ITALMOBILIARE

Quarterly report
at September 30, 2013

ITALMOBILIARE

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The quarterly report at September 30, 2013 has been translated from those issued in Italy from Italian into English solely for the convenience of international readers.
The original Italian document should be considered the authoritative version.

ITALMOBILIARE

Quarterly report

as at and for the nine months ended September 30, 2013

November 14, 2013

ITALMOBILIARE
Società per Azioni

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

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

Board of Directors

(Term ends on approval of financial statements at 12.31.2013)

Giampiero Pesenti	1-2	Chairman-Chief Executive Officer
Italo Lucchini	1-3	Deputy Chairman
Carlo Pesenti	1	Chief Operating Officer
Mauro Bini	4-5-6-8	
Giorgio Bonomi	4	
Gabriele Galateri di Genola	3-6	
Sebastiano Mazzoleni		
Luca Minoli		
Gianemilio Osculati	6	
Giorgio Perolari	1-3-4-5-6	
Clemente Rebecchini		
Paolo Domenico Sfameni	5-6-9	
Livio Strazzera	1-7	
Laura Zanetti	6	
Graziano Molinari	10	Secretary to the Board

Board of Statutory Auditors

(Term ends on approval of financial statements at 12.31.2013)

Acting auditors

Francesco Di Carlo	Chairman
Angelo Casò	
Leonardo Cossu	

Substitute auditors

Luciana Ravicini
Enrico Locatelli
Paolo Ludovici

Manager in chargeof preparing the company's financial reports

Giorgio Moroni

Independent Auditors

KPMG S.p.A.

1 Member of the Executive Committee
2 Director in charge of the internal control and risk management system
3 Member of the Remuneration Committee
4 Member of the Risk & Control Committee
5 Member of the Committee for Transactions with Related Parties
6 Independent director (pursuant to the Voluntary Code of Conduct and Legislative Decree no. 58, February 24, 1998)
7 Independent director (pursuant to Legislative Decree no. 58, February 24, 1998)
8 Lead independent director
9 Member of the Supervisory Body
10 Secretary to the Executive Committee

COMMENTS ON OPERATIONS

Foreword

The quarterly report as at and for the nine months ended September 30, 2013 has been drawn up in accordance with article 154 ter, paragraph 5 of Legislative Decree no. 58 of February 24, 1998, and subsequent amendments and with the International Accounting and Financial Reporting Standards (IAS/IFRS).

The changes in accounting policies and interpretations with respect to the financial statements as at and for the year ended December 31, 2012, are set out in detail in the notes. The main change concerns the application, as from January 1, 2013, of IAS 19 “Employee benefits” revised, which, to ensure a presentation consistent with the previous year, required the re-statement of assets and liabilities as at December 31, 2012, and of income and expense for the third quarter and for the nine months ended September 30, 2012.

The presentation of the financial statements has been adapted to comply with the amendments to IAS 1 “Presentation of financial statements”, which have modified the presentation of other comprehensive income.

Information on operations

The overall pace of world economic growth remains modest, although trends differ from country to country. Most of the advanced economies outside the euro zone are consolidating their prospects for expansion, while the emerging countries are experiencing a weakening in growth caused by cyclical factors and by pre-existing structural difficulties. In the euro zone, economic growth has resumed since the second quarter, albeit at modest rates, most notably in Germany and to a lesser extent in France, while the decline in Italy's GDP eased. In the third quarter, the indications of an improvement in foreign demand remained favorable.

This economic scenario also had a positive influence on the financial markets, with an upturn in share prices and long-term interest rates. In the third quarter, long-term spreads narrowed overall, especially in the euro zone countries most exposed to the sovereign debt crisis, thanks to the action taken by the European Central Bank, the publication of positive figures on the euro zone's growth prospects and, since September, the fact that the Federal Reserve did not begin to reduce its securities purchases.

During the third quarter, stock indices showed significant upswings, which then slackened in September due to the geopolitical unrest in the Middle East and uncertainty over US public financial policy decisions. In the euro zone, share prices rose in all segments: specifically, the performance of financial stocks improved, with the banking segment benefiting from the European Parliament's approval on September 12 of the single resolution mechanism for the oversight of banks at European level.

The ECB's expansionary policy notwithstanding, the euro appreciated against most of the main currencies, including the US dollar and the Japanese yen. During the quarter, the single currency also strengthened against most of the currencies of the main emerging economies in Asia.

In this context, in the third quarter of 2013 the Group posted a **loss for the period** of 42.5 million euro and a **loss attributable to owners of the parent** of 24.9 million euro; this compared respectively with profit of 16.2 million euro and a loss attributable to owners of the parent of 38,000 euro in the third quarter of 2012.

For the nine months to September 30, 2013, the Group posted a **loss for the period** of 131.5 million euro and a **loss attributable to owners of the parent** of 104.0 million euro, compared with a loss of 34.6 million euro and a loss attributable to owners of the parent of 65.7 million euro for the nine months to September 30, 2012.

The other main results in the third quarter and the nine months to September 30, 2013 are shown below, together with the changes from the year-earlier periods:

- **Revenue**: 1,130.8 million euro in the quarter (-3.4%) and 3,423.5 million euro in the nine months (-5.4%);
- **Recurring gross operating profit**: 158.0 million euro in the quarter (-12.7%) and 459.2 million euro in the nine months (-11.7%);
- **Gross operating profit**: 148.8 million euro in the quarter (-18.2%) and 444.5 million euro in the nine months (-17.1%);

- **Operating profit**: 9.9 million euro in the quarter (-84.7%) and 82.5 million euro in the nine months (-51.1%);
- **Finance income and costs** (including exchange-rate differences and derivatives): net costs of 42.2 million euro in the quarter (+31.8%) and net costs of 89.9 million euro in the nine months (+1.9%);
- **Loss before tax**: 15.5 million euro in the quarter (<-100.0%) and 39.0 million euro in the nine months (<-100.0%).

At September 30, 2013 **total equity** was 4,386.7 million euro, compared with 4,719.7 million euro at December 31, 2012 and 4,459.8 million euro at June 30, 2013.

Net financial debt at September 30, 2013 was 1,946.6 million euro, compared with 1,930.5 million euro at December 31, 2012. Net financial debt at June 30, 2013 was 1,929.7 million euro.

As a result of the changes in equity and net financial debt, the gearing ratio rose from 40.90% at the end of December 2012 to 44.38% at September 30, 2013.

Italmobiliare Net Asset Value (NAV) at September 30, 2013 was 1,185.9 million euro (1,081.1 million euro at June 30, 2013 and 1,075.8 million euro at the end of 2012).

Performance in the individual segments of the Italmobiliare Group was as follows:

- the **construction materials segment**, consisting of the Italcementi group, reported a 3.2% decline in third-quarter revenue, reflecting a decrease in sales volumes despite the positive performance in sales prices; at constant exchange rates, revenue improved by 1.2%. Recurring gross operating profit was stable with respect to the third quarter of 2012, supported by the positive sales price effect, improved efficiency and lower overheads. Gross operating profit, at constant exchange rates and excluding income from CO_2 emission rights, showed an improvement of approximately 10.0% compared with the year-earlier period, fuelled by current operations. Operating profit was down 50.3%, as a result of non-recurring expense and impairment losses on non-current assets in connection with the production re-organization in Italy and Spain. After net finance costs of 40.8 million euro and income tax expense of 25.2 million euro, the group posted a loss for the quarter of 36.9 million euro compared with profit of 16.6 million euro in the year-earlier period. In the nine months to September 30, 2013, revenue was down 5.2%, reflecting the factors illustrated above for the third quarter, with an overall positive trend in sales prices, although this was not sufficient to offset in full the negative effect of the contraction in sales volumes. Similarly, operating performance was affected by the factors of the third quarter, and in addition by a negative exchange-rate effect and the absence of income from CO_2 emission rights, which affected recurring gross operating profit (-7.0%) and operating profit (-35.6%). The group posted a loss for the period of 80.1 million euro, compared with profit of 17.8 million euro in the year-earlier period;
- the **food packaging and thermal insulation segment**, consisting of the Sirap Gema group, reported third-quarter revenue of 62.6 million euro, a small increase from the third quarter of 2012 (62.4 million euro) despite the continual rise in procurement costs for polystyrene raw materials. Gross operating profit in the third quarter of 2013 was 3.1 million euro (3.9 million euro in the year-earlier period), while operating profit, after non-recurring expense of 1.1 million euro (absent in the third quarter of 2012), and amortization, depreciation and impairment losses totaling 2.6 million euro (2.7 million euro in the third quarter of 2012), was 0.5 million euro, compared with 1.2 million euro

in the third quarter of 2012. After finance costs of 1.7 million euro and income tax expense of 0.5 million euro, the group reported a loss for the third quarter of 1.7 million euro (a loss of 0.7 million euro in the year-earlier period). In the nine months, revenue was down 0.2%, despite the positive contribution from the food packaging segment. Gross operating profit was 9.1 million euro (10.4 million euro at September 30, 2012). After amortization, depreciation and impairment losses totaling 8.1 million euro, operating profit was 1.0 million euro (2.6 million euro at September 30, 2012). With net finance costs of 4.8 million euro and income tax expense of 0.7 million euro, the group posted a loss for the first nine months of 4.5 million euro (a loss of 2.5 million euro in the year-earlier period);

- the **financial segment,** which includes the parent Italmobiliare and the wholly owned subsidiary Société de Participation Financière Italmobiliare S.A. (Luxembourg), reported a loss for the third quarter of 1.0 million euro (profit of 1.0 million euro in the year-earlier period). The large losses posted by the segment in the first half of the year generated a loss for the nine months to September 30, 2013 of 33.0 million euro (a loss of 28.9 million euro in the nine months to September 30, 2012). The loss arose largely as a result of the decrease in dividends received from investees (-31.2% against the first nine months of 2012), losses of 19.4 million euro on the sale of assets and the losses from equity-accounted investees of 19.2 million euro. Since the financial segment is owned 100% by the Group, its profit or loss for the period is reflected in full in profit or loss attributable to owners of the parent;
- the **banking segment** comprises Finter Bank Zürich and Crédit Mobilier de Monaco. In the third quarter of the year the segment reported a loss of 1.5 million euro compared with a small profit in the year-earlier period (134,000 euro). In the first nine months, the reduction in commission income and contraction in net trading revenue led to a 33.5% reduction in total income (15.6 million euro, compared with 23.5 million euro in the first nine months of 2012). The significant reduction in expense for services and personnel (-22.0%) kept the loss for the period at 4.2 million euro, compared with a loss of 4.9 million euro in the year-earlier period;
- the **property, services and other segment** is not of great importance within the global context of the Group. Its operating results in the third quarter of 2013 are not of material significance. The segment posted a profit for the first nine months of 2013 of 297,000 euro (a profit of 291,000 euro for the year to September 30, 2012).

Key consolidated figures

Q3

(in millions of euro)		Q3 2013	Q3 2012 re-stated (*)	% change	Q3 2012 published
Revenue		**1,130.8**	**1,170.8**	***(3.4)***	**1,170.8**
Recurring gross operating profit		**158.0**	**180.9**	***(12.7)***	**178.2**
% of revenue		*14.0*	*15.4*		*15.2*
Other income (expense)		(9.2)	0.9	*n.s.*	0.9
Gross operating profit		**148.8**	**181.8**	***(18.2)***	**179.1**
% of revenue		*13.2*	*15.5*		*15.3*
Amortization and depreciation		(108.1)	(116.9)	*(7.6)*	(116.9)
Impairment losses on non-current assets		(30.8)	(0.2)	*n.s.*	(0.2)
Operating profit		**9.9**	**64.7**	***(84.7)***	**62.0**
% of revenue		*0.9*	*5.5*		*5.3*
Net finance costs		(42.2)	(32.0)	*31.8*	(29.5)
Impairment reversals on financial assets		13.0	-	*n.s.*	-
Share of profit of equity-accounted investees		3.8	5.8	*(35.2)*	5.8
Profit (loss) before tax		**(15.5)**	**38.5**	***n.s.***	**38.3**
% of revenue		*(1.4)*	*3.3*		*3.3*
Income tax expense		(27.0)	(22.2)	*21.5*	(22.2)
Profit (loss) relating to continuing operations		**(42.5)**	**16.3**	***n.s.***	**16.1**
Loss relating to discontinued operations		-	(0.1)	*n.s.*	(0.1)
Profit (loss) for the period		**(42.5)**	**16.2**	***n.s.***	**16.0**
attributable to:	**Owners of the parent**	**(24.9)**	**-**	***n.s.***	**(0.1)**
	Non-controlling interests	(17.6)	16.2	*n.s.*	16.1

n.s. not significant
(*) re-stated in compliance with IAS 19

Recurring gross operating profit is the difference between revenue and costs excluding: other non-recurring income (expense), amortization and depreciation, impairment losses on non-current assets, finance income (costs), the share of profit (loss) of equity-accounted investees and income tax expense. Gross operating profit corresponds to recurring gross operating profit plus other non-recurring income (expense).

Operating profit corresponds to gross operating profit plus amortization and depreciation and impairment losses on non-current assets.

