ITALMOBILIARE
SOCIETA' PER AZIONI

PRESS RELEASE

BOARD EXAMINES CONSOLIDATED RESULTS FOR THE FIRST HALF OF 2011

ITALMOBILIARE GROUP:

- **TOTAL PROFIT FOR THE PERIOD: 164.0 MILLION EURO (84.3 MILLION EURO IN THE FIRST HALF OF 2010)**
- **REVENUE: 2,598.1 MILLION EURO (2,574.7 MILLION EURO)**
- **EQUITY: 5,737.0 MILLION EURO (5,932.8 MILLION EURO AT DECEMBER 31, 2010)**
- **NET DEBT: 2,177.4 MILLION EURO (2,095.5 MILLION EURO AT DECEMBER 31, 2010)**
- **NET ASSET VALUE: 1,581.3 MILLION EURO**

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Milan, August 5, 2011 – *The Italmobiliare S.p.A. Board of Directors has examined and approved the half-year financial report at June 30, 2011.*

*The Italmobiliare Group closed the first half of 2011 with **consolidated profit** of 164.0 million euro (84.3 million euro in the year-earlier period) after capital gains on the previously announced sale of Italcementi group assets in Turkey.*
***Revenue** for the six months was 2,598.1 million euro, substantially in line with the first half of 2010 (2,574.7 million euro reclassified in accordance with IFRS 5 to take account of the sold assets); after amortization and depreciation for 240.9 million euro, EBIT was 143.1 million euro (229.8 million euro).*

The rise in market volatility as renewed pressure developed on the prices of financial instruments and – in the second quarter in particular – on the debenture markets due to serious concern over the sovereign debt position of a number of Eurozone countries, affected the financial and banking sectors.
Meanwhile, results in the industrial sector were adversely influenced by new inflationary pressures, especially on energy costs and raw materials.

In construction materials, the subsidiary Italcementi – which published its half-year results on July 29 – reported sales volumes substantially in line with the year-earlier period. Revenue, at 2,452.0 million euro, rose by 2.1% from the first half of 2010; operating results, affected by the significant and widespread increase in energy costs, were lower than the first half of 2010: recurring EBITDA 372.1 million euro (-15.4%) and EBIT 158.0 million euro (-24.2%). Profit for the period was 187.8 million euro (81.8 million euro in the first half of 2010) and reflected the capital gain (109 million euro) on the sale of assets in Turkey.
In food packaging and thermal insulation, consisting of the Sirap Gema group, demand in the food packaging sector decreased, while performance was lively in thermal insulation, especially in the second quarter of 2011. First-half revenue at 115.8 million euro showed a small increase (+1.5%), but the sharp rise in the cost of polymer raw materials, which could

not be transferred to sales prices due to fierce competitive pressures in the sector, led to a reduction in operating results: EBITDA was down to 4.4 million euro and EBIT was negative at 1.3 million euro. After finance costs of 2.2 million euro, profit for the period was 3.6 million euro (1.0 million euro for the first half to June 30, 2010).
The financial sector, which includes the parent company Italmobiliare and the wholly owned financial companies, reported profit of 8.6 million euro, a decrease from 19.6 million euro in the first half of 2010. The earnings downturn was substantially due to lower capital gains in the period and, to a lesser extent, to higher net finance costs.
The banking sector (Finter Bank Zürich and Crédit Mobilier de Monaco) reported a small decrease in the intermediation margin to 15.8 million euro (16.9 million euro) largely owing to the reduction in commission income and a slight reduction in third-party assets under management. After write-downs on receivables for approximately 4 million euro, the sector had a loss for the period of 7.6 million euro (-0.6 million euro). Equity in the banking sector amounted to 101 million euro.

