing for Italcementi S.p.A. (210 million euro) and Ciments Français S.A. (540 million euro).

April saw the close of the Ciments Français offer on the **“US Private Placement Notes”**, with the repurchase of all the “Notes” issued in 2006 (300 million euro) and of 183.5 million of the total 200 million US dollars issued in 2002. Ciments Français simultaneously agreed a ‘clarifying amendment’ 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 Caltanisetta preliminary investigating magistrate issued an “order for the return of the corporate assets under seizure with prescriptions”.

Also in April, Italcementi S.p.A. joined the United Nations’ **“Global Compact”**, the leading international forum set up to discuss the most critical aspects of globalization.

Performance by geographical area

Third quarter

(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
Geographical area	**Q3 2010**	**% change vs Q3 09**	**Q3 2010**	**% change vs Q3 09**	**Q3 2010**	**% change vs Q3 09**	**Q3 2010**	**% change vs Q3 09**
Central Western Europe	614,4	*(7,2)*	100,2	*(26,7)*	101,5	*(28,0)*	46,3	*(41,5)*
North America	131,4	*7,5*	19,1	*(1,8)*	19,1	*26,2*	1,0	*(79,1)*
Emerging Europe, North Africa and Middle East	314,0	*(6,3)*	92,9	*(9,1)*	93,0	*(9,1)*	57,8	*(19,1)*
Asia	117,2	*11,4*	12,9	*(54,9)*	13,0	*(54,1)*	2,2	*(87,5)*
Cement and clinker trading	54,5	*(14,3)*	2,2	*(30,1)*	2,2	*(26,6)*	1,5	*(34,7)*
Others	118,7	*41,8*	(1,7)	*n.s.*	(1,7)	*n.s.*	(3,5)	*n.s.*
Inter-area eliminations	(139,4)	*n.s.*	0,1	*n.s.*	0,1	*n.s.*	0,1	*n.s.*
Total	**1.210,8**	***(4,0)***	**225,5**	***(22,3)***	**227,1**	***(19,8)***	**105,5**	***(37,0)***

n.s. not significant

Year to September 30, 2010

(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
Geographical area	**Sept.30. 2010**	**% change vs. 9M09**	**Sept.30. 2010**	**% change vs. 9M09**	**Sept.30. 2010**	**% change vs. 9M09**	**Sept.30. 2010**	**% change vs. 9M09**
Central Western Europe	1.861,4	*(8,5)*	291,7	*(20,9)*	286,9	*(23,5)*	125,1	*(37,2)*
North America	317,0	*1,7*	13,7	*50,6*	12,6	*>100*	(40,3)	*(42,6)*
Emerging Europe, North Africa and Middle East	1.054,4	*(1,1)*	303,9	*(5,3)*	304,8	*(5,1)*	208,6	*(7,5)*
Asia	330,0	*4,2*	47,0	*(42,0)*	47,0	*(38,9)*	12,1	*(52,8)*
Cement and clinker trading	183,1	*6,5*	13,4	*57,6*	13,4	*57,6*	11,4	*74,2*
Others	321,4	*20,2*	(9,7)	*n.s.*	(8,6)	*n.s.*	(13,7)	*(>100)*
Inter-area eliminations	(401,4)	*n.s.*	0,1	*n.s.*	0,1	*n.s.*	0,1	*n.s.*
Total	**3.665,9**	***(4,7)***	**660,0**	***(16,2)***	**656,3**	***(14,9)***	**303,4**	***(25,1)***

n.s. not significant

Central Western Europe

In Central Western Europe third-quarter revenues were down 7.2%; specifically, Spain, Greece and Italy reported a reduction in cement and clinker sales volumes and a negative trend in sales prices, while in France and Belgium the positive performance in sales volumes in the third quarter counterbalanced the negative performance of the first half.

In the year to September 30, 2010 (-8.5%), revenues reflected the performance of the third quarter. Operating results declined in the first nine months of 2010, largely because of the reduction in sales prices, offset only in part by the containment of fixed costs and lower fuel costs.

In **Italy** the sales downturn was more contained in the third quarter compared with the first half of the year, but the market trend continues to show signs of weakness; full-year consumption is expected to be down on 2009 as a result of the continuing crisis in the residential segment. These effects were offset only in part by the savings achieved, on the one hand, in variable costs, thanks to on-going action to boost production efficiency, combined with the reductions in the cost of production factors (especially energy) and, on the other, in fixed costs, thanks to the production and logistics re-organization.

In **France** and **Belgium** cement consumption increased in the third quarter of 2010 compared with the year-earlier period. For the nine months, this led to a significant reduction in the decline on the French market and progress in Belgium compared with the first half of the year. Operating results in the third quarter and for the nine months were down on those of 2009, despite the positive effect from the sale of CO_2 rights. This was largely due to the negative trend in energy costs and the reduction in ready mixed concrete sales prices, offset only in part by containment of fixed costs.

In **Spain** and **Greece** the general economic context had a negative impact on group operations. Operating results were down in the third quarter and in the nine months from the year-earlier periods; the reduction in revenues due to lower sales volumes and prices was counterbalanced only in part by the savings on fixed costs and lower fuel costs.

North America

In the USA, despite the current economic upturn, the mood in the construction sector remains depressed. In the third quarter of 2010, sales volumes grew, while EBITDA was slightly down from the third quarter of 2009, penalized by the fall in cement sales prices, counterbalanced only in part by the rise in volumes and savings on operating expenses.

In the year to the end of September, EBITDA improved from the year-earlier period, thanks to savings on fixed costs and lower variable costs, which more than made up for the reduction in volumes and prices.

Emerging Europe, North Africa and Middle East

Performance varied from country to country, with revenues falling by 6.3% from the third quarter of 2009, and by 1.1% in the first nine months of 2010 compared with 2009.

In **Egypt**, where the market slackened in the third quarter of 2010, Group domestic cement and clinker sales volumes were down, while ready mixed concrete saw slight progress to the end of September thanks to the healthy performance of the third quarter. Despite the positive exchange-rate effect, overall operating results were down, due to the negative volume effect, and, in the nine months, to variable costs for clinker purchases.

In **Morocco** cement consumption to September 30, 2010, was substantially stable compared with 2009, with a slight decrease in the third quarter from the year-earlier period. Ready mixed concrete and aggregates sales volumes were down. EBITDA and recurring EBITDA fell in the quarter largely as a result of lower sales volumes, but were substantially stable in the nine months.

The crisis in the residential sector in **Bulgaria** generated a sharp fall in sales prices and sales volumes in cement and clinker. In this difficult situation, operating results fell significantly, despite action to contain operating expenses and income from the sale of CO_2 emission rights.

In **Turkey** the strong growth in the construction sector in the third quarter bolstered cement consumption with positive effects for group domestic sales volumes and sales prices. Ready mixed concrete sales were also positive, despite the significant fall in sales prices. Operating results in the nine months reflected the impact of the rise in fuel costs.

In **Kuwait** where national cement consumption decreased, the group reported a 3.5% increase in sales volumes, despite a downturn in the third quarter. Operating results were down in the third quarter but made good progress in the year to the end of September 2010.

Asia

Revenues made overall progress in the third quarter (+11.4%) and in the nine months (+4.2%).

In **Thailand**, despite continuing political uncertainty, during the third quarter the economy maintained the recovery of the first half. Third-quarter results were down due to the fall in average sales prices caused by fierce competitive pressures, higher electricity and fuel costs, and lower clinker exports.

In **India**, the growth of the economy and the construction sector continued in the third quarter, confirming the first-half trend. Results were down in the third quarter owing to the rise in the cost of fuel and electricity and, above all, to the fall in average sales prices as a consequence of fierce competitive pressures caused by the entry of new production capacity.

In **China** the economy continued to grow in the third quarter but at a less sustained rate than in the first six months of the year. Operating results at the end of September improved thanks to higher sales volumes and containment of operating expenses, despite the negative sales price effect.

In **Kazakhstan** too, operating results made healthy progress in the nine months, thanks to a very strong first half, but were significantly down in the third quarter of 2010.

Cement and clinker trading

Intragroup and third-party sales volumes decreased by 32.3% in the third quarter from the year-earlier period (-2.5% in the nine months), largely due to the decrease in third-party sales in a weak economic climate, offset in part by the rise in intragroup volumes. To the end of September operating results continued to reflect strong progress.

E-business

At the end of September 2010, despite the difficult situation and uncertain outlook of the national and international economy, **BravoSolution** consolidated revenues were slightly up on the first nine months of 2009 (+0.9%), reaching 37.6 million euro.