Revenue and operating performance by segment and geographical area Q3

	Revenue		Recurring gross operating profit (loss)		Gross operating profit (loss)		Operating profit (loss)	
Operating segment	**Q3 2013**	**% change vs. Q3 12**	**Q3 2013**	**% change vs. Q3 12**	**Q3 2013**	**% change vs. Q3 12**	**Q3 2013**	**% change vs. Q3 12**
Construction materials	1,060.9	*(3.2)*	174.5	-	166.5	*(5.1)*	30.7	*(50.3)*
Packaging and insulation	62.6	*0.3*	4.2	*7.5*	3.1	*(21.2)*	0.5	*(60.8)*
Finance	7.8	*(15.9)*	(18.0)	*n.s.*	(18.1)	*n.s.*	(18.2)	*n.s.*
Banking	5.0	*(43.8)*	(1.1)	*n.s.*	(1.1)	*n.s.*	(1.5)	*n.s.*
Property, services, other	0.4	*16.8*	0.1	*n.s.*	0.1	*n.s.*	0.1	*n.s.*
Inter-segment eliminations	(5.9)	*(2.8)*	(1.7)	*15.0*	(1.7)	*14.8*	(1.7)	*14.7*
Total	**1,130.8**	***(3.4)***	**158.0**	***(12.7)***	**148.8**	***(18.2)***	**9.9**	***(84.7)***
Geographical area								
European Union	648.7	*(3.6)*	60.3	*(28.6)*	51.8	*(39.8)*	(31.7)	*n.s.*
Other European countries	9.8	*(25.4)*	(1.0)	*n.s.*	(1.0)	*n.s.*	(1.4)	*n.s.*
North America	128.6	*1.4*	26.0	*23.1*	26.0	*23.1*	9.8	*n.s.*
Asia and Middle East	146.2	*(1.2)*	24.1	*1.1*	24.1	*1.7*	10.9	*1.3*
Africa	174.9	*(10.3)*	48.9	*(14.5)*	48.9	*(14.5)*	25.9	*(15.4)*
Trading	43.5	*(8.6)*	2.0	*12.2*	2.1	*23.7*	1.2	*25.6*
Others	70.7	*(12.9)*	(2.4)	*(71.5)*	(2.5)	*(71.9)*	(4.2)	*(61.3)*
Inter-area eliminations	(91.6)	*(19.4)*	0.1	*n.s.*	(0.6)	*n.s.*	(0.6)	*n.s.*
Total	**1,130.8**	***(3.4)***	**158.0**	***(12.7)***	**148.8**	***(18.2)***	**9.9**	***(84.7)***

n.s. not significant

In the third quarter of 2013, Group consolidated **revenue** was 1,130.8 million euro, down 3.4% from the third quarter of 2012 (1,170.8 million euro) due to the slowdown in performance in the construction materials, financial and banking segments. The positive contribution of the other Group segments was marginal.

Recurring gross operating profit at 158.0 million euro was down 12.7% from the year-earlier period, while the significant reduction in **operating profit** (to 9.9 million euro from 64.7 million euro) stemmed from heavy non-recurring expense and impairment losses on non-current assets in connection with the important production re-organizations taking place mainly in Italy and Spain in the construction materials segment.

Analysis of recurring gross operating profit by geographical area shows progress in North America, Thailand, Morocco, France and Belgium; the largest reductions were in Egypt, India and Italy.

The third quarter also posted **net finance costs** of 42.2 million euro (32.0 million euro in the year-earlier period) and **income tax expense** of 27.0 million euro, an increase of 4.8 million euro from the year-earlier period.

In this context, the Group posted a loss for the third quarter of 42.5 million euro (profit of 16.3 million euro in the year-earlier period).

Nine months to September 30, 2013

(in millions of euro)	Nine months to 09.30.13	Nine months to 09.30.12 re-stated (*)	% change	Nine months to 09.30.12 published
Revenue	**3,423.5**	**3,617.4**	***(5.4)***	**3,617.4**
Recurring gross operating profit	**459.2**	**520.1**	***(11.7)***	**512.0**
% of revenue	*13.4*	*14.4*		*14.2*
Other income (expense)	(14.7)	15.8	*n.s.*	15.7
Gross operating profit	**444.5**	**535.9**	***(17.1)***	**527.7**
% of revenue	*13.0*	*14.8*		*14.6*
Amortization and depreciation	(327.5)	(351.0)	*(6.7)*	(350.9)
Impairment losses on non-current assets	(34.5)	(16.3)	*n.s.*	(16.3)
Operating profit	**82.5**	**168.6**	***(51.1)***	**160.5**
% of revenue	*2.4*	*4.7*		*4.4*
Net finance costs	(89.9)	(88.1)	*1.9*	(80.7)
Impairment losses on financial assets	(14.9)	(22.2)	*(33.0)*	(22.2)
Share of loss of equity-accounted investees	(16.7)	(14.9)	*12.0*	(14.9)
Profit (loss) before tax	**(39.0)**	**43.4**	***n.s.***	**42.7**
% of revenue	*(1.1)*	*1.2*		*1.2*
Income tax expense	(92.5)	(86.5)	*7.0*	(86.3)
Loss relating to continuing operations	**(131.5)**	**(43.1)**	***n.s.***	**(43.6)**
Profit relating to discontinued operations	-	8.5	*n.s.*	8.3
Loss for the period	**(131.5)**	**(34.6)**	***n.s.***	**(35.3)**
attributable to: **Owners of the parent**	**(104.0)**	**(65.7)**	***58.4***	**(65.9)**
Non-controlling interests	(27.5)	31.1	*n.s.*	30.6
Employees at end of period (heads)	**20,041**	**20,561**	***(2.5)***	**20,561**

n.s. not significant

(in millions of euro)	September 30 2013	June 30 2013	Dec. 31, 2012 re-stated (*)
Total equity	4,386.7	4,459.8	4,719.7
Equity attributable to owners of the parent	1,669.5	1,672.8	1,786.4
Net financial debt	1,946.6	1,929.7	1,930.5

(*) re-stated in compliance with IAS 19

Revenue and operating performance by segment and geographical area
Nine months to September 30

	Revenue		Recurring gross operating profit (loss)		Gross operating profit (loss)		Operating profit (loss)	
Operating segment	**Sept. 30 2013**	**% change vs.09.30.12**	**Sept. 30 2013**	**% change vs 09.30.12**	**Sept. 30 2013**	**% change vs.09.30.12**	**Sept. 30 2013**	**% change vs.09.30.12**
Construction materials	3,217.5	*(5.2)*	473.1	*(7.0)*	460.1	*(12.3)*	108.1	*(35.6)*
Packaging and insulation	178.0	*(0.2)*	10.8	*0.4*	9.1	*(12.0)*	1.0	*(63.2)*
Finance	33.3	*(29.1)*	(11.7)	*n.s.*	(11.9)	*n.s.*	(12.1)	*n.s.*
Banking	17.2	*(33.5)*	(2.6)	*(4.2)*	(2.5)	*(2.3)*	(4.1)	*(15.1)*
Property, services, other	1.6	*31.2*	0.4	*n.s.*	0.4	*n.s.*	0.4	*n.s.*
Inter-segment eliminations	(24.1)	*(21.8)*	(10.8)	*(37.7)*	(10.7)	*(37.7)*	(10.8)	*(37.8)*
Total	**3,423.5**	***(5.4)***	**459.2**	***(11.7)***	**444.5**	***(17.1)***	**82.5**	***(51.1)***
Geographical area								
European Union	1,921.3	*(7.4)*	186.2	*(20.1)*	168.0	*(32.4)*	(24.9)	*n.s.*
Other European countries	28.9	*(22.2)*	(2.5)	*0.4*	(2.4)	*3.6*	(4.1)	*(12.7)*
North America	330.3	*(0.3)*	33.3	*11.3*	34.2	*13.7*	(15.0)	*(27.0)*
Asia and Middle East	456.1	*4.1*	66.5	*(2.4)*	67.3	*(1.1)*	26.5	*(10.3)*
Africa	617.2	*(8.1)*	187.4	*(7.4)*	191.2	*(5.7)*	121.9	*(2.2)*
Trading	139.3	*(12.5)*	5.7	*(14.7)*	5.7	*(12.7)*	2.6	*(43.0)*
Others	231.5	*(10.2)*	(17.4)	*3.1*	(18.8)	*11.8*	(24.0)	*(7.5)*
Inter-area eliminations	(301.1)	*(14.5)*	n.s.	*(99.1)*	(0.7)	*(0.3)*	(0.5)	*(5.0)*
Total	**3,423.5**	***(5.4)***	**459.2**	***(11.7)***	**444.5**	***(17.1)***	**82.5**	***(51.1)***

n.s. not significant

In the year to September 30, 2013, **revenue** amounted to 3,423.5 million euro, down 5.4% from the first nine months of 2012 (3,617.4 million euro). The reduction was the result of the following factors:

- the decline in business performance of 2.6%,
- the negative exchange-rate effect of 2.8%, largely due to the depreciation against the euro of the Egyptian pound, Indian rupee and Swiss franc,

with no change in the scope of consolidation.

The business downturn arose in the construction materials, banking and financial segments, while performance in the food packaging and thermal insulation segment showed a slight improvement from the first nine months of 2012. The positive contribution of the property, services, other segment was marginal.

At constant exchange rates, the geographical revenue breakdown shows a slowdown in the European countries, in trading and in India, while revenue increased in Thailand, Egypt, Kazakhstan and North America. In absolute terms, the EU countries as a whole were the largest contributor to revenue.

Recurring gross operating profit in the first nine months of 459.2 million euro was down 60.9 million euro from September 30, 2012 (520.1 million euro). The reduction arose in the financial, banking and construction materials segments, the latter affected by the lack of income from CO_2 emission rights and a negative exchange-rate effect. There was strong progress in property, services, other, while the food packaging and thermal insulation segment reported a small improvement (+0.4% from the first nine months of 2012).

Looking at performance in the individual countries, gross operating profit in the first nine months improved in Thailand, France, Belgium, North America and Morocco; the largest reductions were in Egypt, India and Italy.

After net non-recurring expense of 14.7 million euro (income of 15.8 million euro in the first nine months of 2012) mainly in the construction materials segment (13.0 million euro) and the food packaging and thermal insulation segment (1.7 million euro), reflecting restructuring costs net of gains from the sale of assets, **gross operating profit** was down by 91.4 million euro (to 444.5 million euro from 535.9 million euro at September 30, 2012).

After a decrease of 6.7% in amortization and depreciation from September 30, 2012 (327.5 million euro compared with 351.0 million euro) and impairment losses on non-current assets of 34.5 million euro, relating essentially to the construction materials segment, **operating profit** was 82.5 million euro, a fall of 51.1% from the year-earlier period.

Finance costs, other items and loss for the period

Net finance costs showed a small increase (+1.9%), from 88.1 million euro at September 30, 2012 to 89.9 million euro in the first nine months of 2013. Interest expense on net financial debt was 74.1 million euro, up by 11.4%, while exchange-rate differences and hedging derivatives showed a gain of 9.1 million euro (a loss of 1.5 million euro in the nine months to September 30, 2012). Net income from equity investments decreased by 7.5 million euro.

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

Impairment losses on financial assets amounted to 14.9 million euro, compared with losses of 22.2 million euro in the nine months to September 30, 2012. They referred to the impairment loss on the equity investment in the Al Badia company in Syria, in the construction materials segment.

The **share of profit (loss) of equity-accounted investees** reflected a loss of 16.7 million euro (a loss of 14.9 million euro at September 30, 2012). This arose from the losses reported by associates in the financial segment for 19.1 million euro, while associates in the construction materials segment generated profit of 2.4 million euro. Specifically, there was a loss from RCS MediaGroup S.p.A. of 17.7 million euro, equal to the share of the loss at the publishing group attributable to Italmobiliare S.p.A..

After **income tax expense** of 92.5 million euro, up by 7.0% from September 30, 2012 (86.5 million euro), the Group posted a **loss for the period** of 131.5 million euro (a loss of 43.1 million euro in the nine months to September 30, 2012). After a loss attributable to non-controlling interests of 27.5 million euro (profit of 31.1 million euro at September 30, 2012), the **loss attributable to owners of the parent** was 104.0 million euro (a loss of 65.7 million euro at September 30, 2012).

Total comprehensive expense

In the period January 1 – September 30, 2013, starting from the loss for the period, other comprehensive expense amounted to 110.7 million euro (expense of 31.6 million euro in the year-earlier period), arising from the following positive factors:

- fair value gains on cash flow hedging for 16.0 million euro,
- the reduction in the net liability for employee benefits for 18.6 million euro,
- fair value gains on available-for-sale financial assets for 16.3 million euro,

and from the following negative factor:

- translation losses of 163.7 million euro,

and from the related positive tax effect of 2.1 million euro.

Considering the loss for the period of 131.5 million euro described in the previous section, and the items described above, total comprehensive expense was 242.2 million euro (expense of 102.0 million euro attributable to owners of the parent and expense of 140.2 million euro attributable to non-controlling interests); this compared with total comprehensive expense of 66.2 million euro in the year to September 30, 2012 (expense of 75.0 million euro attributable to owners of the parent and income of 8.8 million euro attributable to non-controlling interests).

The statement of comprehensive income is included with the consolidated financial statements.

Net financial debt

Net financial debt at September 30, 2013 was 1,946.6 million euro, a small increase of 0.8% from December 31, 2012 (1,930.5 million euro).

Key factors were the period's high capital expenditure (252.8 million euro) and dividends paid (74.2 million euro), covered only in part by cash flow from operating activities (250.6 million euro) and proceeds from the sale of non-current assets (51.2 million euro).

(in millions of euro)	September 30 2013	June 30 2013	December 31 2012
Current financial assets	(1,219.9)	(1,317.6)	(1,505.1)
Current financial liabilities	903.7	1,063.5	1,405.1
Non-current financial assets	(159.8)	(146.5)	(199.3)
Non-current financial liabilities	2,422.6	2,330.3	2,229.8
Net financial debt	**1,946.6**	**1,929.7**	**1,930.5**

Financial ratios

(absolute amounts in millions of euro)	September 30 2013	June 30 2013	December 31 2012
Net financial debt	1,946.6	1,929.7	1,930.5
Consolidated equity	4,386.7	4,459.8	4,719.7
Gearing	**44.38%**	**43.27%**	**40.90%**
Net financial debt	1,946.6	1,929.7	1,930.5
Gross operating profit before other income and expense[1]	591.5	614.5	652.5
Leverage	**3.29**	**3.14**	**2.96**

[1]12-month rolling basis

Capital expenditure

Group capital expenditure for the year to September 30, 2013 totaled 252.8 million euro, a decrease of 27.6 million euro from September 30, 2012.

Investments in property, plant and equipment, investment property and intangible assets amounted to 237.7 million euro, down by 27.4 million euro from the first nine months of 2012 (265.2 million euro); they referred for the most part to the construction materials segment, and, to a smaller degree, the food packaging and thermal insulation segment.

Investments in non-current financial assets amounted to 15.1 million euro, in line with the figure for the year-earlier period. They arose in the financial segment for 10.3 million euro and the construction materials segment for 4.8 million euro.