*At the end of the first half, the Italmobiliare Group had **total equity** of 5,737.0 million euro, a decrease of 195.8 million euro from the end of 2010 caused largely by a negative exchange-rate effect.*
*Consolidated **net debt** stood at 2,177.4 million euro at June 30, 2011, up by 81.9 million euro from the end of 2010. The increase was driven by capital expenditure (257.5 million euro) and dividends paid (138.4 million euro), as well as by the re-consolidation of the Calcestruzzi group (218 million euro). These effects were counterbalanced only in part by cash flows from operating activities (66.0 million euro) and proceeds from the sale of fixed assets (393.7 million euro). As a result, the **gearing ratio** (net debt/consolidated equity) rose to 37.95% at June 30, 2011, from 35.32% at December 31, 2010.*
*The **net financial position** of the financial sector (Italmobiliare S.p.A. and the wholly owned financial companies) was positive, at 133.4 million euro (170.6 million euro at the end of 2010), including cash flows for investments in Ciments Français in the first half (28 million euro) and dividends paid (21.3 million euro).*
*After the sharp decline on the financial markets in the second quarter of the year, Italmobiliare **Net Asset Value** (NAV) at June 30, 2011, was 1,581.3 million euro (1,744.2 million euro at March 31, 2011, and 1,654.9 million euro at the end of fine 2010).*

***Outlook** – World economic growth is slowing and characterized by persistent uncertainty over government decisions in the Eurozone countries and the USA with regard to sovereign debt and fiscal policy, which are playing an increasingly central role on market drivers. Nevertheless, growth prospects continue to be positive, especially in the emerging countries, despite inflationary pressures fuelled by the rises in prices for raw materials and energy, which will also impact the Group's results.*
From an industrial viewpoint, the Group intends to continue optimizing the efficiency programs already introduced to rationalize production costs and overheads and, as far as possible, transfer the rise in raw material and energy costs to sales prices.
In the climate of uncertainty over the intensity and quality of the international recovery, volatility continues to rise on the financial markets, with repercussions for share prices, while the sovereign debt difficulties in some Eurozone countries is pushing down yields on government securities in the countries considered to be more solid, leading to a rise in risk premiums on other debentures.

This scenario, exacerbated by the difficulties for Italy's economic recovery and political uncertainty in some of the countries where the Group operates, makes it difficult to provide reliable guidance with regard to full-year results.

Disclaimer

This press release, and in particular the section entitled "Outlook", contains forward-looking statements. These statements are based on the Group's current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future, and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: continued volatility and further deterioration of capital and financial markets, changes in commodity prices, changes in general economic conditions, economic growth and other changes in business conditions, changes in government regulation (in each case, in Italy or abroad), and many other factors, most of which are beyond the Group's control.

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<u>SECOND QUARTER 2011</u> – The seasonal factors typical of the Group core businesses normally mean that performance is better in the second quarter of the year than the first. This trend was confirmed in 2011, although the higher tax charge in the second quarter and the capital gain posted at March 31, 2011, on the sale of Set Group, had a material impact on profit for the two periods.
Second-quarter operating results were stronger in absolute terms than the first quarter of 2011, but down on the corresponding year-earlier period as a result of the significant increase in raw material costs, especially for energy, which affected the Group's industrial operations.
After tax of 48.7 million euro (4.6 million euro at March 31, 2011), total profit for the second quarter was 42.3 million euro, with a loss attributable to owners of the parent of 1.7 million euro; this compared with a first-quarter profit of 121.8 million euro, including profit attributable to owners of the parent of 27.0 million euro, after capital gains of approximately 109 million euro on the sale of equity investments.

<u>FIRST HALF 2011</u> – For the period January-June 2011 the Group reported **revenue** of 2,598.1 million euro (+0.9% from the first half of 2010 reclassified in compliance with IFRS 5 to take account of assets sold in Turkey); this reflected the negative impact of the business downturn for 1%, the exchange-rate effect for 2.2%, and the positive effect of the change in the scope of consolidation for 4.1%.