Operating results were positive, although lower than in the year-earlier period. EBITDA was 3.7 million euro (4.1 million euro in 2009), while EBIT was 0.8 million euro (1.6 million euro in 2009).

Despite the unfavorable and uncertain economic climate, BravoSolution expects full-year 2010 to confirm the increase in revenues and to post operating results in line with 2009 and a consolidated net profit.

Calcestruzzi

On October 22, 2010, the Calcestruzzi S.p.A. Board of Directors approved the company balance sheet and income statement as at and for the year to September 30, 2010, and noted the consolidated results at the same date.

The Calcestruzzi S.p.A. balance sheet and income statement as at and for the year to the end of September 2010 reflect:

- revenues of 206.1 million euro (-11.6% from 233.1 million euro in the year-earlier period);
- negative recurring EBITDA of 17.0 million euro (negative recurring EBITDA of 17.7 million euro in the first nine months of 2009);
- negative EBIT of 23.0 million euro (negative EBIT of 22.8 million euro in the first nine months of 2009);
- a net loss of 24.4 million euro (a net loss of 23.3 million euro in the year-earlier period);
- shareholders' equity of 50.4 million euro (shareholders' equity of 74.7 million euro at December 31, 2009);
- net debt of 184.7 million euro (net debt of 165.5 million euro at December 31, 2009).

The Calcestruzzi S.p.A. consolidated balance sheet and income statement as at and for the year to the end of September 2010 reflect:

- revenues of 255.6 million euro (-13.7% from 296.2 million euro in the first nine months of 2009);
- negative recurring EBITDA of 15.8 million euro (negative recurring EBITDA of 17.1 million euro in the first nine months of 2009);
- negative EBIT of 24.8 million euro (negative EBIT of 25.2 million euro in the first nine months of 2009);
- a net loss of 27.0 million euro (a net loss of 26.9 million euro in the first nine months of 2009);
- shareholders' equity of 45.9 million euro (shareholders' equity of 72.8 million euro at December 31, 2009);
- net debt of 213.2 million euro (net debt of 200.0 million euro at December 31, 2009).

Disputes and pending proceedings

Turkey

With regard to the dispute between Ciments Français and Sibconcord, on August 13 the court of Kemerovo in Russia declared null the share purchase agreement of March 26, 2008, and ruled that Ciments Français was obliged to return the advance payment of 50 million euro collected for the non-closure of the final contract for the sale of the Group's Turkish assets.

On September 23, an appeal was filed and the effects of the ruling of the court of first instance were suspended.

With regard to the arbitration proceeding in Turkey, the arbiters have yet to issue a decision.

India

In August 2010, the Indian Antitrust Authority commenced an investigation into the activities of cement producers, including the Zuari Cement Ltd. and Sri Vishnu Cement companies, for alleged unfair trading practices. The companies received a request for information, with which they duly complied.

Full-year outlook

The third quarter saw an overall rise in volatility compared with the first half of the year, whose effects will extend into the fourth quarter.

In this changeable situation, the group's projected net profit will continue to be affected by the unfavorable performance of the mature countries and, in particular, by the adverse impact of the erosion in prices in Italy compared with 2009. Consequently, the overall progress expected in the emerging countries in the fourth quarter may not be sufficient to counterbalance the foreseeable downturn in results in the industrialized countries.

Food packaging and thermal insulation segment

The Group operates in the food packaging and thermal insulation segment through Sirap Gema S.p.A. and its subsidiaries. In 2010, the scope of consolidation no longer included Inline R CJSC after the sale of the majority shareholding, and Dorner Pack G.m.b.H. after new contractual arrangements were reached. The table below sets out the condensed income statement of the Sirap Gema group in the third quarter and the year to September 30.

Third quarter

(in millions of euro)	Q3 2010	Q3 2009	% change
Revenues	**61,3**	**61,2**	***0,2***
Recurring EBITDA	**5,3**	**10,2**	***(47,6)***
% of revenues	*8,7*	*16,7*	
Other income (expense)	-	-	-
EBITDA	**5,3**	**10,2**	***(47,6)***
% of revenues	*8,7*	*16,7*	
Amortization and depreciation	(2,9)	(3,1)	*(4,5)*
Impairment variation	(0,2)	-	*n.s.*
EBIT	**2,2**	**7,1**	***(69,4)***
% of revenues	*3,5*	*11,6*	
Finance income and costs	(1,2)	(1,3)	*(9,8)*
Profit before tax	**1,0**	**5,8**	***(82,6)***
% of revenues	*1,6*	*9,5*	
Income tax expense	(0,3)	(2,1)	*(83,7)*
Net profit for the period	**0,7**	**3,7**	***(82,0)***
% of revenues	*1,1*	*6,0*	
Group net profit	**0,7**	**3,7**	***(82,0)***
Minority interests	n.s.	n.s.	

n.s. not significant

Year to September 30, 2010

(in millions of euro)	Year to 09.30.10	Year to 09.30.09	% change	Full year 2009
Revenues	**175,5**	**179,6**	***(2,3)***	**238,3**
Recurring EBITDA	**15,8**	**23,8**	***(33,6)***	**31,2**
% of revenues	*9,0*	*13,3*		*13,1*
Other income (expense)	-	-		-
EBITDA	**15,8**	**23,8**	***(33,6)***	**31,2**
% of revenues	*9,0*	*13,3*		*13,1*
Amortization and depreciation	(8,7)	(9,1)	*(4,8)*	(12,2)
Impairment variation	(0,3)	-	*n.s.*	(0,4)
EBIT	**6,8**	**14,7**	***(53,6)***	**18,6**
% of revenues	*3,9*	*8,2*		*7,8*
Finance income and costs	(3,0)	(5,4)	*(45,3)*	(7,0)
Profit before tax	**3,8**	**9,2**	***(58,4)***	**11,6**
% of revenues	*2,2*	*5,1*		*4,9*
Income tax expense	(2,2)	(4,5)	*(51,8)*	(4,6)
Net profit for the period	**1,6**	**4,7**	***(64,9)***	**7,0**
% of revenues	*0,9*	*2,6*		*2,9*
Group net profit	**1,6**	**4,7**	***(65,7)***	**7,0**
Minority interests	n.s.	n.s.		n.s.
Employees at period end (heads)	**1.304**	**1.391**		**1.387**

(in millions of euro)	September 30 2010	June 30 2010	December 31 2009
Net debt	**118,2**	**121,1**	**119,7**

n.s. not significant

As in the first half of the year, in the third quarter of 2010 demand was substantially weak in all segments and polymer prices were very high compared with the year-earlier period.

The fall in consumption as a result of the economic crisis further aggravated the competitive scenario, putting heavy pressure on sales margins. EBITDA dropped significantly due to a persistent increase in the cost of raw materials which did not allow a proportionate rise in sales prices.

2010 third-quarter **revenues** were substantially in line with the year-earlier period, with improved volumes in thermal insulation offsetting the modest decline in food packaging. Revenues for the nine months (175.5 million euro) showed a small decrease (-2.3%) from the year-earlier period, mainly as a result of the change in the scope of consolidation.

EBITDA was 15.8 million euro, a substantial fall (-33.6%) from 2009 (23.8 million euro) due to the decrease in average sales prices (caused by a different product mix) and above all to the raw materials effect, which had a particularly significant impact in the third quarter, when EBITDA fell by 47.6%.

EBIT was 6.8 million euro and was down 53.6% from 2009 (14.7 million euro), with the total for amortization and depreciation and impairment variations substantially unchanged in both the nine months and the third quarter.

Finance costs (3 million euro) fell sharply (-45.3%) thanks to lower average exposure, the lower cost of money and exchange-rate gains.

Income tax expense (2.2 million euro) was significantly lower compared with 2009 (4.5 million euro) mainly because of the reduction in taxable income.

Consolidated **net profit** for the nine months was 1.6 million euro, a significant decrease with respect to the year-earlier period (4.7 million euro).

Net debt was 118.2 million euro, a slight improvement compared with December 31, 2009 (119.7 million euro) and June 30, 2010 (121.2 million euro), thanks to positive cash flows from operations, the positive exchange-rate effect and reduction of investments.

Significant events during the period

On April 7, 2010, an agreement was reached for the sale of 48.23% of the Russian subsidiary Inline R CJSC between Inline Poland Sp.z.o.o. and the Russian company's minority shareholder. The agreed consideration is 0.3 million euro, payable over a period of about three years and six months, secured by a lien on a building owned by the purchaser.