Construction materials segment

This segment constitutes Italmobiliare's industrial core business. It comprises the cement, ready mixed concrete and aggregates operations of the Italcementi group.

Q3

(in millions of euro)		Q3 2013	Q3 2012 re-stated (*)	% change	Q3 2012 published
Revenue		**1,060.9**	**1,095.9**	***(3.2)***	**1,095.9**
Recurring gross operating profit		**174.5**	**174.5**	**-**	**171.8**
% of revenue		*16.5*	*15.9*		*15.7*
Other income (expense)		(8.0)	0.9	*n.s.*	0.9
Gross operating profit		**166.5**	**175.4**	***(5.1)***	**172.7**
% of revenue		*15.7*	*16.0*		*15.8*
Amortization and depreciation		(105.1)	(113.4)	*7.3*	(113.4)
Impairment losses on non-current assets		(30.7)	(0.2)	*(>100.0)*	(0.2)
Operating profit		**30.7**	**61.9**	***(50.3)***	**59.1**
% of revenue		*2.9*	*5.6*		*5.4*
Net finance costs		(40.8)	(31.5)	*(29.2)*	(29.0)
Impairment losses on financial assets		(5.9)	-	*n.s.*	-
Share of profit of equity-accounted investees		4.3	7.6	*(43.3)*	7.6
Profit (loss) before tax		**(11.7)**	**37.9**	***n.s.***	**37.6**
% of revenue		*(1.1)*	*3.5*		*3.4*
Income tax expense		(25.2)	(21.3)	*(18.3)*	(21.2)
Profit (loss) relating to continuing operations		**(36.9)**	**16.6**	***n.s.***	**16.4**
Loss relating to discontinued operations		-	(0.1)	n.s.	(0.1)
Profit (loss) for the period		**(36.9)**	**16.5**	***n.s.***	**16.3**
attributable to:	**Owners of the parent**	**(50.1)**	**(2.1)**	*(>100.0)*	**(2.3)**
	Non-controlling interests	13.3	18.6	***(28.6)***	18.6

n.s. not significant
(*) re-stated in compliance with IAS 19

In the third quarter of 2013, the fall in group sales volumes eased with respect to the reduction reported in the first half of the year. Compared with the third quarter of 2012, there was a small reduction in cement and clinker and in ready mixed concrete, while volumes of aggregates were substantially steady.

Revenue was 1,060.9 million euro (1,095.9 million euro in the third quarter of 2012). The decline of 3.2% from the year-earlier period arose from a stronger business performance (+1.2%) and a negative exchange-rate effect (-4.4%); there was no change in the scope of consolidation.

Revenue reflected the downturn in sales volumes, although this was outweighed by the positive overall performance of sales prices.

At constant exchange rates, the strongest progress was reported in Thailand, Morocco and North America, while the largest declines in absolute value were in Central Western Europe (Italy and, to a lesser extent, Spain) and India. The negative exchange-rate effect related chiefly to the Egyptian pound and the Indian rupee.

Recurring gross operating profit, at 174.5 million euro, was steady with the third quarter of 2012. As noted earlier, performance was penalized by the absence of income from CO_2 emission rights and by the negative exchange-rate effect. The positive trend in sales prices and reduction in fixed costs outweighed the negative volume effect and the unfavorable dynamic in some operating expense, caused largely by the significant rise in the cost of fuel in Egypt.

Looking at the individual countries, the strongest progress in recurring gross operating profit compared with the third quarter of 2012 was in Thailand, Morocco, France-Belgium and North America, while the largest decreases were in Egypt, India and Italy.

Gross operating profit, at 166.5 million euro (175.4 million euro in the third quarter of 2012), reflected the impact of net non-recurring expense of 8.0 million euro, referring mainly to corporate restructuring charges in Italy, net of gains from the sale of assets. It was down 5.1% from the third quarter of 2012.

Operating profit was 30.7 million euro (61.9 million euro in the year-earlier period) after amortization and depreciation of 105.1 million euro (113.4 million euro in the year-earlier period) and impairment losses on non-current assets of 30.7 million euro (0.2 million euro in the year-earlier period) relating chiefly to Italy and Spain.

Nine months to September 30

(in millions of euro)	Nine months to 09.30.13	Nine months to 09.30.12 re-stated (*)	% change	Nine months to 09.30.12 published
Revenue	**3,217.5**	**3,395.7**	***(5.2)***	**3,395.7**
Recurring gross operating profit	**473.1**	**508.6**	***(7.0)***	**500.5**
% of revenue	*14.7*	*15.0*		*14.7*
Other income (expense)	(13.0)	16.2	*n.s.*	16.2
Gross operating profit	**460.1**	**524.9**	***(12.3)***	**516.7**
% of revenue	*14.3*	*15.5*		*15.2*
Amortization and depreciation	(317.8)	(340.5)	*6.7*	(340.5)
Impairment losses on non-current assets	(34.2)	(16.4)	*(>100.0)*	(16.4)
Operating profit	**108.1**	**168.0**	***(35.6)***	**159.8**
% of revenue	*3.4*	*4.9*		*4.7*
Net finance costs	(85.7)	(85.8)	*0.1*	(78.3)
Impairment losses on financial assets	(14.9)	-	*n.s.*	-
Share of profit of equity-accounted investees	2.4	11.5	*(78.9)*	11.5
Profit before tax	**10.0**	**93.7**	***(89.4)***	**93.0**
% of revenue	*0.3*	*2.8*		*2.7*
Income tax expense	(90.1)	(84.4)	*(6.7)*	(84.2)
Profit (loss) relating to continuing operations	**(80.1)**	**9.3**	***n.s.***	**8.8**
Profit relating to discontinued operations	-	8.5	*n.s.*	8.3
Profit (loss) for the period	**(80.1)**	**17.8**	***n.s.***	**17.1**
attributable to: **Owners of the parent**	(135.2)	**(39.1)**	***(>100.0)***	(39.7)
Non-controlling interests	55.1	56.9	*(3.2)*	56.8
Employees (heads)	18,617	19,055	*(2.3)*	19,055

n.s. not significant

(in millions of euro)	September 30 2013	June 30 2013	Dec. 31, 2012 re-stated (*)
Total equity	3,849.9	3,958.8	4,164.7
Equity attributable to owners of the parent *	2,670.3	2,764.0	2,903.0
Net financial debt	2,031.1	2,000.7	1,998.3

* Italcementi S.p.A.
(*) re-stated in compliance with IAS 19

In the nine months to September 30, 2013, sales volumes were down on those of the year-earlier period, but the decline was smaller than that of the first half, thanks to the easing of the downturn in the third quarter.

Revenue was 3,217.5 million euro (3,395.7 million euro in the first nine months of 2012), a reduction of 5.2% from the year-earlier period, caused by the business slowdown (-2.4%) and by a negative exchange-rate effect (-2.8%), in the absence of a consolidation effect.

Revenue performance was affected by the fall in sales volumes, whose impact was mitigated only in part by a positive overall dynamic in sales prices.

At constant exchange rates, progress was reported in Thailand, Egypt (thanks to sales prices), Kazakhstan and North America; the largest decreases in absolute value were in

Central Western Europe (especially Italy), Trading and India. The negative exchange-rate effect arose chiefly from the Egyptian pound and, to a much lesser extent, from the Indian rupee.

Recurring gross operating profit, at 473.1 million euro, was down 7.0% from the year-earlier period. As in the third quarter, the absence of income from CO_2 emission rights and a negative exchange-rate effect were significant factors. The positive sales price effect and reduction in overheads more than made up for the negative volume effect and unfavorable trend in some operating expense, arising largely from the sharp rise in fuel costs in Egypt.

Looking at the individual countries, the most significant progress in recurring gross operating profit compared with the first nine months to September 30, 2012, was in Thailand, France-Belgium, North America and Morocco, while the largest reductions were in Egypt, India and Italy.

Gross operating profit, at 460.1 million euro (524.9 million euro in the year-earlier period), reflected the impact of net non-recurring expense of 13.0 million euro (net income of 16.2 million euro in the year-earlier period), arising largely on corporate restructurings in Italy and Spain, net of gains on the sale of assets. Gross operating profit was down 12.3% from the year-earlier period.

Operating profit was 108.1 million euro (168.0 million euro in the year-earlier period), after amortization and depreciation of 317.8 million euro (340.5 million euro) and impairment losses on non-current assets of 34.2 million euro (16.4 million euro), mainly in Italy and Spain.

Finance costs net of finance income amounted to 85.7 million euro, in line with the figure in the year-earlier period (85.8 million euro). There was an increase in net interest expense on net debt, in other net finance costs and a reduction in income from equity investments, counterbalanced by a material improvement in hedging derivatives.

Impairment losses on financial assets totaled 14.9 million euro (absent in the first nine months of 2012), and referred entirely to the impairment loss on the investment in the Syrian company Al Badia.

The **share of profit (loss) of equity-accounted investees** reflected profit of 2.4 million euro (11.5 million euro in the first nine months of 2012); the result was affected by the fall in the value of equity held in Vassiliko C. Co..

In the nine months to September 30, the group posted a **profit before tax** of 10.0 million euro (93.7 million euro in the year-earlier period). Income tax expense was 90.1 million euro, an increase of 6.7% from the year-earlier period (84.4 million euro).

The **loss relating to continuing operations** was 80.1 million euro compared with profit of 9.3 million euro in the first nine months of 2012.

The **loss for the period** was 80.1 million euro (profit of 17.8 million euro in 2012), with a loss **attributable to owners of the parent** of 135.2 million euro (loss of 39.1 million euro) and profit attributable to non-controlling interests of 55.1 million euro (profit of 56.9 million euro).

Net financial debt at September 30, 2013, was 2,031.1 million euro, an increase of 32.8 million euro compared with December 31, 2012 (1,998.3 million euro) and an increase of 30.4 million euro from June 30, 2013 (2,000.7 million euro).

In the nine months to September 30, with cash inflows from operating activities of 247.1 million euro (211.8 million euro in the first nine months of 2012) and proceeds from asset sales of 19.5 million euro (38.7 million euro in the year-earlier period), the increase in net financial debt reflected the impact of capital expenditure of 238.0 million euro (258.4 million euro in 2012) and dividends paid for amounts totaling 83.7 million euro (120.5 million euro in 2012). As in the previous period, capital expenditure referred almost entirely to property, plant and equipment and investment property.

Sales volumes and internal transfers

Q3

Sales volumes[1]	Q3 2013	% change vs. Q3 2012	
		historic	like-for-like basis
Cement and clinker *(millions of mt)*	10.8	*(2.4)*	*(2.4)*
Aggregates[2] *(millions of mt)*	8.4	*(0.6)*	*(0.6)*
Ready mixed concrete *(millions of m³)*	3.1	*(2.6)*	*(2.6)*

[1] amounts refer to consolidated companies and proportionately consolidated companies

[2] excluding decreases for processing

In **cement and clinker**, the fall in sales volumes from the year-earlier period was much smaller than the reduction reported in the first half of the year. Performance was positive in North America and in Asia, while the slowdown in Emerging Europe, North Africa and Middle East and in Central Western Europe arose from the downturns reported, respectively, in Egypt, partly as a result of local political unrest, and in Italy.

In **aggregates**, where the changes in absolute value were very small, the progress reported in Morocco counterbalanced the slowdown in North America, while Central Western Europe was substantially stable overall (progress in France-Belgium and a reduction in the other countries).

The reduction in sales volumes in **ready mixed concrete** was the result of performance in Central Western Europe, where the decline in Italy was a negative factor, offset only in part by progress in the emerging countries (Morocco and Thailand).

Nine months to September 30

Sales volumes[1]	Nine months to 09.30.2013	% change vs. 09.30.2012	
		historic	like-for-like basis
Cement and clinker *(millions of mt)*	32.6	*(5.6)*	*(5.6)*
Aggregates[2] *(millions of mt)*	24.8	*(3.4)*	*(3.4)*
Ready mixed concrete *(millions of m³)*	9.3	*(4.2)*	*(4.2)*

[1] amounts refer to consolidated companies and proportionately consolidated companies

[2] excluding decreases for processing

In **cement and clinker**, sales volumes for the first nine months were negatively affected by the fall reported above all in Emerging Europe, North Africa and Middle East and in Central Western Europe; the largest reductions were in Egypt and Italy. Progress was reported in Asia, where performance was positive in all countries, and in North America.

In **aggregates**, the downturn was largely the result of the negative performance of Central Western Europe caused by a general slowdown in all countries with the exception of the France-Belgium area. Strong growth in Morocco more than made up for the reduction in North America.

In **ready mixed concrete**, the downturn in Central Western Europe (which was slower than that of the previous quarters) generated a reduction in sales volumes for the entire segment, offset in part by healthy performance in Emerging Europe, North Africa and Middle East (Egypt and Morocco) and Asia.

Significant events in the period

As noted in the previous reports on the construction materials segment, in February Italcementi placed a 5-year fixed-rate bond on the European market for a nominal amount of 350 million euro, under its Euro Medium-Term Note Program. In May, the issue was re-opened with the placement on the European market of bonds for an additional nominal amount of 150 million euro.

At the end of May, the Standard and Poor's rating agency confirmed the BB+ long-term and B short-term ratings assigned to Italcementi. The outlook passed from stable to negative. An identical measure was adopted for the subsidiary Ciments Français. These ratings and outlook were confirmed at the end of October.

In August, the Moody's Investor Services rating agency reviewed the corporate rating given to Italcementi S.p.A. and the rating of the Italcementi Finance SA senior unsecured bond from Ba2 to Ba3, with the outlook passing from negative to stable. Meanwhile Moody's downgraded the Ciments Français rating from Ba1 to Ba2.

September saw the presentation of the i.nova project, which introduces an innovative branding strategy for all Italcementi group companies. The product portfolio is based on the concept of performance and offered with an approach designed to simplify the procurement process and capitalize brand value by using a direct language based on an easy-to-understand coding system, which is the same in all countries.