Revenue and operating results by geographical area

(in millions of euro)	**Revenue**		**Recurring EBITDA**		**EBITDA**		**EBIT**	
	H1 2011	**% change vs. H1 2010**	**H1 2011**	**% change vs. H1 2010**	**H1 2011**	**% change vs. H1 2010**	**H1 2011**	**% change vs. H1 2010**
European Union	1,549.1	*8.8*	171.1	*(26.0)*	187.3	*(16.6)*	62.8	*(41.6)*
Other European countries	36.2	*(2.0)*	(5.7)	*n.s.*	(5.7)	*n.s.*	(8.8)	*n.s.*
North America	171.9	*(7.4)*	(9.4)	*74.2*	(9.7)	*50.7*	(42.1)	*2.0*
Asia and Middle East	293.7	*21.8*	57.5	*53.2*	57.7	*54.3*	31.3	*n.s.*
Africa	494.4	*(20.1)*	164.9	*(17.9)*	164.5	*(18.2)*	115.5	*(24.8)*
Trading	91.3	*(29.0)*	6.0	*(46.2)*	6.0	*(46.2)*	4.5	*(54.9)*
Other countries	226.6	*11.8*	(18.9)	*n.s.*	(16.7)	*n.s.*	(20.1)	*94.8*
Inter-area eliminations	(265.1)	*0.2*	-	-	-	-	-	-
Total	**2,598.1**	***0.9***	**365.5**	***(22.1)***	**383.4**	***(17.3)***	**143.1**	***(37.7)***

n.s. not significant

Revenue and operating results by business

(in millions of euro)	Revenue		Recurring EBITDA		EBITDA		EBIT	
	H1 2011	**% change vs. H1 2010**	**H1 2011**	**% change vs. H1 2010**	**H1 2011**	**% change vs. H1 2010**	**H1 2011**	**% change vs. H1 2010**
Construction materials	2,452.0	*2.1*	372.1	*(15.4)*	390.3	*(10.1)*	158.0	*(24.2)*
Packaging and insulation	115.8	*1.5*	4.4	*(57.6)*	4.4	*(57.6)*	(1.3)	*(127.4)*
Financial	41.3	*(36.4)*	14.8	*(57.8)*	14.5	*(58.3)*	14.5	*(58.4)*
Banking	17.6	*(6.8)*	(5.2)	*n.s.*	(5.2)	*n.s.*	(7.3)	*n.s.*
Property, services, other	1.2	*(39.1)*	0.3	*(73.5)*	0.3	*(72.7)*	0.2	*(74.7)*
Inter-sector eliminations	(29.8)	*12.7*	(20.9)	*13.7*	(20.9)	*13.7*	(21.0)	*13.7*
Total	**2,598.1**	***0.9***	**365.5**	***(22.1)***	**383.4**	***(17.3)***	**143.1**	***(37.7)***

n.s.: not significant

The business slowdown stemmed from the financial and banking sectors, while the Group industrial businesses reported small improvements. The negative contribution of property, services, other, was of marginal importance.

The consolidation effect referred to the construction materials business and Italy, as a result of the re-inclusion of the Calcestruzzi group in the scope of consolidation.

Net of inter-sector eliminations, revenue by geographical area reflected growth in the EU thanks to the progress reported in France and Belgium and the emerging countries (India, Thailand and Morocco), and a significant downturn in Egypt due to the country's difficult political situation and in Switzerland. In absolute terms, the EU countries as a whole made the largest contribution to revenue.

Recurring EBITDA at 365.5 million euro was down by 103.9 million euro from the first half of 2010 (469.4 million euro). The decrease arose in all businesses, but the largest reductions in absolute terms were reported in construction materials (-67.9 million euro) as a result of the sharp rise in energy costs, and in the financial sector (-20.3 million euro).

After net non-recurring income of 17.9 million euro (net expense of 6.1 million euro at June 30, 2010), arising in the main in the construction materials sector for the capital gain on the sale of a wind farm development license in Turkey, **EBITDA** was down by 79.9 million euro (383.4 million euro, from 463.3 million euro in the first half of 2010).

After an increase in amortization and depreciation charges (+3.3%) compared with the first half of 2010 (240.9 million euro compared with 233.1 million euro), **EBIT** fell by 37.7%, from 229.8 million euro to 143.1 million euro.