Inline Poland retains a 23.99% share in the company, thereby limiting its commitment at a time of economic uncertainty while maintaining a presence on a potentially important market, which could be strengthened in the event of positive developments.

On April 2, 2009, an agreement was completed to establish usufruct over all the shares of the Austrian company Dorner Pack G.m.b.H. in favor of the subsidiary Petruzalek G.m.b.H. On December 22, 2009, the agreement was amended to permit the rescission of the usufruct contract with respect to the previous quarters, but maintaining the Petruzalek call option on the entire share capital, to be exercised between January 1, 2012, and December 31, 2013. The final agreement was signed on July 14, 2010. As a result, while the company was consolidated at September 30, 2009, it was excluded from the scope of consolidation in December.

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

Performance by business segment and geographical area

Third quarter

(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	Q3 2010	% change vs. Q3 09	Q3 2010	% change vs. Q3 09	Q3 2010	% change vs. Q3 09	Q3 2010	% change vs. Q3 09
Food packaging								
Italy	22,6	*3,6*	1,7	*(59,5)*	1,7	*(59,5)*	0,1	*(98,3)*
France	6,8	*(0,7)*	0,9	*(47,8)*	0,9	*(47,8)*	0,7	*(55,4)*
Other EU countries	15,7	*2,6*	0,8	*(30,8)*	0,8	*(30,8)*	0,1	*(81,7)*
Other non-EU countries	4,8	*(8,0)*	0,1	*(87,3)*	0,1	*(87,3)*	-	*n.s.*
Eliminations	(3,5)		-		-		0,1	-
Total	**46,4**	***(1,7)***	**3,5**	***(53,1)***	**3,5**	***(53,1)***	**1,0**	***(81,0)***
Thermal insulation-Italy	**15,0**	***4,0***	**1,8**	***(32,2)***	**1,8**	***(32,2)***	**1,2**	***(43,5)***
Eliminations	(0,1)		-		-		-	
Total	**61,3**	***0,2***	**5,3**	***(47,6)***	**5,3**	***(47,6)***	**2,2**	***(69,4)***

n.s. not significant

Year to September 30, 2010

(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	Sept. 30 2010	% change vs. 9M09	Sept. 30 2010	% change vs. 9M09	Sept. 30 2010	% change vs. 9M09	Sept. 30 2010	% change vs. 9M09
Food packaging								
Italy	67,3	*(8,4)*	6,2	*(39,1)*	6,2	*(39,1)*	1,4	*(69,3)*
France	19,6	*(3,8)*	2,6	*(31,6)*	2,6	*(31,6)*	2,0	*(37,2)*
Other EU countries	45,1	*(2,4)*	2,6	*(7,6)*	2,6	*(7,6)*	0,8	*(49,7)*
Other non-EU countries	13,4	*(10,2)*	0,3	*(57,3)*	0,3	*(57,3)*	0,1	*(68,7)*
Eliminations	(10,6)		-		-		0,1	
Total	**134,8**	***(5,8)***	**11,7**	***(32,5)***	**11,7**	***(32,5)***	**4,4**	***(54,8)***
Thermal insulation-Italy	**41,2**	***1,3***	**4,1**	***(36,6)***	**4,1**	***(36,6)***	**2,4**	***(51,5)***
Eliminations	(0,5)		-		-		-	
Total	**175,5**	***(2,3)***	**15,8**	***(36,6)***	**15,8**	***(33,6)***	**6,8**	***(53,6)***

Food packaging

Although the difficult economic situation continued to affect household spending levels, third-quarter revenues (46.4 million euro) showed only a small decrease, largely caused by the change in the scope of consolidation: overall, the weak trend in demand was counterbalanced by the positive change in the mix (especially in France). Sales continued to make healthy progress at Inline Poland, as in the first half, while in the other East European countries, Petruzalek was affected by slacker demand for packaging machines and by the market tendency to focus on less costly products.

Third-quarter margins compared with the third quarter of 2009 were sharply down, mainly because of the rise in the cost of raw materials.

Thermal insulation

Revenues in the third quarter (15 million euro) made a slight improvement on the year-earlier period (+1.8%): the fall in demand on the Italian market was countered by increasing export volumes and selecting niche applications. The market situation led to a change in the mix in favor of panels (thicker panels in particular) and a decrease in sales volumes of products with higher added value, like prefabricated roof insulation materials. The negative change in the mix and significant rise in the cost of raw materials brought a sharp reduction in profitability.

Disputes and pending proceedings

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

As from November 30, 2009, the Commission served Sirap Gema S.p.A. with a series of requests for detailed information on: (i) Sirap group operations and markets, (ii) the transcription of a number of handwritten documents acquired by the officers during the 2008 inspection, (iii) a series of circumstances, mostly meetings between company representatives and representatives of competitor companies. Similar information has been requested from the subsidiaries Petruzalek G.m.b.H. and Sirap France S.A.

Sirap Gema S.p.A. and its subsidiaries have provided all the information requested by the Commission, with the assistance of their legal advisors. Since making the above requests, the Commission has not taken other investigative steps.

Significant events after the end of the period

No significant events have taken place.

Full-year outlook

Due to the uncertain economic outlook and the related repercussions for demand in the areas where the Sirap Gema group operates, it is difficult to formulate guidance on full-year performance. Nevertheless, assuming that current market scenarios continue, for full-year 2010 the group expects consolidated revenues to be substantially stable compared with 2009; margins, meanwhile, will show a significant fall, closely tied to the rise in the average purchase price for polymers

Financial segment

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

As from September 1, 2010, the Franco Tosi S.r.l. and Sance S.r.l. companies have been merged with the parent company Italmobiliare S.p.A..

Third quarter

(in millions of euro)	Q3 2010	Q3 2009	% change
Revenues	20,6	26,3	*(21,9)*
EBIT	9,2	27,4	*(66,4)*
Net profit for the period	**8,9**	**35,3**	***(74,9)***

Year to September 30, 2010

(in millions of euro)	Year to 09.30.2010	Year to 09.30.2009	% change	Full year 2009
Revenues	85,5	118,0	*(27,5)*	125,1
EBIT	44,0	85,7	*(48,6)*	85,0
Net profit for the period	**28,5**	**100,2**	***(71,6)***	**91,8**

(in millions of euro)	September 30 2010	June 30 2010	December 31 2009
Net financial position	292,9	285,8	255,0
Shareholders' equity	1.316,3	1.299,6	1.399,9
Employees (heads)	51	51	50

Results in accordance with the financial model

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

- “Net gains on investments”, which includes, with regard to available-for-sale investments, dividends received, capital gains and losses on divestments of equity investments, and impairment variations on these financial assets;
- “Net gains on investments of cash”, which includes interest income on bank coupons and deposits, value adjustments on bonds and trading equities, capital gains/losses on the sale of such securities, income/expense on such securities;
- “Net borrowing costs”, which consists essentially of interest expense on financing, bank commissions and costs;

- "Net operating 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.

Third quarter

(in millions of euro)	Q3 2010	Q3 2009	% change
Net gains on investments	0,6	1,8	*(66,8)*
Net gains on investments of cash	23,8	29,5	*(19,2)*
Net borrowing costs	(10,2)	(1,4)	*n.s.*
Total financial income	**14,2**	**29,9**	***(52,4)***
Net operating expense	(4,5)	(0,8)	*n.s.*
Income tax expense	(0,8)	6,2	*n.s.*
Net profit for the period	**8,9**	**35,3**	***(74,9)***

n.s. not significant

Year to September 30, 2010

(in millions of euro)	Year to 09.30.2010	Year to 09.30.2009	% change	Full year 2009
Net gains on investments	30,0	68,0	*(55,9)*	60,0
Net gains on investments of cash	26,0	48,8	*(46,7)*	52,6
Net borrowing costs	(12,1)	(7,2)	*68,3*	(8,0)
Total financial income	**43,9**	**109,6**	***(59,9)***	**104,6**
Net operating expense	(14,4)	(8,9)	*61,5*	(12,8)
Income tax expense	(1,0)	(0,5)	*111,5*	-
Net profit for the period	**28,5**	**100,2**	***(71,6)***	**91,8**

Net gains on investments fell from 1.8 million euro in the third quarter of 2009 to 0.6 million euro in the third quarter of 2010, essentially as a result of larger impairment losses on some equity investments. For the year to September 30, net income on equity investments was 30 million euro, down by 55.9% from the year-earlier period, due to the reduction in dividends received from equity investments, net losses at associates and larger impairment losses on some equity investments.