Performance by geographical area

Q3

(in millions of euro)	Revenue		Recurring gross operating profit (loss)		Gross operating profit (loss)		Operating profit (loss)	
Geographical area	**Q3 2013**	**% change vs.Q3 12**	**Q3 2013**	**% change vs.Q3 12**	**Q3 2013**	**% change vs.Q3 12**	**Q3 2013**	**% change vs.Q3 12**
Central Western Europe	571.5	*(3.5)*	72.4	*(2.6)*	65.0	*(14.0)*	(14.8)	*n.s.*
North America	128.6	*1.4*	26.0	*23.1*	26.0	*23.1*	9.8	*>100.0*
Emerging Europe, North Africa and Middle East	203.9	*(9.8)*	53.1	*(15.3)*	53.1	*(15.6)*	28.2	*(14.8)*
Asia	133.7	*(0.8)*	23.4	*1.0*	23.3	*1.7*	11.1	*1.0*
Cement and clinker trading	43.5	*(8.6)*	2.0	*12.2*	2.1	*23.7*	1.2	*25.5*
Others	70.7	*(12.9)*	(2.4)	*71.5*	(2.5)	*71.9*	(4.2)	*61.3*
Inter-area eliminations	(91.1)	*n.s.*	-	-	(0.6)	*n.s.*	(0.6)	*n.s.*
Total	**1,060.9**	***(3.2)***	**174.5**	**-**	**166.5**	***(5.1)***	**30.7**	***(50.3)***

n.s. not significant

At constant exchange rates, the strongest progress was reported in Thailand, Morocco and North America, while the largest reductions in absolute value were in Central Western Europe (Italy and, to a lesser extent, Spain) and India.

Nine months to September 30

(in millions of euro)	Revenue		Recurring gross operating profit (loss)		Gross operating profit (loss)		Operating profit (loss)	
Geographical area	**Sept. 30 2013**	**% change vs. 09.30.12**	**Sept. 30 2013**	**% change vs. 09.30.12**	**Sept. 30 2013**	**% change vs. 09.30.12**	**Sept. 30 2013**	**% change vs. 09.30.12**
Central Western Europe	1,695.7	*(8.1)*	190.1	*(6.6)*	173.5	*(20.9)*	(8.1)	*n.s.*
North America	330.3	*(0.3)*	33.3	*11.3*	34.2	*13.7*	(15.0)	*27.0*
Emerging Europe, North Africa and Middle East	708.8	*(6.6)*	198.4	*(10.3)*	202.6	*(8.7)*	127.5	*(5.3)*
Asia	411.6	*4.6*	63.0	*(2.8)*	63.5	*(1.6)*	25.7	*(11.3)*
Cement and clinker trading	139.3	*(12.5)*	5.7	*(14.7)*	5.7	*(12.7)*	2.6	*(43.0)*
Others	231.5	*(10.2)*	(17.5)	*(3.1)*	(18.8)	*(11.8)*	(24.0)	*(7.5)*
Inter-area eliminations	(299.7)	*n.s.*	-	*n.s.*	(0.7)	*n.s.*	(0.6)	*n.s.*
Total	**3,217.5**	***(5.2)***	**473.1**	***(7.0)***	**460.1**	***(12.3)***	**108.1**	***(35.6)***

n.s. not significant

With regard to the group countries, the recovery in the USA seems to be consolidating and some initial signs of an easing of the recessionary grip was seen in the euro zone. In the group's emerging countries, performance differed significantly from one country to another: the situation in Egypt continues to be difficult to interpret, but there was a modest recovery in Morocco; in the group's main Asian countries, local operations remained positive but growth was slower than in previous periods.

At constant exchange rates, progress was reported in Thailand, Egypt (thanks to sales prices), Kazakhstan and North America, while the most significant decreases in absolute value were in Central Western Europe (largely in Italy), Trading and India.

E-business

Despite continuing national and international economic difficulties, in the first nine months of 2013 the BravoSolution group reported higher revenue and gross operating profit. Consolidated revenue for the period totaled 44.0 million euro (+1.2%); gross operating profit was 3.5 million euro (3.2 million euro in the year-earlier period), while an operating loss of 0.4 million euro was posted, as in the year-earlier period.

In August, the BravoSolution APAC Pty. Ltd. company was established in Sydney (Australia), owned 100% by BravoSolution S.p.A.; operations will begin in the next few months.

Disputes and pending proceedings

No new disputes emerged in the third quarter of 2013 that might have a material impact on the group.

An update is provided below on the main developments in current disputes, illustrated in the half-year financial report at June 30, 2013.

Belgium

With regard to the investigation begun in 2009 into some cement producers, including Compagnie des Ciments Belges (CCB), of the national industry association and the national technical certification body, at the end of August the local Antitrust Authority reached its decision and imposed fines on the parties involved. A fine of approximately 1.8 million euro has been imposed on CCB, which has already filed an appeal.

Italy

Regarding the "Ready mixed concrete market in the Province of Milan" proceeding begun in 2003 by the Competition and Market Authority, closure of the procedure for the re-determination of the fine on Calcestruzzi after the *Consiglio di Stato,* the appellate body for rulings issued by the regional administrative courts, upheld in part the appeal filed by Calcestruzzi, confirming the lesser gravity of the alleged infraction, has been adjourned until December 31, 2013.

Kazakhstan

The investigation begun by the local Antitrust Authority into Shymkent Cement to ascertain possible unfair trading practices with regard to sales prices has been completed. A fine for a symbolic amount has been imposed on Shymkent Cement, which, nevertheless, will appeal against the ruling.

Significant events after the reporting period

No events took place after September 30, 2013, that require amendments to or additional comments on this report on operations.

Outlook

The favorable conditions in both demand and sales prices in some countries, as well as the visible effects of the efficiency plans introduced throughout the group enable an improvement to be forecast in recurring gross operating profit in the fourth quarter.

Full-year recurring gross operating profit – net of the exchange-rate and CO_2 effects – will be in line with the 2012 result, although it will be affected by the negative impact on sales volumes in the first quarter of the year.

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. The segment's performance in the third quarter and the first nine months is illustrated below.

Q3

(in millions of euro)	Q3 2013	Q3 2012	% change
Revenue	**62.6**	**62.4**	***0.3***
Recurring gross operating profit	**4.2**	**3.9**	***7.4***
% of revenue	*6.7*	*6.3*	
Other expense	(1.1)	-	*n.s.*
Gross operating profit	**3.1**	**3.9**	***(21.2)***
% of revenue	*4.9*	*6.3*	
Amortization and depreciation	(2.5)	(2.7)	*(6.6)*
Impairment losses on non-current assets	(0.1)	-	*n.s.*
Operating profit	**0.5**	**1.2**	***(60.8)***
% of revenue	*0.8*	*2.0*	
Net finance costs	(1.7)	(1.1)	*43.1*
Profit (loss) before tax	**(1.2)**	**0.1**	***n.s.***
% of revenue	*(1.9)*	*0.1*	
Income tax expense	(0.5)	(0.8)	*(25.2)*
Loss for the period	**(1.7)**	**(0.7)**	***n.s.***
% of revenue	*(2.7)*	*(1.1)*	
Loss attributable to owners of the parent	**(1.7)**	**(0.7)**	***n.s.***
Non-controlling interests	n.s.	n.s.	

n.s. not significant

Because of continuing economic complexity and uncertainty, in the third quarter weak demand again affected performance, as did the continual rise in prices of polystyrene materials, which hit all-year highs in September. Nevertheless, close monitoring of key markets, efficiency improvements and the structural re-organization kept revenue and recurring gross operating profit in line with 2012 levels.

Revenue in the third quarter (62.6 million euro) was substantially steady with 2012.

Recurring gross operating profit amounted to 4.2 million euro and was up on the year-earlier period (3.9 million euro), despite the increase in variable production costs.

Operating profit was 0.5 million euro (1.2 million euro in 2012), reflecting the impact of lay-off and re-organization expense for 1.1 million euro (not present in 2012).

Finance costs (1.7 million euro) increased from 2012 (1.1 million euro), largely as a result of the negative exchange-rate effect (-0.2 million euro in 2013 compared with a gain of 0.2 million euro in the year-earlier period).

The group posted a consolidated **loss for the period** of 1.7 million euro (-0.7 million euro).

Nine months to September 30

(in millions of euro)	Nine months to 09.30.13	Nine months to 09.30.12	% change
Revenue	**178.0**	**178.4**	***(0.2)***
Recurring gross operating profit	**10.8**	**10.7**	***0.4***
% of revenue	*6.0*	*6.0*	
Other expense	(1.7)	(0.3)	*n.s.*
Gross operating profit	**9.1**	**10.4**	***(12.0)***
% of revenue	*5.1*	*5.8*	
Amortization and depreciation	(7.8)	(7.9)	*(0.4)*
assets	(0.3)	0.1	*n.s.*
Operating profit	**1.0**	**2.6**	***(63.2)***
% of revenue	*0.5*	*1.5*	
Net finance costs	(4.8)	(3.6)	*30.2*
Loss before tax	**(3.8)**	**(1.0)**	***n.s.***
% of revenue	*(2.1)*	*(0.6)*	
Income tax expense	(0.7)	(1.5)	*(49.2)*
Loss for the period	**(4.5)**	**(2.5)**	***79.3***
% of revenue	*(2.6)*	*(1.4)*	
Loss attributable to owners of the parent	**(4.5)**	**(2.5)**	***78.3***
Loss attributable to non-controlling interests	n.s.	n.s.	
Employees at end of period (heads) (*)	**1,273**	**1,336**	***(4.7)***

(in millions of euro)	September 30 2013	June 30 2013	Dec. 31, 2012 re-stated (*)
Total equity	1.6	3.2	1.6
Equity attributable to owners of the parent	1.2	2.8	1.2
Net financial debt	130.2	131.9	127.2

n.s. not significant
(*) including CIGS state-subsidized lay-off: 32 people in 2013 (26 due to closure of Corciano - Perugia); 40 in 2012 (all relating to the closure of the Corciano factory)

Revenue for the period (178.0 million euro) was substantially in line with the 2012 figure (178.4 million euro).

Recurring gross operating profit was 10.8 million euro, in line with the year-earlier period. The significant increase in the cost of raw materials in the period was counterbalanced by an improved sales mix in packaging and by efficiency measures.

Operating profit amounted to 1.0 million euro, a significant reduction from 2012 (2.6 million euro) as a result of expense items (mainly restructuring expense) totaling 1.7 million euro (0.3 million euro in 2012) and impairment losses on non-current assets of 0.3 million euro (+0.1 million euro in 2012).

Finance costs for the period (4.8 million euro) were significantly higher than those of the year-earlier period (3.6 million euro) as a result of the impact of a negative exchange-rate effect (a positive effect in 2012) and discounting of non-current provisions for risks set aside at the end of 2012.

The group posted a consolidated **loss for the period** of 4.5 million euro (a loss of 2.5 million euro in 2012), with income tax expense of 0.7 million euro (1.5 million euro in 2012).

Net financial debt amounted to 130.2 million euro and was up from December 31, 2012 (127.2 million euro).

Equity attributable to owners of the parent (1.2 million euro) was in line with the December figure; in addition to the loss for the period of 4.5 million euro, it included an amount of 5 million euro paid by the parent Italmobiliare S.p.A. to replenish losses at Sirap Gema S.p.A., which at the end of 2012 was in the situation envisaged by art. 2446 of the Italian Civil Code. Application of the new IAS 19 (Employee benefits) generated a reduction of 1 million euro in opening equity.

Significant events in the period

Given a situation of continuing economic and financial difficulty, on July 22, after informing the trades unions, the parent Sirap-Gema S.p.A. presented an application to the Ministry of Labor & Social Policies requesting a meeting with the participation of the unions for the start-up of an additional CIGS state-subsidized lay-off procedure in response to a company crisis, applicable to the head office and factories.

On August 2, 2013, with the participation of the unions, an agreement was signed at the Ministry of Labor & Social Policies for an application to be presented requesting a CIGS procedure in response to a company crisis, for 12 months beginning on September 1, 2013, involving a maximum of 74 workers.

By September 30, 2013, 6 employees from head office and the factories had been placed on CIGS benefits.

Performance by operating segment and geographical area

Q3

(in millions of euro)	Revenue		Recurring gross operating profit		Gross operating profit		Operating profit (loss)	
	Q3 2013	% change vs.Q3 12	Q3 2013	% change vs.Q3 12	Q3 2013	% change vs.Q3 12	Q3 2013	% change vs.Q3 12
Food packaging								
Italy	22.2	*3.0*	1.6	*n.s.*	0.5	*(32.8)*	(1.0)	*32.1*
France	6.3	*(2.7)*	0.9	*(1.5)*	0.9	*(1.5)*	0.6	*(1.1)*
Other EU countries	15.8	*(1.6)*	0.5	*37.6*	0.5	*37.6*	0.1	*n.s.*
Other non-EU countries	6.6	*6.2*	0.3	*(29.0)*	0.3	*(29.0)*	0.3	*(32.4)*
Eliminations	(3.7)		-		-		-	
Total	**47.2**	***0.9***	**3.3**	***39.5***	**2.2**	***(8.2)***	**(0.0)**	***n.s.***
Thermal insulation Italy	**15.4**	***(1.9)***	**0.9**	***(41.2)***	**0.9**	***(41.3)***	**0.5**	***(56.5)***
Eliminations								
Total	**62.6**	***0.3***	**4.2**	***7.4***	**3.1**	***(21.2)***	**0.5**	***(60.8)***

n.s. not significant

Nine months to September 30

(in millions of euro)	Revenue		Recurring gross operating profit		Gross operating profit		Operating profit (loss)	
	Sept. 30 2013	% change vs. 09.30.12	Sept. 30 2013	% change vs. 09.30.12	Sept. 30 2013	% change vs. 09.30.12	Sept. 30 2013	% change vs. 09.30.12
Food packaging								
Italy	66.3	*2.7*	4.2	*61.1*	3.1	*35.8*	(1.4)	*(34.7)*
France	18.5	*0.1*	2.4	*11.4*	2.4	*11.4*	1.7	*17.9*
Other EU countries	46.0	*2.0*	1.7	*(15.9)*	1.7	*(15.9)*	0.2	*(81.4)*
Other non-EU countries	16.5	*(4.8)*	0.6	*(32.9)*	0.5	*(32.9)*	0.4	*(40.4)*
Eliminations	(11.4)							
Total	**135.9**	***0.5***	**8.9**	***16.8***	**7.7**	***6.8***	**0.9**	***4.8***
Thermal insulation Italy	**42.4**	***(2.9)***	**1.9**	***(39.3)***	**1.4**	***(55.6)***	**0.1**	***(94.9)***
Eliminations	(0.3)							
Total	**178.0**	***(0.2)***	**10.8**	***0.4***	**9.1**	***(12.0)***	**1.0**	***(63.2)***

Food packaging

The economic crisis and climate of great uncertainly continued to have a negative impact on household propensity to consume, although trends varied according to the difficulties in the various countries.