Net finance costs, affected in the first half of 2010 by non-recurring costs for the repayment of the notes issued in the USA, decreased by 18.9 million euro, from 59.2 million euro in the first half of 2010 to 40.3 million euro at June 30, 2011. Interest expense on net debt amounted to 43.7 million euro, an improvement of 5.9% from the first half of 2010, while the exchange-rate effect generated a loss of 9.7 million euro compared with a gain of 10.8 million euro at June 30, 2010. A positive effect came from the sale of some equity investments in the construction materials sector (a capital gain of 25.0 million euro).

This caption does not include finance income and costs in the financial and banking sectors which are part of these sectors' core business and therefore classified under the line items constituting recurring EBITDA.

Impairment on financial assets reflected a gain of 1.2 million euro compared with a loss of 29.0 million euro at June 30, 2010; this was due to the positive effect of the impairment reversal on the Calcestruzzi group at December 31, 2010, net of the impairment loss in the first half of 2010, and the impairment losses on listed equity investments. These adjustments were in construction materials for 7.5 million euro and the financial sector for -6.3 million euro.

Share of profit/(loss) of associates reflected profit of 4.6 million euro (a loss of 0.4 million euro in 2010) arising from the profit reported by the associates in the construction materials sector for 6.5 million euro, offset in part by the losses of the associates in the financial sector (-1.9 million euro).

Profit before tax for the half year was 108.6 million euro, down by 23.1% from June 30, 2010 (141.2 million euro).

Despite the decrease in profit for tax, **income tax expense** rose by 19.1% from the first half of 2010 (from 44.8 million euro to 53.3 million euro at June 30, 2011), largely due to the change in the tax rate in Egypt, which was raised to 25% at the end of June 2011, from the previous rate of 20%. The overall average tax rate rose from 31.7% to 49.1%.

Gains relating to continuing operations were 55.3 million euro, a decrease of 42.6% from 2010.

The capital gain on the sale of Set Group enabled a **profit for the period** of 164.0 million euro to be reported (84.3 million euro in the year-earlier period); after profit attributable to non-controlling interests of 138.7 million euro (81.6 million euro at June 30, 2010), **profit attributable to owners of the parent** was 25.3 million euro (2.7 million euro at June 30, 2010).

Capital expenditure in property, plant and equipment, investment property and intangible assets, relating in the main to construction materials and, to a much smaller degree, to the food packaging and thermal insulation sector, amounted to 223.5 million euro, down by 38.0 million euro from the first half of 2010 (261.5 million euro), which still included a significant portion for strategic projects launched by the Italcementi group in previous periods.

Investments in financial assets, at 34.0 million euro (21.1 million euro in the first half of 2010), consisted chiefly of the purchase of Ciments Français shares by the financial sector.

Total equity at June 30, 2011, was 5,737.0 million euro, a reduction of 195.8 million euro from December 31, 2010, of which 30.5 million euro from the decrease in equity attributable to owners of the parent and 165.5 million euro attributable to the increase in non-controlling interests. The overall change was determined largely by profit for the period of 164.0 million euro and the change in the scope of consolidation and other minor reserves for 31.7 million euro; negative factors were the change in the translation reserve for 216.5 million euro due to the depreciation of the other currencies against the euro, dividends paid for 139.3 million euro and the change in the fair value reserve for 35.7 million euro.

Net debt at June 30, 2011, stood at 2,177.4 million euro, showing an increase of 81.9 million euro from December 31, 2010 (2,095.5 million euro). The change arose largely as a result of the period’s high capital expenditure (257.5 million euro), dividends paid (138.4 million euro), and the 217.7 million euro increase in debt after the consolidation of the Calcestruzzi group as from January 1, 2011, offset only in part by cash flows from operating activities (66.0 million euro) and proceeds on the sale of industrial and financial assets (393.7 million euro).

The **gearing ratio** (net debt/equity) was 37.95% at June 30, 2011, compared with 35.32% at December 31, 2010.