Net gains on investments of cash fell by 19.2% in the third quarter of 2010, for a decrease of 5.7 million euro. The change was mainly generated by a decrease of 15.6 million euro in unrealized gains on securities and an increase of 10.6 million euro in interest income arising largely from an investment opportunity taken at the beginning of July.

The result for the nine months was positive at 26 million euro, but down from 48.8 million euro in the year-earlier period.

The reduction arose essentially from lower unrealized gains (39.6 million euro in 2009, 9.8 million euro in 2010,) and lower capital gains on the bond portfolio, after particularly favorable gains were posted in 2009 when the intervention of the regulatory authorities contributed to the positive trend on the international bond markets.

Net borrowing costs showed a significant increase (from 1.4 million euro to 10.2 million euro) as a result of higher debt linked to the investment opportunity described above. In the nine months too, despite a general fall in interest rates, net debt charges rose from 7.2 to 12.1 million euro, again as a result of the transaction.

Operating expenses, net of other income, increased. The balance in the third quarter was -4.5 million euro, compared with -0.8 million euro in the third quarter of 2009, which benefited from the release of surplus risk provisions in 2009.

The increase in other expense in the nine months (from 8.9 to 14.4 million euro) also reflected the impact of the same non-recurring income in 2009, while expense remained constant.

Income tax expense in the nine months increased from expense of 0.5 million euro to expense of 1.0 million euro, while the figure for the third quarter changed from income of 6.2 million euro to expense of 0.8 million euro; this was due to a favorable effect in 2009 arising from a change in measurement of interest expense deductibility as a result of interpretation of fiscal laws.

The **net profit** for the third quarter of 2010 was 8.9 million euro (compared with 35.3 million euro in the third quarter of 2009); for the period January-September it totaled 28.5 million euro, down from 100.2 million euro in the year-earlier period.

The companies in the financial segment hold substantial equity investments, the majority classified as "available-for-sale". The fair value changes in these investments, excluding consolidated investments carried at cost in the companies' separate financial statements, are reflected in shareholders' equity under the "Fair value reserve". At September 30, 2010, the consolidated fair value reserve in the financial segment stood at 93.4 million euro, compared with 184.4 million euro at December 31, 2009. The large decrease arose as a result of the negative performance of some share prices, notably Unicredit and Mediobanca.

In the first nine months of 2010, the parent company **Italmobiliare S.p.A.** posted a net profit of 36.4 million euro (74.8 million euro at the end of September 2009).

ITALMOBILIARE

Significant events during the period

The upstream merger of Franco Tosi S.r.l. and Sance S.r.l. into and with the parent company Italmobiliare S.p.A. was formalized on July 22, 2010, as approved by the companies' boards of directors on June 22, 2010.

The merger will raise the efficiency of the Italmobiliare Group corporate structure and simplify and unify decision making. The new organization will also reduce overheads and speed up the dividend flow directly to Italmobiliare.

The merger took place through the cancellation of the shares in the merged companies. Since the companies were wholly owned by Italmobiliare, the transaction had no effect on the Italmobiliare Group consolidated balance sheet and income statement; moreover, since the merged companies had no external debt, the transaction had no adverse impact on the financial position of the parent company Italmobiliare S.p.A..

The merger deed was registered in the Milan Companies Register on July 27, 2010, and took effect with respect to third parties as from September 1, 2010.

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

Net financial position of Italmobiliare and the financial segment

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

(in thousands of euro)	September 30, 2010		June 30, 2010		December 31, 2009	
	Italmobiliare	**Financial sector[1]**	**Italmobiliare**	**Financial sector[1]**	**Italmobiliare**	**Financial sector[1]**
Cash, cash equivalents and current financial assets	136.456	894.489	123.821	476.943	104.014	464.915
Short-term financing	(6.342)	(18.615)	(10.022)	(10.872)	(6.959)	(10.760)
Short-term net financial position	**130.114**	**875.874**	**113.799**	**466.071**	**97.055**	**454.155**
Medium/long-term financial assets	9.677	55.177	9.724	55.224	10.636	59.636
Medium/long-term financing	(238.134)	(638.135)	(235.486)	(235.486)	(258.799)	(258.799)
Medium/long-term net financial position	**(228.457)**	**(582.958)**	**(225.762)**	**(180.262)**	**(248.163)**	**(199.163)**
Net financial position	**(98.343)**	**292.916**	**(111.963)**	**285.809**	**(151.108)**	**254.992**

[1]Consisting of: Italmobiliare S.p.A. - Italmobiliare International Finance Ltd - Société de Participation Financière S.A. Fincomind A.G. - Soparfinter S.A. - SG Finance S.A.

The significant changes in cash and cash equivalents and in medium/long-term financing for the financial segment compared with the previous periods arose as a result of finalization of an investment opportunity deemed to be of interest. This investment, consisting of subscription of a third-party bond issue, was financed with a bank loan with the same characteristics of the bond.

The net financial position of Italmobiliare at the end of September 2010 reflected debt of 98.3 million euro (151.1 million euro at December 31, 2009), an improvement of 13.6 million euro from June 2010.

The consolidated financial position of the financial segment was positive, at 292.9 million euro (255.0 million euro at December 31, 2009), an increase of 7.1 million euro from June 2010, essentially as a result of the higher value of the trading portfolio (equities and bond).

Significant events after the end of the period

In October Italmobiliare purchased Ciments Français shares for an amount totaling 7.6 million euro.

Full-year outlook

The steadiness of world economic growth, in concomitance with the procyclical action on monetary policy in the main developed nations and a higher than expected increase in profit margins, has stimulated a general upswing on the global equities and bond markets since the summer. The share price improvement stems from the rise in raw materials, driven by the expansionary cycle in the emerging countries and abundant liquidity, while uncertainty in the banking system continues, as reflected in the slack performance in the banking segment. The difficulties in Italy, with a weak economic situation and political uncertainty, was a cause of the poor performance of the Italian stock market compared with the main stock markets.

Results in the financial segment depend essentially on dividend flows, on trends on the financial markets and on interest rates. For the full year, the financial segment is expected to report a net profit, although this will be lower than the 2009 result, due to lower collected and approved dividends, the impact of the stock market downturn of the first half of the year and narrower bond yields.

Banking segment

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

Third quarter

(in millions of euro)	Q3 2010	Q3 2009	% change
Revenues	8,6	10,7	*(19,8)*
EBIT	(1,0)	(0,2)	*n.s.*
Net profit for the period	**(1,0)**	**(0,3)**	***n.s.***

n.s. not significant

Year to September 30, 2010

(in millions of euro)	Year to 09.30.2010	Year to 09.30.2009	% change	Full year 2009
Revenues	27,5	30,8	*(10,8)*	42,2
EBIT	(1,5)	2,7	*n.s.*	1,5
Net profit for the period	**(1,6)**	**2,2**	***n.s.***	**1,2**

n.s. not significant

(in millions of euro)	September 30 2010	June 30 2010	December 31 2009
Net financial position	68,5	74,3	77,3
Total shareholders' equity	106,2	109,5	99,0
Employees (heads)	131	138	150

Results in accordance with the banking model

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

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

Third quarter

(in millions of euro)	Q3 2010	Q3 2009	% change
Net interest income	1,6	1,4	*20,5*
Intermediation margin	8,0	9,6	*(17,3)*
Gross operating profit	-	1,2	*(99,8)*
Profit from operations	(1,0)	(0,2)	*n.s.*
Net profit for the period	**(1,0)**	**(0,3)**	***n.s.***

n.s. not significant

Year to September 30, 2010

(in millions of euro)	Year to 09.30.2010	Year to 09.30.2009	% change	Full year 2009
Net interest income	4,7	4,4	*8,1*	5,9
Intermediation margin	24,8	29,7	*(16,5)*	40,4
Gross operating profit	1,5	5,1	*(70,1)*	4,9
Profit from operations	(1,5)	2,7	*n.s.*	1,5
Net profit for the period	(1,6)	**2,2**	*n.s.*	**1,2**

n.s. not significant

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

Finter Bank Zürich

In the first nine months of 2010, the Finter Bank Zürich group reported a reduction in the intermediation margin from 43.7 million Swiss francs to 33.7 million Swiss francs (-23.0% from the first nine months of 2009).

The decrease arose mainly from lower commission income (27.6 against 34.2 million Swiss francs) on client transactions and lower interest income (3.2 against 4.4 million Swiss francs).