Despite the consumer crisis, in Italy the sales trend was positive compared with 2012 (+2.7% in the nine months and +3% in the third quarter), thanks to commercial action to win new customers and the improvement of the sales mix, with particularly good performance in foamed containers. Recurring gross operating profit made a strong recovery (+61.1%), supported in particular by the improvement in margins on rigid containers (re-organization, improved production efficiency, customer selection on the basis of profit margins); although the upturn is still insufficient, values gradually improved.

By contrast, operating profit declined, due to other non-recurring expense (lay-offs and restructuring provisions), particularly in the third quarter.

On the French market, third-quarter sales were down with respect to 2012 (-2.7%), in part due to weather adverse to demand for the summer range. The good performance of the first half enabled the group to maintain 2012 revenue levels in the nine months and, above all, to report a significant improvement in margins, despite the increase in the cost of raw materials, thanks to a shift in the mix to higher performance trays (higher added value) and significant improvements in efficiency. Operating profit in the nine months made healthy progress (+17.9%).

In Poland, revenue in the nine months (18.6 million euro) was up 13.8% from the year-earlier period (16.3 million euro) as a result of the acquisition of new customers and markets. Margins, however, remained at the levels of 2012 due to a particularly weak start to the year, the increase in raw material costs and a less favorable mix.

In the other Central East European countries in which the Petruzalek group operates, the nine months were affected by weak demand, especially for products with larger margins, and this was reflected in the period's operating margins. Revenue fell by 3.4% (-1.8% at constant exchange rates); operating profit was sharply down (0.2 million euro compared with 1 million euro in 2012), mainly as a result of the impoverishment of the mix and impairment losses (0.3 million euro). In August, the Petruzalek group began implementing a re-organization plan, with a review of the entire organizational structure and more effective definition of commercial strategies in the various countries/markets, for the precise purpose of regaining market share and margins.

Thermal insulation

In a period of great difficulty on the domestic market in particular, demand for extra-thick insulation panels (required under energy-saving laws) and the growing success of exports (specifically to Switzerland, Austria and Germany) allowed the group to contain the decrease reported in sales volumes, especially in the first quarter.

A limited reduction was reported in revenue with respect to 2012, in both the third quarter (-1.9%) and the nine months (-2.9%).

Margins, however, were heavily squeezed by the rise in raw material prices, which had an even stronger impact in the third quarter than in the first half. Operating profit in the third quarter was 0.9 million euro, a decrease of 41.2% from the year-earlier period. The reduction in operating profit was larger in the nine months, since it included expense of 0.5 million euro for provisions made in the first half against possible unfavorable developments in an arbitration procedure.

The difficult financial situation of many construction companies requires the group to monitor customer solvency carefully and, in some cases, to forego higher volumes.

Disputes and pending proceedings

With reference to the proceeding started in 2008 by the European Commission regarding alleged violations of EU competition laws on the market for plastic wrapping for food, illustrated in detail in the half-year report, no further steps have been taken by the Commission nor have additional requests or notifications been made to Sirap Gema S.p.A. or its subsidiaries involved in the proceeding.

Environmental initiatives

With reference to the program for the removal of asbestos in the roofs of some factories of the Sirap Gema S.p.A. and Sirap Insulation S.r.l. companies, illustrated in the half-year report, while inspections ascertained that the workplaces are salubrious, the measures planned for 2013 in compliance with current laws have been completed or are underway.

Significant events after the reporting period

On October 10, the sole shareholder Italmobiliare S.p.A. paid a capital contribution of 5 million euro to Sirap Gema S.p.A.; the amount is in addition to a payment for a similar amount made in March after it was ascertained in the financial statements for the year to December 31, 2012 that Sirap Gema S.p.A. was in the situation envisaged by art. 2446 of the Italian Civil Code.

In early November, Sirap Gema signed an exclusive agreement with France's Guillin group, a leading European player in heat-formed food packaging, to negotiate the possible sale of its transparent rigid packaging business in Italy.

Outlook

In general, the economic situation on the Sirap group core markets remains weak, especially on the domestic market.

Given continuing difficulties, in food packaging the Sirap group will continue to take action to consolidate its revenue and margins: on the commercial front through a focus on winning new customers and markets, broadening the range and shifting the mix to products with higher added value; on the production front through on-going measures to cut costs and improve efficiency. In thermal insulation, projections for 2013 suggest that the result for the full year will be below that of the previous year.

Financial segment

The financial segment consists of the parent Italmobiliare and the wholly owned subsidiary Société de Participation Financière Italmobiliare S.A. (Luxembourg).

Q3

(in millions of euro)	Q3 2013	Q3 2012	% change
Revenue	7.8	9.3	*(15.9)*
Recurring gross operating profit (loss)	(18.0)	3.1	*n.s.*
Gross operating profit (loss)	(18.1)	3.1	*n.s.*
Operating profit (loss)	(18.2)	3.0	*n.s.*
Profit (loss) for the period	**(1.0)**	**1.0**	*n.s.*

n.s. not significant

Results in accordance with the financial model

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

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

Q3

(in millions of euro)	Q3 2013	Q3 2012	% change
Net gains (losses) on equity investments	2.8	(0.6)	*n.s.*
Net gains on investments of cash and cash equivalents	2.8	6.4	*(57.1)*
Net borrowing costs	(1.4)	(0.8)	*86.3*
Total finance income	**4.2**	**5.0**	*(17.0)*
Other expense	(4.1)	(3.9)	*3.9*
Income tax expense	(1.1)	(0.1)	*n.s.*
Profit (loss) for the period	**(1.0)**	**1.0**	***n.s.***

n.s. not significant

ITALMOBILIARE

In the summer months, conditions on the international and euro zone financial markets were relaxed overall, although volatility was high. Specifically, uncertainty over the continuation of monetary easing in the USA triggered a rise in long-term interest rates at global level.

In this context, **net gains on equity investments** improved in the third quarter to 2.8 million euro (losses of 0.6 million euro in the third quarter of 2012), largely thanks to the gain on the sale of Unicredit shares and dividends received, while **net gains on investments of cash and cash equivalents** were down 57.1% (to 2.8 million euro from 6.4 million euro), essentially as a result of a decrease in gains and measurement gains on trading instruments in the period under review compared with the year-earlier period, when financial markets were particularly positive.

After **other expense** of 4.1 million euro (3.9 million euro in the third quarter of 2012), and **income tax expense** of 1.1 million euro, the segment posted a **loss** for the third quarter of 1.0 million euro compared with a profit of 1.0 million euro in the third quarter of 2012.

Nine months to September 30

(in millions of euro)	Nine months to 09.30.2013	Nine months to 09.30.2012	% change
Revenue	33.3	46.9	*(29.1)*
Recurring gross operating profit (loss)	(11.7)	20.9	*n.s.*
Gross operating profit (loss)	(11.9)	20.6	*n.s.*
Operating profit (loss)	(12.1)	20.3	*n.s.*
Loss for the period	**(33.0)**	**(28.9)**	***14.1***
Employees at the end of the period (heads)	56	59	*-5.1*

n.s. not significant

(in millions of euro)	September 30 2013	June 30 2013	Dec. 31, 2012 re-stated(*)
Equity	992.4	956.1	1,002.2
Net financial position	139.3	127.3	115.5

(*) re-stated in compliance with IAS 19

The table below provides a reclassification based on the financial model described in the comments on the third quarter:

(in millions of euro)	Nine months to 09.30.2013	Nine months to 09.30.2012	% change
Net losses on equity investments	(21.8)	(30.1)	*(27.6)*
Net gains on investments of cash and cash equivalents	6.6	18.8	*(64.9)*
Net borrowing costs	(4.1)	(4.7)	*(13.6)*
Total finance costs	**(19.3)**	**(16.0)**	***20.3***
Other expense	(12.2)	(12.5)	*(2.2)*
Income tax expense	(1.5)	(0.4)	*n.s.*
Loss for the period	**(33.0)**	**(28.9)**	***14.1***

n.s. not significant

The negative results of the segment in the first nine months, caused by a reduction in dividends from investees and the losses reported by associates, as well as by high volatility on the financial markets due to uncertainty over US monetary policy and rising fears of an economic slowdown in the emerging countries, had an impact on balances for the nine months to September 30, 2013. Specifically the **net losses on equity investments** of 21.8 million euro (losses of 30.1 million euro at September 30, 2012), arose from:

- dividends of 11.9 million euro (17.3 million euro in the first nine months of 2012),
- losses on the sale of securities and equity investments, with a negative balance of 19.4 million euro (not present in the year to September 30, 2012). In particular, there was a negative effect from the public exchange offer on Mittel treasury shares, to which Italmobiliare adhered by tendering shares in exchange for Mittel bonds and posting a loss of 18.9 million euro,
- gains of 4.9 million euro from the sale of equity investments, including 4.6 million euro from the sale of Unicredit shares (1.2 million euro at September 30, 2012),

- losses of 19.2 million euro at the equity-accounted investees (26.5 million euro at September 30, 2012), essentially the loss of the associate RCS MediaGroup for 17.7 million euro, corresponding to the share of the loss reported by the publishing group attributable to Italmobiliare S.p.A..

While **net gains on investments of cash and cash equivalents** were in line with market levels in the period in terms of percentage yields, the absolute value was significantly lower. Specifically, they amounted to 6.6 million euro in the first nine months, compared with 18.8 million euro in the nine months to September 30, 2012, which benefited from particularly strong performance in bonds. This sharp reduction arose largely from measurement of trading instruments, which reflected a gain of 0.9 million euro (a gain of 8.6 million euro in the first nine months of 2012), and from gains on the sale of trading instruments for 57,000 euro (gains of 5.7 million euro in the year-earlier period).

Net borrowing costs of 4.1 million euro were down from the first nine months of 2012 (4.7 million euro).

Other expense, net of other income, was slightly down on the figure at September 30, 2012.

After a tax charge of 1.5 million euro (-0.4 million euro at September 30, 2012) **the loss for the period** was 33.0 million euro (a loss of 28.9 million euro in the first nine months of 2012).

The companies in the financial segment hold substantial equity investments, the majority classified as “Available for sale”. The fair value changes on these investments, excluding consolidated investments carried at cost less impairment losses in the separate financial statements, are recognized in equity under the “Fair value reserve”, or in the income statement if the correlated financial assets have been impaired, in line with the accounting standards adopted by the Italmobiliare Group. At September 30, 2013 although the fair value reserve of the financial segment reflected a negative balance of 42.1 million euro, the result was an improvement compared with December 31, 2012 (-65.7 million euro), thanks to the positive trend in share prices at the end of the period for banking stocks, an area where the Group financial segment has particularly high exposure.

ITALMOBILIARE

Significant events in the period

During the nine months Italmobiliare S.p.A. sold 3,750,000 Unicredit ordinary shares, for a gain of 4.6 million euro. At September 30, it held 0.207% of Unicredit ordinary share capital.

In March, in order to guarantee an adequate financial structure for Sirap Gema S.p.A., Italmobiliare S.p.A. made a capital contribution of 5 million euro to the subsidiary, which, as a result of the heavy losses reported in 2012, was in the situation envisaged by art. 2446 of the Italian Civil Code.

After the RCS MediaGroup share capital increase, with effect on July 5, 2013 Italmobiliare exercised 2,699,056 rights, on a total of 8,153,495 rights, through the subscription of 8,097,168 RCS MediaGroup ordinary shares for an outlay of 10 million euro. The shares were all syndicated to the shareholders' agreement. The unexercised rights were offered on a pre-emptive basis to the shareholders in the RCS MediaGroup shareholders' agreement; those that were not taken over were sold on the stock market. After the operation, Italmobiliare holds 3.824% of RCS MediaGroup ordinary share capital.

During the first nine months, as part of its program to optimize its sources of funds, Italmobiliare arranged a number of loans backed by shares from its portfolio. In this connection, at September 30 it had provided 2,660,000 Italcementi ordinary shares, 355,500 Ciments Français shares and 1,400,000 UBI shares as loan guarantees.

With reference to the Mittel S.p.A. public exchange offer on ordinary treasury shares in July, Italmobiliare S.p.A. tendered all Mittel shares in its portfolio in exchange for an equal number of Mittel bonds, held in the trading portfolio for an overall amount equal to their nominal amount of 15.4 million euro. During the period, bonds for a nominal amount of 13.9 million euro were sold, for proceeds of 14.1 million euro.

On September 30, 2013 in compliance with the conditions of the Mediobanca shareholders' agreement, Italmobiliare notified its intention to withdraw from the shareholders' agreement with effect from December 31, 2013 with respect to shares representing 1.053% of share capital; it continues to hold shares syndicated to the shareholders' agreement (1.568% of share capital).

Net financial position of Italmobiliare and the financial segment

The table below provides a breakdown of the net financial positions of the parent Italmobiliare S.p.A. and the financial segment, which, in addition to the parent Italmobiliare S.p.A., includes the other wholly owned financial companies.