Performance in the core businesses

The **construction materials** sector, consisting of the Italcementi group (Italmobiliare’s main industrial investment), reported sales volumes substantially in line with the year-earlier period at constant size; after a positive first quarter, helped by very favorable weather, performance slowed due to slack market conditions in some mature countries and the difficult situation on the Egyptian market. In the first half as a whole, the market mood was more than lively in South East Asia and had a positive impact on the performance of the local subsidiaries. In the second quarter, there was also an overall improvement in sales prices in the cement sector, including a contribution from Italy after two years of constant decline. Operating results were negatively affected by the significant and widespread rise in energy costs, although they benefited in full from the material advantages generated by the new production lines. Revenue, at 2,452.0 million euro, rose by 2.1% from the first half of 2010, while progress at constant size and exchange rates was marginal. Operating results were down on the first half of 2010: recurring EBITDA was 372.1 million euro, a decrease of 15.4%, while EBIT, at 158.0 million euro, fell by 24.2%. Profit for the period was 187.8 million euro, an increase from June 30, 2010 (81.8 million euro) despite the higher tax charge, thanks to the rise in finance income, which generated a significant reduction in net costs, and, above all, to the capital gain on the sale of Set Group in Turkey.

In the **food packaging and thermal insulation sector**, consisting of the Sirap Gema group, demand fell for food packaging products compared with the first half of 2010 due to the difficult economic situation, which had a negative impact on fresh food spending and consequently on demand for related primary packaging; performance was lively in thermal insulation, especially in the second quarter of 2011. Half-year revenue was 115.8 million euro, a small increase (+1.5%) from the year-earlier period. EBITDA was positive at 4.4 million euro (10.5 million euro at June 30, 2010), while EBIT was negative at 1.3 million euro after a reduction of 5.9 million euro from the first half of 2010. These significant decreases stemmed essentially from the rise of approximately 25% in the average procurement cost for polymers, combined with a market situation that allowed the increase to be recovered only in part through adjustments to sales prices. After finance costs of 2.2 million euro and tax expense of 0.1 million euro, the sector posted a loss for the period of 3.6 million euro (a profit of 1.0 million euro at June 30, 2010).

The **financial sector**, comprising the parent company Italmobiliare and the wholly owned financial companies, reported profit for the period of 8.6 million euro, a significant reduction from 19.6 million euro in the first six months of 2010.

The reduction in profit for the period compared with the year-earlier period was caused largely by lower capital gains in the first half and higher net finance costs as a result of the increase in average debt, counterbalanced only in part by a rise in dividends received, an improvement in the share of the result of associates, which nevertheless remained negative, and a decrease in impairment losses.

The **banking sector** comprises Finter Bank Zürich and Crédit Mobilier de Monaco. The intermediation margin for the first half of 2011 was 15.8 million euro, slightly down from 16.9 million euro at June 30, 2010, chiefly as a result of a reduction in commission income and a slight reduction in third-party assets under management. After provisions for credit risks of approximately 4 million euro, the sector had a loss for the period of 7.6 million euro (-0.6 million euro at June 30, 2010).

OUTLOOK – World economic growth is slowing and characterized by persistent uncertainty over government decisions in the Eurozone countries and the USA with regard to sovereign debt and fiscal policy, which are playing an increasingly central role on market drivers. Nevertheless, growth prospects continue to be positive, especially in the emerging countries, despite inflationary pressures fuelled by the rises in prices for raw materials and energy, which will also impact the Group's results.

From an industrial viewpoint, the Group intends to continue optimizing the efficiency programs already introduced to rationalize production costs and overheads and, as far as possible, transfer the rise in raw material and energy costs to sales prices.
In the climate of uncertainty over the intensity and quality of the international recovery, volatility continues to rise on the financial markets, with repercussions for share prices, while the sovereign debt difficulties in some Eurozone countries is pushing down yields on government securities in the countries considered to be more solid, leading to a rise in risk premiums on other debentures.
This scenario, exacerbated by the difficulties for Italy's economic recovery and political uncertainties in some of the countries where the Group operates, makes it difficult to provide reliable guidance with regard to full-year results.