As a result gross operating profit fell from 7.3 million Swiss francs to 1.8 million Swiss francs, despite the significant 12.5% reduction in operating expenses (from 36.4 to 31.8 million Swiss francs). After amortization, depreciation and tax, the group posted a consolidated net loss of 2.3 million Swiss francs compared with net profit of 3.1 million Swiss francs at September 30, 2009.

Finter Bank Zürich consolidated shareholders' equity decreased from 138.3 million Swiss francs at December 31, 2009, to 134.2 million Swiss francs at the end of September 2010.

Assets under management at September 30, 2010, totaled 4.8 billion Swiss francs. The decrease from the end of 2009 was due to client withdrawals and performance on the financial markets.

Crédit Mobilier de Monaco

Crédit Mobilier de Monaco is a bank in Monaco whose main activity is guarantee-backed loans. The fall in net interest income for the year to September 30, 2010, led to a drop in the intermediation margin, which, together with higher administrative expenses, generated a reduction in net profit for the period from 140.7 thousand euro to 114.5 thousand euro at September 30, 2010.

Net profit in the third quarter of 2010 was 50.1 thousand euro, an increase of 48.5% from the year-earlier period (33.7 thousand euro).

Significant events during the period

No significant events are reported.

Significant events after the end of the period

No significant events are reported.

Full-year outlook

In the last quarter of the year the banking segment will face on-going uncertainty caused by trends on the financial markets, excluding the currency markets. In view of the results posted to date and the elements described above, subject to currently unforeseeable events, the 2010 full-year result is expected to be lower than the 2009 result.

Property segment, services and other

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

At September 30, 2010, the segment's revenues amounted to 2.3 million euro (7.4 million euro at September 30, 2009) and stemmed from the sale of land in Punta Ala.

After a loss of 0.5 million euro on the sale of the equity investment in Immobiliare Golf di Punta Ala, the net profit for the period was 0.2 million euro (a loss of 0.2 million euro in the year-earlier period).

For the above reasons the segment's full-year result is expected to be similar to that of 2009, subject to currently unforeseeable events.

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 – exchange of goods, services and financial relations – were conducted at normal market conditions.

Dealings with related parties had no material impact on the Italmobiliare S.p.A. consolidated financial statements.

No atypical or unusual transactions took place during the year to September 30, 2010.

Dealings with subsidiaries and associates

Dealings with subsidiaries not consolidated on a line-by-line basis and with associates are of a commercial nature (exchange of goods and/or services) and financial nature. Italmobiliare also provides administration services for some associates, regulated on the basis of the costs of providing the service.

Calcestruzzi

After the deconsolidation of the Calcestruzzi subgroup, all economic and financial transactions with the subgroup are included under dealings with related parties. They consisted of sales of goods, services and finance costs.

Dealings with other related parties

Dealings with other related parties in the half concerned:

- administrative, financial, contractual and fiscal consultancy services as well as assistance for the corporate reorganization for the Italmobiliare Group provided by Finsise S.p.A., a company whose majority shareholder is Italo Lucchini, Deputy Chairman of Italmobiliare;
- 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 S.p.A.;
- legal consultancy, judicial and extrajudicial assistance provided to Italmobiliare Group by the associate professional studio Dewey & LeBoeuf, of which Italmobiliare director Luca Minoli is a partner;
- legal consultancy provided to the Italcementi group by Giorgio Bonomi, a director of Italmobiliare S.p.A..

For the year to September 30, 2010, Italmobiliare S.p.A. provided the Italcementi Cav. Lav. Carlo Pesenti foundation with 600,000 euro to cover operating costs.

During the third quarter the Italcementi group continued to provide administrative and corporate services and staff services to the Italcementi Cav. Lav. Carlo Pesenti foundation.

Disputes and pending proceedings

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 on the individual segments.

Outlook

The world economic recovery that gathered strength in the first half of the year continues to be fragile, showing risks of a slowdown despite the continuing growth of the emerging economies at faster rates than the mature countries.

Given this scenario, the overall progress expected in the fourth quarter among the emerging countries in the industrial area where the Group operates may not be sufficient to counterbalance the erosion in results in the industrialized countries, in part due to an unfavorable price dynamic and higher raw material costs.

The financial system continues to be the weak point of the economic recovery, and performance on the Italian stock market in particular has been negative compared with the positive performance of other European countries. Moreover, a mood of uncertainty has returned to the financial markets in this last quarter, triggered by concern over the public accounts of some Eurozone countries and the banking system. The Group results in the financial and banking segments will therefore be affected by the volatility of the markets.

Consequently, the full-year result is likely to be lower than that of full-year 2009.

Consolidated quarterly situation

Financial statements

Consolidated income statement

(in thousands of euro)	Q3 2010	%	Q3 2009	%	Change	%
Revenues	**1.297.412**	**100,0%**	**1.362.225**	**100,0%**	**(64.813)**	**-4,8%**
Other revenues	10.106		7.642		2.464	
Change in inventories	25.448		(9.712)		35.160	
Internal work capitalized	9.825		11.760		(1.935)	
Goods and utilities expenses	(540.815)		(487.679)		(53.136)	
Services expenses	(292.663)		(291.657)		(1.006)	
Employee expenses	(239.516)		(236.458)		(3.058)	
Other operating income (expense)	(29.814)		(37.739)		7.925	
Recurring EBITDA	**239.983**	**18,5%**	**318.382**	**23,4%**	**(78.399)**	**-24,6%**
Net capital gains on sale of fixed assets	1.501		9.969		(8.468)	
Non-recurring employee expenses for re-organizations	(186)		(11.702)		11.516	
Other non-recurring income (expense)	(66)		4.626		(4.692)	
EBITDA	**241.232**	**18,6%**	**321.275**	**23,6%**	**(80.043)**	**-24,9%**
Amortization and depreciation	(125.189)		(115.124)		(10.065)	
Impairment variation	(612)		(5.124)		4.512	
EBIT	**115.431**	**8,9%**	**201.027**	**14,8%**	**(85.596)**	**-42,6%**
Finance income	6.522		7.756		(1.234)	
Finance costs	(32.597)		(32.690)		93	
Net exchange-rate differences and derivatives	(3.933)		(1.003)		(2.930)	
Impairment on financial assets	(10.144)		(22.303)		12.159	
Share of results of associates	7.247		7.027		220	
Profit before tax	**82.526**	**6,4%**	**159.814**	**11,7%**	**(77.288)**	**-48,4%**
Income tax expense	(22.393)		(27.204)		4.811	
Net profit for the period	**60.133**	**4,6%**	**132.610**	**9,7%**	**(72.477)**	**-54,7%**
Attributable to:						
Equity holders of the parent	**15.792**	**1,2%**	**57.593**	**4,2%**	**(41.801)**	**-72,6%**
Minority interests	**44.341**	**3,4%**	**75.017**	**5,5%**	**(30.676)**	**-40,9%**

ITALMOBILIARE

Consolidated income statement

(in thousands of euro)	Year to 09.30.2010	%	Year to 09.30.2009	%	Change	%
Revenues	**3.925.920**	**100,0%**	**4.138.904**	**100,0%**	**(212.984)**	**-5,1%**
Other revenues	31.752		33.417		(1.665)	
Change in inventories	2.764		(81.381)		84.145	
Internal work capitalized	34.583		34.264		319	
Goods and utilities expenses	(1.595.846)		(1.511.047)		(84.799)	
Services expenses	(850.034)		(878.410)		28.376	
Employee expenses	(742.878)		(743.353)		475	
Other operating income (expense)	(102.387)		(133.860)		31.473	
Recurring EBITDA	**703.874**	**17,9%**	**858.534**	**20,7%**	**(154.660)**	**-18,0%**
Net capital gains on sale of fixed assets	4.395		14.700		(10.305)	
Non-recurring employee expenses for re-organizations	(8.298)		(24.550)		16.252	
Other non-recurring income (expense)	(414)		3.524		(3.938)	
EBITDA	**699.557**	**17,8%**	**852.208**	**20,6%**	**(152.651)**	**-17,9%**
Amortization and depreciation	(363.968)		(348.050)		(15.918)	
Impairment variation	(866)		(29.366)		28.500	
EBIT	**334.723**	**8,5%**	**474.792**	**11,5%**	**(140.069)**	**-29,5%**
Finance income	33.751		24.108		9.643	
Finance costs	(129.277)		(101.448)		(27.829)	
Net exchange-rate differences and derivatives	6.106		(7.494)		13.600	
Impairment on financial assets	(39.173)		(24.715)		(14.458)	
Share of results of associates	6.818		26.125		(19.307)	
Profit before tax	**212.948**	**5,4%**	**391.368**	**9,5%**	**(178.420)**	**-45,6%**
Income tax expense	(68.488)		(94.526)		26.038	
Net profit for the period	**144.460**	**3,7%**	**296.842**	**7,2%**	**(152.382)**	**-51,3%**
Attributable to:						
Equity holders of the parent	**18.535**	**0,5%**	**116.275**	**2,8%**	**(97.740)**	**-84,1%**
Minority interests	**125.925**	**3,2%**	**180.567**	**4,4%**	**(54.642)**	**-30,3%**