(in millions of euro)	September 30, 2013		June 30, 2013		December 31, 2012	
	Ital-mobiliare	Financial segment[1]	Ital-mobiliare	Financial segment[1]	Ital-mobiliare	Financial segment[1]
Current financial assets	9.1	376.1	10.0	372.9	17.6	314.7
Current financial liabilities	(208.1)	(209.2)	(217.7)	(219.2)	(150.3)	(85.2)
Current net financial position (debt)	**(199.0)**	**166.9**	**(207.7)**	**153.7**	**(132.7)**	**229.5**
Non-current financial assets	5.2	28.8	5.1	29.3	4.7	34.7
Non-current financial liabilities	(55.7)	(56.4)	(55.7)	(55.7)	(148.6)	(148.7)
Net financial debt	**(50.5)**	**(27.6)**	**(50.6)**	**(26.4)**	**(143.9)**	**(114.0)**
Net financial position (debt)	**(249.5)**	**139.3**	**(258.3)**	**127.3**	**(276.6)**	**115.5**

[1] Comprising Italmobiliare S.p.A. and Société de Participation Financière Italmobiliare S.A.

At September 30, 2013, Italmobiliare S.p.A. had net financial debt of 249.5 million euro (276.6 million euro at December 31, 2012), an improvement of 8.8 million euro from June 30, 2013, largely as a result of the sale of securities and equity investments.

The consolidated net financial position of the financial segment, which includes the parent Italmobiliare, was positive, at 139.3 million euro (115.5 million euro at December 31, 2012), an improvement of 12.0 million euro from June 30, 2013.

Significant events after the reporting period

On October 10, 2013 Italmobiliare made an additional capital contribution of 5 million euro to the subsidiary Sirap Gema S.p.A..

On October 30, 2013, after the consultations held previously with the other members of the shareholders' agreement, the RCS MediaGroup S.p.A. shareholders' agreement was dissolved ahead of the original expiry date.

Outlook

The global macroeconomic situation continues to show slower than expected economic growth. Specifically, the pace of growth in the euro zone remains anemic, with wide divergences from one country to another, notably between Germany and the main Mediterranean countries, including Italy, which are struggling with economic stagnation and a continuing credit squeeze.

The bond markets are influenced by the economic policy focus on compressing nominal yields to the benefit of share prices and by a general reduction in spreads.

In this context, the results of the financial segment, which has particularly high exposure to the most critical area of the international economic system, the euro zone, and, notably, Italy, are conditioned by a contained dividend flow and volatility on the financial markets. Consequently it is difficult to formulate projections on the performance of the financial segment, with regard either to investments of cash or to the main equity investments.

Banking segment

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

Q3

(in millions of euro)	Q3 2013	Q3 2012 re-stated(*)	% change	Q3 2012
Revenue	5.0	8.9	*(43.8)*	8.9
Recurring gross operating profit (loss)	(1.1)	0.9	*n.s.*	1.0
Gross operating profit (loss)	(1.1)	0.9	*n.s.*	1.0
Operating profit (loss)	(1.5)	0.2	*n.s.*	0.2
Profit (loss) for the period	**(1.5)**	**0.1**	***n.s.***	**0.2**

n.s. not significant
(*) re-stated in compliance with IAS 19

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, as follows:

- “Net interest income”, which reflects the balance on interest income and dividends received, net of interest expense and dividends paid;
- “Total income”, which includes commission income and expense on lending transactions, on securities trading, other financial services and income on trading transactions;
- “Gross operating profit (loss)”, which also includes personnel expense and overheads for the banking organization;
- “Profit (loss) from operations”, which includes amortization and depreciation, impairment losses and provisions.

Q3

(in millions of euro)	Q3 2013	Q3 2012 re-stated(*)	% change	Q3 2012
Net interest income	0.8	1.3	*(37.9)*	1.3
Total income	4.6	8.0	*(42.8)*	8.0
Gross operating profit (loss)	(1.1)	1.0	*n.s.*	1.0
Profit (loss) from operations	(1.5)	0.1	*n.s.*	0.2
Profit (loss) for the period	**(1.5)**	**0.1**	***n.s.***	**0.2**

n.s. not significant
(*) re-stated in compliance with IAS 19

Despite the significant reduction in operating expense (-20.0%) which continued in the third quarter, the decrease in commission income and net trading revenue generated a gross operating loss of 1.1 million euro in the third quarter (profit of 1.0 million euro in the year-earlier period).

After provisions and income tax of 0.4 million euro (0.8 million euro in the third quarter of 2012) the segment posted a loss for the period of 1.5 million euro, compared with profit of 134,000 euro in the third quarter of 2012.

Nine months to September 30

(in millions of euro)	Nine months to 09.30.2013	Nine months to 09.30.2012 re-stated(*)	% change	Nine months to 09.30.2012
Revenue	17.2	25.9	*(33.5)*	25.9
Recurring gross operating loss	(2.6)	(2.7)	*(4.2)*	(2.6)
Gross operating loss	(2.5)	(2.6)	*(2.3)*	(2.5)
Operating loss	(4.1)	(4.9)	*(15.1)*	(4.8)
Loss for the period	**(4.2)**	**(4.9)**	***(15.3)***	**(4.9)**
Employees at end of period (heads)	**83**	**98**	***(15.3)***	**98**

(in millions of euro)	September 30 2013	June 30 2013	Dec. 31, 2012 re-stated (*)
Total equity	72.2	71.2	75.6
Equity attributable to owners of the parent	72.2	71.2	75.2
Net financial position	72.7	73.3	77.5

(*) re-stated in compliance with IAS 19

The table below provides a reclassification based on the banking model described in the comments on the third quarter:

(in millions of euro)	Nine months to 09.30.2013	Nine months to 09.30.2012 re-stated(*)	% change	Nine months to 09.30.2012
Net interest income	2.6	4.3	*(40.1)*	4.3
Total income	15.6	23.5	*(33.5)*	23.5
Gross operating profit (loss)	(2.0)	0.9	*n.s.*	1.0
Loss from operations	(4.1)	(4.9)	*(15.7)*	(4.9)
Loss for the period	**(4.2)**	**(4.9)**	***(15.3)***	**(4.9)**

n.s. not significant
(*) re-stated in compliance with IAS 19

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

Finter Bank Zürich

The negative performance of the first half continued in the third quarter. Total income was sharply down on the third quarter of 2012 (-43.1%), reflecting the reduction in commission income (3.8 million Swiss francs against 4.5 million Swiss francs) and the contraction in net trading revenue from 2.5 million Swiss francs in the third quarter of 2012 to 0.7 million Swiss francs. Despite a significant decrease in service expense (-18.2%) and personnel expense (-19.3%), the bank posted an operating loss of 1.4 million Swiss francs (operating profit of 1.0 million Swiss francs in the third quarter of 2012). After amortization and depreciation and income tax expense totaling 0.5 million Swiss francs (0.9 million Swiss francs in the third quarter of 2012), the bank posted a loss for the period of 1.9 million Swiss francs (profit of 61,000 Swiss francs in the year-earlier period).

Performance in the third quarter was reflected in the figures for the year to September 30, 2013. After a reduction of 2.0 million Swiss francs in net interest income from the first nine months of 2012, total income was 18.1 million Swiss francs, down by 33.3% from 2012. The main factors were:

- a decrease in commission income from 17.0 million Swiss francs to 13.0 million Swiss francs in the first nine months of 2013 as a result of fewer client transactions and a decrease in third-party assets under management,
- a reduction in net trading revenue of 2.1 million Swiss francs from September 30, 2012.

The reduction in operating expense over the entire nine months (service expense -21.5%, personnel expense -20.6%) enabled the bank, after amortization, depreciation and provisions totaling 2.6 million Swiss francs (7.0 million Swiss francs at September 30, 2012), to contain the loss for the period to 5.3 million Swiss francs (a loss of 6.2 million Swiss francs in the first nine months of 2012).

Consolidated equity decreased from 84.2 million Swiss francs at December 31, 2012 to 81.3 million Swiss francs at September 30, 2013.

Third-party assets under management at September 30, 2013, totaled 2.3 billion Swiss francs (excluding assets invested in own funds), a decrease from 2012 caused largely by the outflow of client assets.

Crédit Mobilier de Monaco

Crédit Mobilier de Monaco is a bank in Monaco whose main activity is guarantee-backed loans.

In the first nine months of 2013, net interest income was 802 thousand euro, in line with the 2013 figure (823 thousand euro), while operating profit was down 23.5% largely due to the reduction in operating income. After impairment on non-current assets, extraordinary income and income tax, the bank posted a profit for the period of 128 thousand euro (179 thousand euro at September 30, 2012).

The third quarter of 2013 also posted a profit, of 57 thousand euro, down from the year-earlier period (85 thousand euro).

Significant events in the period

No significant events took place.

Significant events after the reporting period

No significant events took place.

Outlook

The 2013 full-year outlook for the banking segment remains negative due to the monetary crisis, which, despite an easing in the last few months, has had a heavy impact on the performance of the Group banks. Specifically, Switzerland’s small banks are affected by the international financial crisis, fierce competition and a set of increasingly stringent new regulations.

In this context the segment will maintain a constant focus on improving the quality of products and services offered to clients and on containing costs.

Property, services and other segment

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

Segment revenue in the nine months to September 30, 2013 amounted to 1.6 million euro, an improvement of 31.2% from the year-earlier period (1.2 million euro).

After income tax of 0.1 million euro, the segment posted a profit for the period of 297 thousand euro (291 thousand euro).

Transactions with related parties

For the purposes of the Group consolidation, transactions with related parties in the period January 1 – September 30, 2013 were with:

- subsidiaries not consolidated on a line-by-line basis;
- joint ventures and their subsidiaries;
- associates and their subsidiaries;
- other related parties.

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

In the context of the Italmobiliare S.p.A. consolidated financial statements, transactions with related parties were for immaterial amounts.

No atypical or unusual transactions took place in the period.

Transactions with subsidiaries, joint ventures, associates and the subsidiaries of such companies

Transactions with subsidiaries, joint ventures, associates and non-consolidated subsidiaries of such companies are of a commercial nature (exchange of goods and/or services) or a financial nature.

Transactions with other related parties

Transactions with other related parties in the third quarter were as follows:

- administrative, financial, contractual and tax consultancy services, as well as support for the organization of corporate restructuring operations, supplied to the Italmobiliare Group by Finsise S.p.A., whose majority shareholder is Italo Lucchini, Deputy Chairman of Italmobiliare, for considerations totaling approximately 270.5 thousand euro;

- legal consultancy, judicial and extrajudicial assistance provided to the Italmobiliare Group by the law firm Gattai – Minoli & Partners, of which Italmobiliare director Luca Minoli is a partner, for considerations of approximately 50.0 thousand euro.

At September 30, 2013 the Italmobiliare Group made an endowment to the Italcementi Cav. Lav. Carlo Pesenti foundation of 800 thousand euro. Italcementi S.p.A. charged the foundation an amount of 123 thousand euro for administrative and corporate services and other services.

Disputes and pending proceedings

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

Details of the main disputes are provided in the sections on the individual segments.

Outlook

The euro zone economy continues to grow more slowly than expected, while the signs of an improvement on the financial markets in the fourth quarter appear to herald growth in the real economy. On the other hand, a number of factors of uncertainty could undermine these initial indications of an upturn, such as increases in energy prices, continuing weakness in world demand and the slow introduction of structural reforms in the euro zone countries

In this context, in the last quarter of the year the Group industrial segments should benefit from an improvement in demand and a positive sales price dynamic in some countries; the uncertain mood on the monetary and financial markets could affect results in the financial and banking segments.

These elements, and the impairment losses already applied during the year, will be reflected in the Group's full-year results for 2013, which, nonetheless, will benefit from the commitment of all subsidiaries to continue action to improve profit margins, in part through measures to raise efficiency.

Compliance with simplified rules pursuant to arts. 70 and 71 of the Issuers Regulation

Italmobiliare S.p.A. has adopted the opt-out regime envisaged by the Consob Issuers Regulation, exercising the right to derogate from the obligations to publish disclosure documents required in connection with significant merger transactions, spin-offs, acquisitions and disposals, capital increases by contributions in kind.

In compliance with this regime, the company provided appropriate disclosures to the market.

Milan, November 14, 2013

for the Board of Directors
The Chairman
Giampiero Pesenti

Financial statements

ITALMOBILIARE

Income statement

(in thousands of euro)	Q3 2013	%	Q3 2012 re-stated	%	Change	%	Q3 2012 published	%
Revenue	**1,130,825**	**100.0%**	**1,170,787**	**100.0%**	**(39,962)**	**-3.4%**	**1,170,787**	**100.0%**
Other revenue	11,754		12,484		(730)		12,484	
Change in inventories	(3,212)		6,321		(9,533)		6,321	
Internal work capitalized	8,426		4,879		3,547		4,879	
Raw materials and supplies	(444,091)		(479,580)		35,489		(479,580)	
Services	(278,743)		(290,064)		11,321		(290,064)	
Personnel expense	(224,605)		(235,577)		10,972		(238,265)	
Other operating expense	(42,393)		(8,373)		(34,020)		(8,374)	
Recurring gross operating profit	**157,961**	**14.0%**	**180,877**	**15.4%**	**(22,916)**	**-12.7%**	**178,188**	**15.2%**
Net gains from the sale of non-current assets	1,893		2,072		(179)		2,072	
Non-recurring personnel expense for re-organizations	(8,109)		(1,176)		(6,933)		(1,176)	
Other non-recurring income (expense)	(2,957)		50		(3,007)		50	
Gross operating profit	**148,788**	**13.2%**	**181,823**	**15.5%**	**(33,035)**	**-18.2%**	**179,134**	**15.3%**
Amortization and depreciation	(108,058)		(116,916)		8,858		(116,916)	
Impairment losses on non-current assets	(30,804)		(197)		(30,607)		(197)	
Operating profit	**9,926**	**0.9%**	**64,710**	**5.5%**	**(54,784)**	**-84.7%**	**62,021**	**5.3%**
Finance income	5,820		11,841		(6,021)		11,841	
Finance costs	(41,496)		(41,715)		219		(39,216)	
Exchange-rate differences and net gains (losses) on derivatives	(6,518)		(2,131)		(4,387)		(2,131)	
Impairment reversals on financial assets	13,000				13,000			
Share of profit (loss) of equity-accounted investees	3,724		5,747		(2,023)		5,747	
Profit (loss) before tax	**(15,544)**	**-1.4%**	**38,452**	**3.3%**	**(53,996)**	**n.s.**	**38,262**	**3.3%**
Income tax expense	(26,957)		(22,184)		(4,773)		(22,131)	
Profit (loss) relating to continuing operations	**(42,501)**	**-3.8%**	**16,268**	**1.4%**	**(58,769)**	**n.s.**	**16,131**	**1.4%**
Loss relating to discontinued operations			(103)		103		(103)	
Profit (loss) for the period	**(42,501)**	**-3.8%**	**16,165**	**1.4%**	**(58,666)**	**n.s.**	**16,028**	**1.4%**
Attributable to:								
owners of the parent	**(24,925)**	**-2.2%**	**(38)**	**0.0%**	**(24,887)**	**n.s.**	**(66)**	**0.0%**
non-controlling interests	**(17,576)**	**-1.6%**	**16,203**	**1.4%**	**(33,779)**	**n.s.**	**16,094**	**1.4%**