DEBENTURE ISSUES AND MATURITIES – No new debentures were issued during the first half of the year and no debentures are due to mature in the 18 months after June 30, 2011, with the exception of the disclosure provided by the subsidiary Italcementi S.p.A. in its press release of July 29, 2011.

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

Attachments: pre-audit income statement and statement of financial position

Italmobiliare Group					
Income statement (in thousands of euro)	**H1 2011**	**%**	**H1 2010 IFRS 5**	**%**	**% change**
Revenue	**2,598,109**	**100.0**	**2,574,679**	**100.0**	**0.9**
Other revenue	23,365		21,414		
Change in inventories	(13,417)		(22,138)		
Internal work capitalized	13,918		24,758		
Goods and utilities expense	(1,080,327)		(1,018,983)		
Service expense	(607,778)		(545,100)		
Employee expense	(521,184)		(493,550)		
Other operating income (expense)	(47,173)		(71,676)		
Recurring EBITDA	**365,513**	**14.1**	**469,404**	**18.2**	**-22.1**
Net capital gains on sale of fixed assets	19,581		2,382		
Non-recurring income (expenses) for re-orgs	(1,422)		(8,093)		
Other non-recurring income (expenses)	(256)		(348)		
EBITDA	**383,416**	**14.8**	**463,345**	**18.0**	**-17.3**
Amortization and depreciation	(240,914)		(233,147)		
Impairment	577		(354)		
EBIT	**143,079**	**5.5**	**229,844**	**8.9**	**-37.7**
Finance income	43,709		26,734		
Finance costs	(71,617)		(95,985)		
Net exchange-rate differences and derivatives	(12,411)		10,027		
Impairment on financial assets	1,239		(29,029)		
Share of profit /(loss) of associates	4,605		(429)		
Profit before tax	**108,604**	**4.2**	**141,162**	**5.5**	**-23.1**
Income tax (expense)	(53,279)		(44,743)		
Gains (losses) relating to continuing operations	**55,325**	**2.1**	**96,419**	**3.7**	**-42.6**
Gains (losses) relating to discontinued operations	108,703		(12,092)		
Profit (loss) for the period	**164,028**	**6.3**	**84,327**	**3.3**	**94.5**
Attributable to:					
Owners of parent	25,348	1.0	2,743	0.1	n.s.
Non-controlling interests	138,680	5.3	81,584	3.2	70.0
Earnings per share (EPS)					
- Basic					
ordinary shares	0.657 €		0.056 €		
savings shares	0.696 €		0.095 €		
- Diluted					
ordinary shares	0.657 €		0.056 €		
savings shares	0.696 €		0.095 €		

Italmobiliare Group					
Statement of comprehensive income (in thousands of euro)	**H1 2011**	**%**	**H1 2010 (IFRS 5)**	**%**	**% change**
Profit (loss) for the period	**164,028**	**6.3**	**84,327**	**3.3**	**94.5%**
Fair value gains (losses) on:					
Available-for-sale financial assets	(43,901)		(97,904)		
Derivatives	7,890		5,548		
Translation differences	(216,433)		408,495		
Tax on other comprehensive income	266		(765)		
Other comprehensive income	**(252,178)**		**315,374**		
Other comprehensive income on discontinued operations			18,812		
Total comprehensive income	**(88,150)**	**-3.4**	**418,513**	**16.3**	**n.s.**
Attributable to:					
owners of the parent	(41,474)		18,860		
non-controlling interests	(46,676)		399,653		