Statement of comprehensive income

(in thousands of euro)	Year to 09.30.2010	%	Year to 09.30.2009	%	Change	%
Net profit for the period	**144.460**	**3,7**	**296.842**	**7,2**	**(152.382)**	**-51,3**
Fair value adjustments to:						
Available-for-sale financial assets	(75.249)		228.478		(303.727)	
Derivative financial instruments	4.880		(38.278)		43.158	
Translation differences	168.928		(99.528)		268.456	
Tax relating to components of other comprehensive income	372		7.836		(7.464)	
Components of other comprehensive income	**98.931**		**98.508**		**423**	
Total comprehensive income	**243.391**	**6,2**	**395.350**	**9,6**	**(151.959)**	**-38,4**
Attributable to:						
Equity holders of the parent	(12.753)		280.069		(292.822)	
Minority interests	256.144		115.281		140.863	

Financial position

(in thousands of euro)	September 30 2010	June 30 2010	December 31 2009	Change Sept. 30, 2010 Dec. 31, 2009	% change
Cash, cash equivalents and current financial assets	(2.346.122)	(1.948.547)	(1.908.333)	(437.789)	22,9
Short-term financing	930.741	978.908	1.225.183	(294.442)	(24,0)
Medium/long-term financial assets	(149.915)	(114.112)	(85.304)	(64.611)	75,7
Medium/long-term financing	3.673.725	3.297.755	2.969.273	704.452	23,7
Net debt	**2.108.429**	**2.214.004**	**2.200.819**	**(92.390)**	**(4,2)**
Total shareholders' equity	**5.885.140**	**6.066.902**	**5.767.124**	**118.016**	**2,0**

In consolidated net debt at September 30, 2010, the caption “Cash, cash equivalents and current financial assets” includes the Italcementi S.p.A. current account financial receivable from Calcestruzzi group companies, for 207.2 million euro (196.4 million euro at December 31, 2009).

Net debt at September 30, 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 2,258,344 thousand euro (2,286,123 thousand euro at December 31, 2009).

Comments on the financial statements

The Italmobiliare S.p.A. quarterly report at September 30, 2010, was approved by the Board of Directors on November 12, 2010, which authorized its publication in a press release issued on November 12, 2010, containing key elements from the report.

The quarterly report at September 30, 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).

The consolidated financial statements are based on the accounts of the consolidated companies as at September 30, 2010.

Declaration of compliance with the IFRS – Accounting policies

The quarterly report has been drawn up in compliance with the International Financial Reporting Standards (IFRS) in force at September 30, 2010, as adopted by the EC Commission.

The accounting policies used to draw up the quarterly report at September 30, 2010, are those used to prepare the Group annual report as at and for the year to December 31, 2009, together with the policies that have come into force and been adopted since January 1, 2010. Of these, the most significant for the Group are: 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 cement sector was updated to reflect the technological evolution and benefits expected from use of the assets.

The quarterly report at September 30, 2010, and the 2009 comparatives set out therein, apply the new model for disclosures on operating segments (IFRS 8). Compared with the 2009 financial statements, the main change, designed to ensure a consistent correspondence between the Group’s business activities and sectors and disclosure requirements, is the classification by geographical area with the Asia sector amended to become “Asia and Middle East” (which now also includes Kuwait and Saudi Arabia) and a new area called “Other countries” comprising companies from other countries with other operations.

Exchange rates used to translate the financial statements of foreign entities

Exchange rates for 1 euro:

Currencies	Average rate September 30 2010	Average rate Full year 2009	Average rate September 30 2009	Closing rate September 30 2010	Closing rate December 31 2009	Closing rate September 30 2009
Thai baht	42,46872	47,79504	47,31717	41,44200	47,98600	48,98800
Czech crown	25,45339	26,43652	26,60873	24,60000	26,47300	25,16400
Kuwaiti dinar	0,37932	0,40163	0,39468	0,38858	0,41315	0,41981
Libyan dinar	1,67545			1,69399		
Serbian dinar	101,81600	93,98830	93,78960	106,46600	96,20440	93,26860
Moroccan dirham	11,13912	11,25223	11,20970	11,23090	11,33490	11,38140
Canadian dollar	1,36146	1,58530	1,59364	1,40730	1,51280	1,57090
US dollar	1,31486	1,39400	1,36588	1,36480	1,44060	1,46430
Hungarian florin	275,27300	280,43700	283,64000	275,75000	270,42000	269,70000
Swiss franc	1,40040	1,51013	1,51059	1,32870	1,48360	1,50780
Ukrainian hrivna	10,45280	11,12350	10,85080	10,82130	11,56420	11,93660
Croatian kuna	7,26184	7,34074	7,36257	7,30580	7,30000	7,25800
Albanian lek	137,43343	132,06922	130,31176	138,45700	138,03300	134,66900
Moldavian leu	16,45901	15,50707	15,06447	16,39930	17,72180	16,84660
Bulgarian lev	1,95583	1,95583	1,95583	1,99583	1,95583	1,95583
Egyptian pound	7,35065	7,74032	7,62305	7,77953	7,90576	8,05506
Bosnian mark	1,95583	1,95583	1,95583	1,99583	1,95583	1,95583
New Turkish lira	1,99106	2,15138	2,13833	1,97540	2,16030	2,16030
New Romanian leu	4,18487	4,23901	4,22929	4,27180	4,23630	4,21800
Mauritanian ouguiya	359,48144	364,95711	358,10060	391,35000	377,42300	379,97100
Mexican peso	16,70772	18,78758	-	17,12580	18,92230	-
Chinese renmimbi	8,94996	9,52237	9,33202	9,13210	9,83500	9,99580
Qatar riyal	4,78612	5,07816	-	4,96802	5,24609	-
Saudi Arabian riyal	4,93092	5,22798	-	5,11847	5,40329	-
Russian ruble	39,76220	44,13940	44,32890	41,69230	43,15400	43,98000
Indian rupee	60,47244	67,34896	66,82635	61,24700	67,04000	70,00100
Sri Lanka rupee	149,33251	160,25073	157,21885	152,67100	164,74000	168,12600
Pound sterling	0,85758	0,89140	0,88644	0,85995	0,88810	0,90930
Kazakh tenge	193,69846	205,96651	200,82066	201,44400	213,77500	221,05400
Polish zloty	4,00267	4,32867	4,38032	3,98470	4,10450	4,22950

The exchange rates used to translate the financial statements of the foreign entities are those published by the Bank of Italy, with the exception of the “New Turkish lira”; published by the Turkish central bank.

Scope of consolidation

Changes in the scope of consolidation

The main changes in the scope of consolidation with respect to 2009 are:

- line-by-line consolidation as from April 2009 of Masoni Sas and Beton Masoni Sas (France) in ready mixed concrete;
- line-by-line consolidation as from May 2009 of Gulf Ready Mix (Kuwait) in ready mixed concrete;
- line-by-line consolidation as from January 2010 of Beton Ata LLP (Kazakhstan) in ready mixed concrete;
- line-by-line consolidation as from August 2010 of Star.Co S.r.l. (Italy) in ready mixed concrete;
- valuation with the equity method of the Gardawind S.r.l. group (Italy) as from September 30, 2010; the group operates in the wind energy business and is part of the Italgen group;
- valuation with the equity method of the CJRS Inline-R society (Russia) as from June 2010: after the partial sale of the equity investment the company is treated as an associate and no longer consolidated on a line-by-line basis;
- deconsolidation of Cementos Capa S.L. (Spain) after the sale in January 2010;
- deconsolidation of Dorner Pack (Austria);
- deconsolidation of Terfin (France);
- deconsolidation of Gesvim S.r.l., Immobiliare Golf di Punta Ala S.p.A. and Populonia Italica S.r.l. (Italy).