ITALMOBILIARE

Income statement

(in thousands of euro)	Nine months to 09.30.2013	%	Nine months to 09.30.2012 re-stated	%	Change	%	Nine months to 09.30.2012 published	%
Revenue	**3,423,543**	**100.0%**	**3,617,419**	**100.0%**	**(193,876)**	**-5.4%**	**3,617,419**	**100.0%**
Other revenue	36,375		38,784		(2,409)		38,784	
Change in inventories	(13,494)		28,046		(41,540)		28,046	
Internal work capitalized	24,061		18,436		5,625		18,436	
Raw materials and supplies	(1,381,548)		(1,511,181)		129,633		(1,511,181)	
Services	(832,537)		(874,059)		41,522		(874,059)	
Personnel expense	(700,918)		(743,781)		42,863		(751,921)	
Other operating expense	(96,308)		(53,550)		(42,758)		(53,550)	
Recurring gross operating profit	**459,174**	**13.4%**	**520,114**	**14.4%**	**(60,940)**	**-11.7%**	**511,974**	**14.2%**
Net gains from the sale of non-current assets	8,090		27,823		(19,733)		27,823	
Non-recurring personnel expense for re-organizations	(19,231)		(11,491)		(7,740)		(11,491)	
Other non-recurring expense	(3,567)		(590)		(2,977)		(590)	
Gross operating profit	**444,466**	**13.0%**	**535,856**	**14.8%**	**(91,390)**	**-17.1%**	**527,716**	**14.6%**
Amortization and depreciation	(327,494)		(350,919)		23,425		(350,919)	
Impairment losses on non-current assets	(34,474)		(16,290)		(18,184)		(16,290)	
Operating profit	**82,498**	**2.4%**	**168,647**	**4.7%**	**(86,149)**	**-51.1%**	**160,507**	**4.4%**
Finance income	34,645		32,228		2,417		32,228	
Finance costs	(124,498)		(116,370)		(8,128)		(108,880)	
Exchange-rate differences and net gains (losses) on derivatives	(10)		(4,007)		3,997		(4,007)	
Impairment losses on financial assets	(14,859)		(22,181)		7,322		(22,181)	
Share of profit (loss) of equity-accounted investees	(16,748)		(14,954)		(1,794)		(14,954)	
Profit (loss) before tax	**(38,972)**	**-1.1%**	**43,363**	**1.2%**	**(82,335)**	**n.s.**	**42,713**	**1.2%**
Income tax expense	(92,528)		(86,499)		(6,029)		(86,320)	
Loss relating to continuing operations	**(131,500)**	**-3.8%**	**(43,136)**	**-1.2%**	**(88,364)**	**n.s.**	**(43,607)**	**-1.2%**
Profit relating to discontinued operations			8,518		(8,518)		8,316	
Loss for the period	**(131,500)**	**-3.8%**	**(34,618)**	**-1.0%**	**(96,882)**	**n.s.**	**(35,291)**	**-1.0%**
Attributable to:								
owners of the parent	**(103,996)**	**-3.0%**	**(65,657)**	**-1.8%**	**(38,339)**	**58.4%**	**(65,856)**	**-1.8%**
non-controlling interests	**(27,504)**	**-0.8%**	**31,039**	**0.8%**	**(58,543)**	**n.s.**	**30,565**	**0.8%**

Statement of comprehensive income

(in thousands of euro)	Nine months to 09.30.2013	%	Nine months to 09.30.2012 re-stated	%	Change	%	Nine months to 09.30.2012 published	%
Loss for the period	**(131,500)**	**-3.8**	**(34,618)**	**-1.0**	**(96,882)**	**n.s.**	**(35,291)**	**-1.0**
Other comprehensive income (expense) relating to continuing operations								
Items that will not be reclassified to profit or loss subsequently								
Re-measurement of net liability/(asset) for employee benefits	18,583		(21,053)		39,636			
Income tax	(1,031)		8,699		(9,730)			
Total items that will not be reclassified to profit or loss subsequently	**17,552**		**(12,354)**		**29,906**			
Items that might be reclassified to profit or loss subsequently								
Translation reserve on foreign operations	(157,788)		3,338		(161,126)		3,441	
Translation reserve on foreign operations - investments in equity-accounted investees	(5,929)		3,286		(9,215)		3,286	
Fair value gains (losses) on cash flow hedges	15,844		(18,197)		34,041		(18,197)	
Fair value gains (losses) on cash flow hedges - investments in equity-accounted investees	160		(205)		365		(205)	
Fair value gains (losses) on available-for-sale financial assets	17,165		(10,217)		27,382		(10,217)	
Fair value gains (losses) on available-for-sale financial assets - investments in available-for-sale financial assets	(862)		1,192		(2,054)		1,192	
Income tax	3,182		1,542		1,640		1,542	
Total items that might be reclassified to profit or loss subsequently	**(128,228)**		**(19,261)**		**(108,967)**		**(19,158)**	
Total other comprehensive expense relating to continuing operations net of tax effect	**(110,676)**		**(31,615)**		**(79,061)**		**(19,158)**	
Other comprehensive income (expense) relating to discontinued operations								
Total other comprehensive expense	**(110,676)**		**(31,615)**		**(79,061)**		**(19,158)**	
Total comprehensive expense	**(242,176)**	**-7.1**	**(66,233)**	**-1.8**	**(175,943)**	**n.s.**	**(54,449)**	**-1.5**
Attributable to:								
owners of the parent	(101,970)		(75,029)		(26,941)		(70,809)	
non-controlling interests	(140,206)		8,796		(149,002)		16,360	

Condensed statement of change in total net financial position

(in thousands of euro)	09.30.2013	09.30.2012 re-stated
Net financial debt at beginning of period	**(1,930,488)**	**(2,039,619)**
Cash flow from operating activities before change in working capital	287,399	290,878
Change in working capital	(36,794)	(85,026)
Total cash flow from operating activities	**250,605**	**205,852**
Investments in PPE, investment property and intangible assets	(229,124)	(211,382)
Change in liabilities for purchase of PPE, investment property, intangibles	(8,603)	(53,780)
Cash flow net of investments in PPE, investment property and intangibles	**12,878**	**(59,310)**
Investments in equity investments	(14,779)	(15,978)
Change in liabilities for purchase of equity investments	(285)	769
Proceeds from sale of non-current assets	51,207	61,648
Dividends paid	(74,174)	(104,803)
Cash flow relating to discontinued operations		44,440
Other changes	8,997	(21,523)
Change in net financial debt	**(16,156)**	**(94,757)**
Net financial debt at end of period	**(1,946,644)**	**(2,134,376)**

Financial position

(in thousands of euro)	September 30 2013	June 30 2013	December 31 2012	Change Sept. 30, 2013 Dec. 31, 2012	% change
Current financial assets	(1,219,900)	(1,317,580)	(1,505,060)	285,160	-18.9
Current financial liabilities	903,694	1,063,519	1,405,059	(501,365)	-35.7
Non-current financial assets	(159,799)	(146,479)	(199,313)	39,514	-19.8
Non-current financial liabilities	2,422,649	2,330,249	2,229,802	192,847	8.6
Net financial debt	**1,946,644**	**1,929,709**	**1,930,488**	**16,156**	**0.8**
Total equity	**4,386,734**	**4,459,751**	**4,719,650**	**(332,916)**	**-7.1**

Net financial debt at September 30, 2013, determined in accordance with Consob communication no. DEM/6064293 of July 28, 2006 (i.e., not including non-current financial assets) amounted to 2,106,443 thousand euro (2,129,801 thousand euro at December 31, 2012).

Notes to the financial statements

The quarterly report of Italmobiliare S.p.A. as at and for the nine months ended September 30, 2013, was approved by the Board of Directors on November 14, 2013. At the meeting the Board authorized publication of a press release dated November 14, 2013, containing key information from the report.

The quarterly report as at and for the nine months ended September 30, 2013, 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 has also been drawn up in compliance with the International Financial Reporting Standards (IFRS).

The consolidated financial statements have been drawn up on the basis of the financial statements as at and for the nine months ended September 30, 2013 of the companies included in the consolidation.

Statement of compliance with the IFRS – Accounting policies

The quarterly report has been drawn up in compliance with the International Financial Reporting Standards (IFRS) applicable at September 30, 2013, endorsed by the EC Commission.

The accounting policies used to draw up the quarterly report as at and for the nine months ended September 30, 2013 are consistent with those used to draw up the Group annual report as at and for the year ended December 31, 2012 and, in addition, with the policies endorsed as from January 1, 2013:

- Amendments to IAS 1 “Presentation of financial statements” regarding the presentation of the items of other comprehensive income.
- Amendments to IAS 19 “Employee benefits”. The main changes refer to:
  1. treatment of past service costs that have not vested and the actuarial gains/losses to be recognized immediately in, respectively, profit/loss for the period and other comprehensive income (elimination of the corridor approach),
  2. the adoption, for plan assets, of the discount rate used to determine the defined benefit obligation.

  Finance costs relating to obligations, net of income on asset yields, have been reclassified from “Personnel expense” to “Finance costs”.
- Amendments to IFRS 7 “Financial instruments: additional disclosures” regarding offsetting of financial assets and liabilities.
- Amendments to IFRS 1 “First-time adoption of IFRS” regarding severe hyperinflation and removal of fixed dates for first-time adopters.
- Amendments to IAS 12 “Income taxes” with reference to deferred tax in relation to recovery of underlying assets.
- IFRS 13 “Fair value measurement”. This new standard sets out guidelines to determine fair value and disclosures to be made.
- IFRIC 20 “Stripping costs in the production phase of a surface mine”.

Adoption of the policies, amendments and interpretations listed above did not have a material impact on the Group financial statements, with the exception of IAS 19 “Employee benefits ” revised, application of which generated a reduction in consolidated equity as at January 1, 2013 of 80.0 million euro net of tax.

The financial position and income statement for the third quarter of 2012 and for the nine months ended September 30, 2012, used as comparatives with 2013, have been re-stated in compliance with IAS 19 revised.

Discretional measurements and use of estimates

In the preparation of this quarterly report, the discretional measurements made in the application of the Group accounting policies and the main sources of uncertainty relating to estimates are the same as those applied in the preparation of the consolidated financial statements as at and for the year ended December 31, 2012.

Scope of consolidation

Changes in the scope of consolidation

There were no significant changes in the scope of consolidation at September 30, 2013,with respect to September 30, 2012.

Exchange rates used to translate the financial statements of foreign operations

Exchange rates for 1 euro:

Currencies	Average rate			Closing rate		
	Sept. 30, 2013	Full year 2012	Sept. 30, 2012	Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2012
Thai baht	40.01738	39.93881	39.98619	42.26400	40.34700	39.81100
Czech crown	25.74941	25.14441	25.13717	25.73000	25.15100	25.14100
Kuwaiti dinar	0.37428	0.36003	0.35828	0.38237	0.37110	0.36312
Libyan dinar	1.67639	1.61473	1.61035	1.68691	1.66508	1.61780
Serbian dinar	112.66800	113.01900	112.89700	114.36500	112.60600	114.79600
Moroccan dirham	11.14837	11.09850	11.09117	11.19109	11.14235	11.11350
UAE Dubai dirham	4.83620	4.73267	4.72155	4.96032	4.84617	4.74919
Canadian dollar	1.34778	1.28464	1.28422	1.39120	1.31370	1.26840
US dollar	1.31669	1.28538	1.28129	1.35050	1.31940	1.29300
Hungarian florin	296.76100	289.29800	291.27600	298.15000	292.30000	284.89000
Swiss franc	1.23133	1.20525	1.20434	1.22250	1.20720	1.20990
Ukrainian hrivna	10.65400	10.35570	10.30610	11.06380	10.58357	10.43620
Croatian kuna	7.56218	7.52147	7.51875	7.61530	7.55750	7.44680
Albanian lek	140.24368	139.02279	138.78433	141.30690	139.68570	140.17500
Moldavian leu	16.38391	15.56014	15.44120	17.48938	15.91645	16.01390
Bulgarian lev	1.95583	1.95583	1.95583	1.95583	1.95583	1.95583
Egyptian pound	9.04490	7.80270	7.75507	9.31174	8.37831	7.88286
Bosnian mark	1.95583	1.95583	1.95583	1.95583	1.95583	1.95583
New Turkish lira	2.45182	2.30394	2.29931	2.74840	2.35170	2.29290
New Romanian leu	4.40827	4.45814	4.43535	4.46200	4.44450	4.53830
Mauritanian ouguiya	397.15626	381.32362	378.44860	410.75460	399.82440	391.46900
Mexican peso	16.69569	16.90479	16.94359	17.84620	17.18450	16.60860
Chinese renminbi	8.12103	8.10803	8.10814	8.26450	8.22070	8.12610
Brazilian real	2.78983	2.50934	2.45510	3.04060	2.70360	2.62320
Qatar riyal	4.79397	4.68005	4.66521	4.91746	4.80394	4.70788
Saudi riyal	4.93798	4.82048	4.80517	5.06464	4.94838	4.84891
Russian ruble	41.65020	39.91680	39.78290	43.82400	40.32950	40.14000
Indian rupee	75.65233	68.61914	68.05751	84.84400	72.56000	68.34800
Sri Lanka rupee	169.22070	163.97081	162.72825	178.27150	168.32300	167.26900
Pound sterling	0.85182	0.81103	0.81216	0.83605	0.81610	0.79805
Kazakh tenge	199.62962	191.68530	190.48260	207.63300	198.62130	193.86800
Polish zloty	4.20045	4.18379	4.20831	4.22880	4.07400	4.10380