Italmobiliare Group			
Statement of financial position (in thousands of euro)	**06/30/2011**	**12/31/2010**	**Change**
Non-current assets			
Property, plant and equipment	4,475,206	4,700,014	(224,808)
Investment property	36,620	35,692	928
Goodwill	2,008,860	2,095,916	(87,056)
Intangible assets	122,325	154,790	(32,465)
Investments in associates	354,649	365,220	(10,571)
Other equity investments	502,387	612,278	(109,891)
Trade receivables and other non-current assets	181,068	180,662	406
Deferred tax assets	149,272	117,944	31,328
Non-current amounts due from employees	2,237	2,272	(35)
Total non-current assets	**7,832,624**	**8,264,788**	**(432,164)**
Current assets			
Inventories	762,254	755,015	7,239
Trade receivables	1,050,696	811,609	239,087
Other current assets including derivatives	417,760	397,820	19,940
Tax assets	85,933	93,170	(7,237)
Equity investments, debentures and financial assets	837,578	1,033,309	(195,731)
Cash and cash equivalents	780,137	739,217	40,920
Total current assets	**3,934,358**	**3,830,140**	**104,218**
Total assets	**11,766,982**	**12,094,928**	**(327,946)**
Equity			
Share capital	100,167	100,167	
Share premium	177,191	177,191	
Reserves	115,155	137,468	(22,313)
Treasury shares	(21,226)	(21,226)	
Retained earnings	1,957,653	1,965,835	(8,182)
Equity attributable to owners of the parent	**2,328,940**	**2,359,435**	**(30,495)**
Non-controlling interests	3,408,026	3,573,350	(165,324)
Total equity	**5,736,966**	**5,932,785**	**(195,819)**
Non-current liabilities			
Financial liabilities	2,577,270	2,735,959	(158,689)
Employee benefits	189,938	193,038	(3,100)
Provisions	257,460	252,685	4,775
Other non-current liabilities	8,603	33,222	(24,619)
Deferred tax liabilities	257,629	246,943	10,686
Total non-current liabilities	**3,290,900**	**3,461,847**	**(170,947)**
Current liabilities			
Loans and borrowings	320,717	286,902	33,815
Financial liabilities	545,613	486,239	59,374
Trade payables	704,039	635,440	68,599
Provisions	1,593	3,608	(2,015)
Tax liabilities	31,162	68,196	(37,034)
Other current liabilities	1,135,992	1,219,911	(83,919)
Total current liabilities	**2,739,116**	**2,700,296**	**38,820**
Total liabilities	**6,030,016**	**6,162,143**	**(132,127)**
Total equity and liabilities	**11,766,982**	**12,094,928**	**(327,946)**

Italmobiliare Group		
Condensed statement of cash flows (in thousands of euro)	**H1 2011**	**H1 2010 (IFRS 5)**
Net debt at beginning of period	**(2,095.5)**	**(2,200.8)**
Cash flow from operating activities	66.0	374.3
Capital expenditure:		
PPE, investment property and intangible assets	*(223.5)*	*(261.5)*
Non-current financial assets	*(34.0)*	*(21.1)*
Total capital expenditure	**(257.5)**	**(282.6)**
Proceeds from the sale of fixed assets	112.3	66.3
Dividends paid	(138.4)	(134.6)
Net debt Calcestruzzi group	(217.7)	-
Net flows from discontinued operations	281.4	(0.1)
Other changes	72.0	(36.5)
Change in net debt	(81.9)	(13.2)
Net debt at end of period	**(2,177.4)**	**(2,214.0)**

Composition of consolidated net debt

Italmobiliare Group			
(in thousands of euro)	**June 30, 2011**	**December 31, 2010**	**Change**
Cash, cash equivalents and current financial assets	**1,749,412**	**1,912,071**	**(162,659)**
Cash and cash equivalents	780,136	739,217	40,919
Derivatives	5,975	6,506	(531)
Other current financial assets	963,301	1,166,348	(203,047)
Short-term financing	**(1,458,698)**	**(1,377,248)**	**(81,450)**
Loans and borrowings	(320,717)	(286,902)	(33,815)
Financial liabilities (current)	(1,131,007)	(1,069,461)	(61,546)
Derivatives	(6,974)	(20,885)	13,911
M/L financial assets	**113,272**	**134,320**	**(21,048)**
Securities and debentures	89,789	86,564	3,225
Derivatives	23,483	47,756	(24,273)
M/L financing	**(2,581,394)**	**(2,764,599)**	**183,205**
Financial liabilities (non-current)	(2,577,289)	(2,735,959)	158,670
Derivatives	(4,105)	(28,640)	24,535
Net debt	**(2,177,408)**	**(2,095,456)**	**(81,952)**