Revenues

Revenues from sales and services totaled 3,925,920 thousand euro, as follows:

(in thousands of euro)	Q3 2010	Q3 2009	Change	% change
Industrial revenues				
Product sales	1.226.072	1.281.038	(54.966)	-4,3%
Revenues from services	43.945	40.293	3.652	9,1%
Total	**1.270.017**	**1.321.331**	**(51.314)**	**-3,9%**
Financial revenues				
Interest	13.149	2.264	10.885	n.s.
Dividends	13	30	(17)	-56,7%
Capital gains and other revenues	6.242	22.422	(16.180)	-72,2%
Total	**19.404**	**24.716**	**(5.312)**	**-21,5%**
Banking revenues				
Interest	1.371	1.329	42	3,2%
Commissions	6.044	7.915	(1.871)	-23,6%
Other revenues	485	1.173	(688)	-58,7%
Total	**7.900**	**10.417**	**(2.517)**	**-24,2%**
Real estate and service revenues	**91**	**5.761**	**(5.670)**	**n.s.**
Grand total	**1.297.412**	**1.362.225**	**(64.813)**	**-4,8%**

(in thousands of euro)	Year to 09.30.2010	Year to 09.30.2009	Change	% change
Industrial revenues				
Product sales	3.703.333	3.909.467	(206.134)	-5,3%
Revenues from services	132.000	112.232	19.768	17,6%
Total	**3.835.333**	**4.021.699**	**(186.366)**	**-4,6%**
Financial revenues				
Interest	17.476	8.677	8.799	101,4%
Dividends	4.566	3.107	1.459	47,0%
Capital gains and other revenues	41.629	69.150	(27.521)	-39,8%
Total	**63.671**	**80.934**	**(17.263)**	**-21,3%**
Banking revenues				
Interest	4.013	4.608	(595)	-12,9%
Commissions	19.547	22.443	(2.896)	-12,9%
Other revenues	1.978	2.674	(696)	-26,0%
Total	**25.538**	**29.725**	**(4.187)**	**-14,1%**
Real estate and service revenues	**1.378**	**6.546**	**(5.168)**	**-78,9%**
Grand total	**3.925.920**	**4.138.904**	**(212.984)**	**-5,1%**

The breakdown of consolidated revenues by line of business and geographical area is set out below:

by line of business:

(in thousands of euro)	Q3 2010	Q3 2009	Change	
			Amount	%
Construction materials	1.208.652	1.260.112	(51.460)	-4,1%
Packaging and insulation	61.326	61.209	117	0,2%
Financial	19.007	24.549	(5.542)	-22,6%
Banking	8.335	10.593	(2.258)	-21,3%
Property, services, other	92	5.762	(5.670)	-98,4%
Total	**1.297.412**	**1.362.225**	**(64.813)**	**-4,8%**

(in thousands of euro)	Year to 09/30/10	Year to 09/30/09	Change	
			Amount	%
Construction materials	3.659.747	3.841.937	(182.190)	-4,7%
Packaging and insulation	175.482	179.631	(4.149)	-2,3%
Financial	62.646	80.609	(17.963)	-22,3%
Banking	26.666	30.178	(3.512)	-11,6%
Property, services, other	1.379	6.549	(5.170)	-78,9%
Total	**3.925.920**	**4.138.904**	**(212.984)**	**-5,1%**

by geographical area:

(in thousands of euro)	Q3 2010	Q3 2009	Change	
			Amount	%
European Union	684.616	752.194	(67.578)	-9,0%
Other European countries	61.155	54.227	6.928	12,8%
North America	131.163	122.075	9.088	7,4%
Asia and Middle East	127.085	113.768	13.317	11,7%
Africa	238.257	259.510	(21.253)	-8,2%
Trading	35.216	39.607	(4.391)	-11,1%
Other countries	19.920	20.844	(924)	-4,4%
Total	**1.297.412**	**1.362.225**	**(64.813)**	**-4,8%**

(in thousands of euro)	Year to 09/30/10	Year to 09/30/09	Change	
			Amount	%
European Union	2.071.279	2.307.191	(235.912)	-10,2%
Other European countries	151.365	143.691	7.674	5,3%
North America	316.470	311.390	5.080	1,6%
Asia and Middle East	366.609	343.914	22.695	6,6%
Africa	855.130	839.943	15.187	1,8%
Trading	103.699	121.193	(17.494)	-14,4%
Other countries	61.368	71.582	(10.214)	-14,3%
Total	**3.925.920**	**4.138.904**	**(212.984)**	**-5,1%**

Goods and utilities expenses

Goods and utilities expenses amounted to 1,595,846 thousand euro as follows:

(in thousands of euro)	Year to 09.30.10	Year to 09.30.09	Change	% change
Raw materials and semifinished goods	405.600	374.531	31.069	8,3%
Fuel	407.592	272.897	134.695	49,4%
Materials and machinery	213.295	229.366	(16.071)	-7,0%
Finished goods	197.617	182.105	15.512	8,5%
Electricity, water, gas	365.982	329.663	36.319	11,0%
Change in inventories of raw materials, consumables, other	5.760	122.485	(116.725)	-95,3%
Total	**1.595.846**	**1.511.047**	**84.799**	**5,6%**

Services expenses

Services expenses totaled 850,034 thousand euro, as follows:

(in thousands of euro)	Year to 09.30.10	Year to 09.30.09	Change	% change
External services and maintenance	270.035	280.557	(10.522)	-3,8%
Transport	353.143	351.725	1.418	0,4%
Legal fees and consultancy	41.879	56.775	(14.896)	-26,2%
Rents	62.275	58.307	3.968	6,8%
Insurance	32.115	34.490	(2.375)	-6,9%
Other	90.587	96.556	(5.969)	-6,2%
Total	**850.034**	**878.410**	**(28.376)**	**-3,2%**

Employee expenses

Employee expenses totaled 742,878 thousand euro, as follows:

(in thousands of euro)	Year to 09.30.10	Year to 09.30.09	Change	% change
Wages, salaries, social security contributions and pension fund provisions	666.308	655.547	10.761	1,6%
Cost of stock option plans	5.941	10.767	(4.826)	-44,8%
Other costs	70.629	77.039	(6.410)	-8,3%
Total	**742.878**	**743.353**	**(475)**	**-0,1%**

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

Number of employees:

(heads)	Year to 09.30.10	Year to 09.30.09	Full year 2009
Employees at period end	22.479	23.096	22.758
Average number of employees	22.602	23.458	23.303

Other operating income (expense)

Other operating expense net of other operating income amounted to 102,387 thousand euro, as follows:

(in thousands of euro)	Year to 09.30.10	Year to 09.30.09	Change	% change
Other taxes	58.451	91.182	(32.731)	-35,9%
Provision for bad debts	10.618	17.665	(7.047)	-39,9%
Provision for environmental restoration - quarries, other	79.194	52.519	26.675	50,8%
Interest expense and other expense for companies in the financial and banking sectors	26.080	22.203	3.877	17,5%
Miscellaneous income	(71.956)	(49.709)	(22.247)	44,8%
Total	**102.387**	**133.860**	**(31.473)**	**-23,5%**

“Expense for companies in the financial and banking sectors” refers largely to impairment losses recognized by the companies in the financial sector on trading securities and equities for 8,431 thousand euro (7,487 at September 30, 2009) and interest expense and other finance costs for 17,649 thousand euro at September 30, 2010 (14,716 thousand euro at September 30, 2009).

“Miscellaneous income” at September 30, 2010, includes the net capital gains of 45,366 thousand euro from trading of CO_2 emission rights (19,425 thousand euro at September 30, 2009).

Non-recurring income (expense)

Non-recurring expense net of non-recurring income amounted to 4,317 thousand euro and arose largely from capital gains of 4.4 million euro on the sale of property, plant and equipment and intangible assets and expense of 8.3 million euro relating to industrial re-organization programs, of which 7.0 million euro in Italy and 1.1 million euro in North America.

(in thousands of euro)	Year to 09.30.10	Year to 09.30.09
Net capital gains on sale of fixed assets	4.395	14.700
Total employee expenses for re-organizations	(8.298)	(24.550)
Other non-recurring income (expense)	(414)	3.524
Total	**(4.317)**	**(6.326)**

Amortization and depreciation

Amortization and depreciation totaled 363,968 thousand euro (348,050 thousand euro at September 30, 2009) and included depreciation charges on property, plant and equipment for 352,930 thousand euro (339,119 thousand euro at September 30, 2009) and amortization charges on intangible assets for 11,038 thousand euro (8,931 thousand euro at September 30, 2009).

The review of the useful lives of industrial assets in the cement sector produced a positive effect of 21.5 million euro in the first nine months of 2010.

Impairment variation

Impairment variations on Group industrial assets amounted to 866 thousand euro.

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

Finance costs net of finance income and net exchange-rate differences and derivatives amounted to 89,420 thousand euro, as follows:

	Year to 09.30.10		Year to 09.30.09	
(in thousands of euro)	Income	Costs	Income	Costs
Interest income	19.993		16.024	
Interest expense		(107.026)		(98.800)
Sub total	**19.993**	**(107.026)**	**16.024**	**(98.800)**
Net interest in respect of net financial position		**(87.033)**		**(82.776)**
Net dividends	1.632		2.463	
Gains on sale of equity investments	7.398	(762)	1.926	(183)
Other finance income	4.728		3.695	
Capitalized interest expense		6.642		12.743
Other finance costs		(28.131)		(15.208)
Sub total	**13.758**	**(22.251)**	**8.084**	**(2.648)**
Total finance income and (costs)	**33.751**	**(129.277)**	**24.108**	**(101.448)**
Gains/(losses) on interest-rate derivative contracts		(3.172)		(174)
Gains/(losses) on exchange-rate derivative contracts	36.849		4.840	
Net exchange-rate differences		(27.571)		(12.160)
Net exchange-rate differences and derivatives		**6.106**		**(7.494)**
Total finance income (costs), net exchange-rate differences and derivatives		**(89.420)**		**(84.834)**

Total finance costs net of finance income not including net exchange-rate differences and derivatives amounted to 95,526 thousand euro (77,340 thousand euro at September 30, 2009); this included net costs of 21,395 thousand euro on the re-purchase of notes relating to the “US Private Placements”.

Impairment on financial assets

Impairment on financial assets amounted to 39,173 thousand euro (24,715 thousand euro at September 30, 2009) and referred essentially to the prudent impairment loss of 29,527 thousand euro on the equity investment in Calcestruzzi, the impairment loss of 7,380 thousand euro on the equity investment in UBI, the impairment loss of 2,081 thousand euro on Mediobanca warrants, the impairment loss of 100 thousand euro on UBI warrants, the impairment loss of 79 thousand euro on KME warrants and the impairment loss of 6 thousand euro on Intek warrants.

Share of results of associates

This totaled 6,818 thousand euro, compared with 26,125 thousand euro at September 30, 2009, as follows:

(in thousands of euro)	Year to 09.30.10	Year to 09.30.09	Change	% change
Vassiliko (Cyprus)	(1.210)	(537)	(673)	n.s.
Asment (Morocco)	7.135	6.711	424	6,3%
Ciment Quebec (Canada)	6.936	4.369	2.567	58,8%
Innocon (Canada)	178	(368)	546	n.s.
Techno Gravel (Egypt)	978	820	158	19,3%
Mittel (Italy)	(1.511)	7.807	(9.318)	n.s.
SES (Italy)	(1.052)	11.783	(12.835)	n.s.
RCS MediaGroup (Italy)	(4.785)	(4.700)	(85)	1,8%
Others	149	240	(91)	-37,9%
Total	**6.818**	**26.125**	**(19.307)**	**-73,9%**

Income tax expense

Income tax expense amounted to 68,488 thousand euro, as follows:

(in thousands of euro)	Year to 09.30.10	Year to 09.30.09	Change	% change
Current tax	96.811	141.867	(45.056)	-31,8%
Prior-year tax and other non-recurring fiscally driven items, net	(118)	(15.209)	15.091	n.s.
Deferred tax	(28.205)	(32.132)	3.927	-12,2%
Total	**68.488**	**94.526**	**(26.038)**	**-27,5%**

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:

(in thousands of euro)	09.30.2010					
	Shareholders' equity		Net profit for the period		Net debt	
	amount	%	amount	%	amount	%
Book values	**5.885.140**		**144.460**		**(2.108.429)**	
Net capital gains on sale of fixed assets	4.395	0,07%	4.395	3,04%	11.463	0,54%
Non-recurring employee expenses for re-organizations	(8.298)	0,14%	(8.298)	5,74%		
Other non-recurring income (expense)	(414)	0,01%	(414)	0,29%	(630)	0,03%
Tax on non-recurring transactions	1.013	0,02%	1.013	0,70%		
Non-recurring tax						
Total	**(3.304)**	**0,06%**	**(3.304)**	**2,29%**	**10.833**	**0,51%**
Figurative value without non-recurring transactions	**5.888.444**		**147.764**		**(2.119.262)**	

(in thousands of euro)	09.30.2009					
	Shareholders' equity		Net profit for the period		Net debt	
	amount	%	amount	%	amount	%
Book values	**5.765.790**		**296.842**		**(2.365.092)**	
Net capital gains on sale of fixed assets	14.700	0,25%	14.700	4,95%	27.328	1,16%
Non-recurring employee expenses for re-organizations	(24.550)	0,43%	(24.550)	8,27%		
Other non-recurring income (expense)	3.524	0,06%	3.524	1,19%	(100)	0,00%
Tax on non-recurring transactions	1.633	0,03%	1.633	0,55%		
Non-recurring tax						
Total	**(4.693)**	**0,08%**	**(4.693)**	**1,58%**	**27.228**	**1,15%**
Figurative value without non-recurring transactions	**5.770.483**		**301.535**		**(2.392.320)**	

Investments in fixed assets

Investments in fixed assets for the year to September 30, 2010, amounted to 400,015 thousand euro, as follows:

(in thousands of euro)	Year to 09/30/10	Year to 09/30/09	Change	
			Amount	%
Investments in intangible assets	17.166	14.460	2.706	18,7%
Investments in property, plant and equipment	304.332	496.043	(191.711)	-38,6%
Investments in non-current financial assets	22.319	42.570	(20.251)	-47,6%
Change in payables/receivables for non-current financial asset purchases	9.845	(12.055)	21.900	n.s.
Change in payables/receivables for PPE and intangible asset purchases	46.353	46.003	350	0,8%
Total	**400.015**	**587.021**	**(187.006)**	**-31,9%**

Investments in property, plant and equipment at September 30, 2010, totaling 304,332 thousand euro decreased by 38.6% from the first nine months of 2009 and referred mainly to the European Union for 128,776 thousand euro (including Italy 63,098 thousand euro, France 26,445 thousand euro, Belgium 22,553 thousand euro, Bulgaria 6,309 thousand euro, Greece 5,177 thousand euro and Spain 4,612 thousand euro), North America for 28,192 thousand euro, Africa for 88,727 thousand euro, Asia and Middle East for 52,109 thousand euro, including India 44,081 thousand euro.

Investments in non-current financial assets at September 30, 2010, amounted to 22,319 thousand euro, of which 10,874 thousand euro in the third quarter.

Financial Position

Net debt at September 30, 2010, stood at 2,108,429 thousand euro (2,200,819 thousand euro at December 31, 2009), consisting of gross financing for 4,604,466 thousand euro (4,194,456 thousand euro at December 31, 2009) and gross financial assets for 2,496,037 thousand euro (1,993,637 thousand euro at December 31, 2009).

Gross financing consisted of short-term financing for 930,741 thousand euro (1,225,183 thousand euro at December 31, 2009) and medium/long-term financing for 3,673,725 thousand euro (2,969,273 thousand euro at December 31, 2009).

Net debt at September 30, 2010, included the current account credit balance of 207,192 thousand euro in respect of the companies in the Calcestruzzi group.

The decrease in net debt from December 31, 2009, was 92,390 thousand euro, as follows:

(in thousands of euro)	**Change vs. December 31, 2009**
Cash, cash equivalents and current financial assets	(437.789)
Short-term financing	(294.442)
Change in short-term net debt	***(732.231)***
Medium/long-term assets	(64.611)
Medium/long-term financing	704.452
Change in medium/long-term net debt	***639.841***
Change in total net debt	**(92.390)**

The change reflected incoming and outgoing cash flows generated as follows:

- on operating activities, before changes in working capital, for +524.7 million euro;
- on changes in working capital, for +42.4 million euro;
- on investments in fixed assets, for -400.0 million euro;
- on divestments, for +71.5 million euro;
- on dividends paid, for -136.5 million euro;
- on other net movements, for -9.7 million euro.

Events after the end of the period

No significant events took place after the end of the period whose effects would require amendments or additional comments on the Group income statement and balance sheet as at and for the year to September 30, 2010.

For further details, reference should be made to the comments on operations.