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

Revenue

Revenue from sales and services amounted to 1,130,825 thousand euro in the third quarter of 2013 and 3,423,543 thousand euro in the nine months to September 30, 2013, as follows:

(in thousands of euro)	Q3 2013	Q3 2012	Change	% change
Industrial revenue				
Product sales	1,083,555	1,108,151	(24,596)	-2.2%
Services provided	37,726	47,654	(9,928)	-20.8%
Total	**1,121,281**	**1,155,805**	**(34,524)**	**-3.0%**
Financial revenue				
Interest	1,624	1,528	96	6.3%
Dividends	193	146	47	32.2%
Gains and other revenue	3,027	5,384	(2,357)	-43.8%
Total	**4,844**	**7,058**	**(2,214)**	**-31.4%**
Bank revenue				
Interest	737	1,246	(509)	-40.9%
Commissions	3,407	5,584	(2,177)	-39.0%
Other revenue	482	1,023	(541)	-52.9%
Total	**4,626**	**7,853**	**(3,227)**	**-41.1%**
Property and service revenue	**74**	**71**	**3**	**4.2%**
Grand total	**1,130,825**	**1,170,787**	**(39,962)**	**-3.4%**

(in thousands of euro)	Nine months to 09.30.2013	Nine months to 09.30.2012	Change	% change
Industrial revenue				
Product sales	3,268,733	3,428,130	(159,397)	-4.6%
Services provided	119,504	138,897	(19,393)	-14.0%
Total	**3,388,237**	**3,567,027**	**(178,790)**	**-5.0%**
Financial revenue				
Interest	4,604	5,361	(757)	-14.1%
Dividends	3,003	1,587	1,416	89.2%
Gains and other revenue	11,311	19,512	(8,201)	-42.0%
Total	**18,918**	**26,460**	**(7,542)**	**-28.5%**
Bank revenue				
Interest	2,363	3,923	(1,560)	-39.8%
Commissions	11,877	16,889	(5,012)	-29.7%
Other revenue	1,519	2,942	(1,423)	-48.4%
Total	**15,759**	**23,754**	**(7,995)**	**-33.7%**
Property and service revenue	**629**	**178**	**451**	**n.s.**
Grand total	**3,423,543**	**3,617,419**	**(193,876)**	**-5.4%**

The table below provides a breakdown of consolidated revenue by segment and geographical area:

by segment:

(in thousands of euro)	Q3 2013	Q3 2012	Change	
			Amount	%
Construction materials	1,058,673	1,093,407	(34,734)	-3.2%
Packaging and insulation	62,542	62,388	154	0.2%
Finance	4,687	6,271	(1,584)	-25.3%
Banking	4,783	8,634	(3,851)	-44.6%
Property, services, other	140	87	53	60.9%
Total	**1,130,825**	**1,170,787**	**(39,962)**	**-3.4%**

(in thousands of euro)	Nine months to 09.30.2013	Nine months to 09.30.2012	Change	
			Amount	%
Construction materials	3,210,285	3,388,362	(178,077)	-5.3%
Packaging and insulation	177,840	178,441	(601)	-0.3%
Finance	18,043	25,031	(6,988)	-27.9%
Banking	16,652	25,212	(8,560)	-34.0%
Property, services, other	723	373	350	93.8%
Total	**3,423,543**	**3,617,419**	**(193,876)**	**-5.4%**

by geographical area:

(in thousands of euro)	Q3 2013	Q3 2012	Change	
			Amount	%
European Union	626,001	648,647	(22,646)	-3.5%
Other European countries	9,610	12,917	(3,307)	-25.6%
North America	128,499	126,767	1,732	1.4%
Asia and Middle East	146,047	147,965	(1,918)	-1.3%
Africa	171,869	184,177	(12,308)	-6.7%
Trading	32,961	33,956	(995)	-2.9%
Other countries	15,838	16,358	(520)	-3.2%
Total	**1,130,825**	**1,170,787**	**(39,962)**	**-3.4%**

(in thousands of euro)	Nine months to 09.30.2013	Nine months to 09.30.2012	Change	
			Amount	%
European Union	1,849,572	1,999,520	(149,948)	-7.5%
Other European countries	28,317	36,436	(8,119)	-22.3%
North America	330,050	331,090	(1,040)	-0.3%
Asia and Middle East	455,943	438,227	17,716	4.0%
Africa	604,575	638,512	(33,937)	-5.3%
Trading	104,027	121,523	(17,496)	-14.4%
Other countries	51,059	52,111	(1,052)	-2.0%
Total	**3,423,543**	**3,617,419**	**(193,876)**	**-5.4%**

Raw materials and supplies

Raw materials and supplies amounted to 1,381,548 thousand euro, as follows:

(in thousands of euro)	Nine months to 09.30.2013	Nine months to 09.30.2012	Change	% change
Raw materials and semifinished products	417,625	414,887	2,738	0.7%
Fuel	267,728	318,226	(50,498)	-15.9%
Materials and machinery	189,730	206,630	(16,900)	-8.2%
Finished goods	131,447	136,316	(4,869)	-3.6%
Electricity, water and gas	347,121	398,194	(51,073)	-12.8%
Change in inventories of raw materials, consumables and other	27,897	36,928	(9,031)	-24.5%
Total	**1,381,548**	**1,511,181**	**(129,633)**	**-8.6%**

Services

Services amounted to 832,537 thousand euro, as follows:

(in thousands of euro)	Nine months to 09.30.2013	Nine months to 09.30.2012	Change	% change
External services and maintenance	264,045	280,355	(16,310)	-5.8%
Transport	365,938	383,013	(17,075)	-4.5%
Legal fees and consultancy	33,398	34,374	(976)	-2.8%
Rents	61,018	63,117	(2,099)	-3.3%
Insurance	28,638	30,967	(2,329)	-7.5%
Other expense	79,500	82,233	(2,733)	-3.3%
Total	**832,537**	**874,059**	**(41,522)**	**-4.8%**

Personnel expense

Personnel expense totaled 700,918 thousand euro, as follows:

(in thousands of euro)	Nine months to 09.30.2013	Nine months to 09.30.2012	Change	% change
Wages and salaries	477,504	506,125	(28,621)	-5.7%
Social security contributions	148,100	158,307	(10,207)	-6.4%
Costs of stock option plans	345	543	(198)	-36.5%
Other expense	74,969	78,806	(3,837)	-4.9%
Total	**700,918**	**743,781**	**(42,863)**	**-5.8%**

The number of employees is shown below:

(heads)	Nine months to 09.30.2013	Nine months to 09.30.2012	2012
Employees at end of period	20,041	20,561	20,357
Average number of employees	20,228	20,816	20,739

Other operating expense

Other operating expense net of other operating income amounted to 96,308 thousand euro, as follows:

(in thousands of euro)	Nine months to 09.30.2013	Nine months to 09.30.2012	Change	% change
Other taxes	60,669	63,443	(2,774)	-4.4%
Allowance for impairment	15,533	18,895	(3,362)	-17.8%
Provision for environmental restoration - quarries, other	28,977	43,198	(14,221)	-32.9%
Interest expense and other expense for companies in the financial and banking segments	30,885	12,060	18,825	n.s.
Miscellaneous income	(39,756)	(84,046)	44,290	-52.7%
Total	**96,308**	**53,550**	**42,758**	**79.8%**

"Interest expense and other expense for companies in the financial and banking segments" refers to interest expense and other expense of 27,341 thousand euro (10,372 thousand euro at September 30, 2012) and measurement losses totaling 3,544 thousand euro (1,688 at September 30, 2012) applied to securities and trading shares by the companies in the financial segment.

The decrease in "Miscellaneous income" arose from the absence of CO_2 emission rights trading; in the year-earlier period the Group recognized net gains of 27.8 million euro from emission rights trading and income of 4.6 million euro from reimbursement of "new entry" CO_2 quotas.
"Miscellaneous income" included income of 5.5 million euro from the assignment of white certificates (9.5 million euro at September 30, 2012).

Non-recurring income (expense)

(in thousands of euro)	Nine months to 09.30.13	Nine months to 09.30.12
Net gains from sale of non-current assets	8,090	27,823
Total personnel expense for re-organizations	(19,231)	(11,491)
Other non-recurring expense	(3,567)	(590)
Total	**(14,708)**	**15,742**

Non-recurring expense net of non-recurring income amounted to 14,708 thousand euro: it consisted largely of net provisions for termination benefits in Italy for 10.1 million euro, Spain for 6.3 million euro, France for 1.5 million euro and CTG for 1.2 million euro.

The item includes the fine of 1.8 million euro imposed by the Belgian Antitrust Authority on CCB.

Amortization and depreciation

The total amount of 327,494 thousand euro (350,919 thousand euro at September 30, 2012) consisted of depreciation of property, plant and equipment and investment property for 311,891 thousand euro (338,057 thousand euro at September 30, 2012) and amortization of intangible assets for 15,603 thousand euro (12,862 thousand euro at September 30, 2012).

Impairment losses on non-current assets

Impairment losses on non-current assets amounted to 34,474 thousand euro and consisted chiefly of impairment losses applied to property, plant and equipment, investment property and intangible assets in connection with the industrial restructuring and re-organization programs in Italy ("Project 2015") and Spain, for 23.1 and 10.0 million euro respectively.

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

Finance costs net of finance income and exchange-rate differences and net gains (losses) on derivatives, amounted to 89,863 thousand euro, as follows:

	Nine months to 09.30.13		**Nine months to 09.30.12**	
(in thousands of euro)	**Income**	**Costs**	**Income**	**Costs**
Interest income	11,488		9,886	
Interest expense		(82,333)		(75,713)
Net dividends	1,451		1,251	
Income and costs from equity investments		(908)	6,773	(2)
Other finance income	21,706		14,318	
Capitalized finance costs		1,555		927
Other finance costs		(42,812)		(41,582)
Total finance income (costs)	**34,645**	**(124,498)**	**32,228**	**(116,370)**
Losses on interest-rate derivatives		(260)		(5,371)
Gains/(losses) on exchange-rate derivatives		(6,924)	36,739	
Net exchange-rate differences	7,174			(35,375)
Net exchange-rate differences and derivatives		**(10)**		**(4,007)**
Total finance income (costs), exchange-rate differences and net gains (losses) on derivatives		**(89,863)**		**(88,149)**

"Other finance costs" included net finance costs of 5,081 thousand euro on employee defined benefit plans (7,490 thousand euro at September 30, 2012).

At September 30, 2012 income from equity investments included net gains of 6.2 million euro on the partial sale of Goltas shares.

Impairment losses on financial assets

Impairment losses on financial assets amounted to 14,859 thousand euro (22,181 thousand euro at September 30, 2012), as follows:

- 14,854 thousand euro on the Al Badia equity investment;
- the residual 5 thousand euro on the Atmos equity investment.

Share of profit (loss) of equity-accounted investees

This caption reflected a loss of 16,748 thousand euro, compared with a loss of 14,954 thousand euro at September 30, 2012, as follows:

(in thousands of euro)	Nine months to 09.30.2013	Nine months to 09.30.2012	Change	% change
Vassiliko (Cyprus)	(6,125)	(900)	(5,225)	n.s.
Asment (Morocco)	6,998	5,452	1,546	28.4%
Ciment Quebec/Innocon (Canada)	1,972	7,051	(5,079)	-72.0%
Techno Gravel (Egypt)	236	418	(182)	-43.5%
Mittel (Italy)	(925)	(26)	(899)	n.s.
SES (Italy)	(585)	(614)	29	-4.7%
RCS MediaGroup (Italy)	(17,665)	(25,810)	8,145	-31.6%
Others	(654)	(525)	(129)	24.6%
Total	**(16,748)**	**(14,954)**	**(1,794)**	**12.0%**

Income tax expense

Income tax expense amounted to 92,528 thousand euro, as follows:

(in thousands of euro)	Nine months to 09.30.2013	Nine months to 09.30.2012	Change	% change
Current tax	93,662	86,906	6,756	7.8%
Prior-year tax and other net non-recurring tax items	(2,820)	(4,648)	1,828	-39.3%
Deferred tax	1,686	4,241	(2,555)	-60.2%
Total	**92,528**	**86,499**	**6,029**	**7.0%**

Non-recurring transactions

The following tables itemize the most significant non-recurring transactions and their impact on the Group's equity, net financial debt and loss for the period:

	09.30.2013					
	Equity		Loss for the period		Net financial debt	
(in thousands of euro)	amount	%	amount	%	amount	%
Carrying amounts	**4,386,734**		**(131,500)**		**(1,946,644)**	
Net gains from the sale of non-current assets	8,090	0.18%	8,090	6.15%	12,322	0.63%
Non-recurring personnel expense for re-organizations	(19,231)	0.44%	(19,231)	14.62%		
Other non-recurring expense	(3,567)	0.08%	(3,567)	2.71%	1,203	0.06%
Income tax expense on non-recurring transactions						
Total	**(14,708)**	**0.34%**	**(14,708)**	**11.18%**	**13,525**	**0.69%**
Figurative amount without non-recurring transactions	**4,401,442**		**(116,792)**		**(1,960,169)**	

	09.30.2012					
	Equity		Loss for the period		Net financial debt	
(in thousands of euro)	amount	%	amount	%	amount	%
Carrying amounts	**5,270,920**		**(34,618)**		**(2,134,376)**	
Net gains from the sale of non-current assets	27,823	0.53%	27,823	80.37%	37,866	1.77%
Non-recurring personnel expense for re-organizations	(11,491)	0.22%	(11,491)	33.19%		
Other non-recurring expense	(590)	0.01%	(590)	1.70%	(300)	0.01%
Income tax expense on non-recurring transactions	(5,505)	0.10%	(5,505)	15.90%		
Total	**10,237**	**0.19%**	**10,237**	**29.01%**	**37,566**	**1.76%**
Figurative amount without non-recurring transactions	**5,260,683**		**(44,855)**		**(2,171,942)**	

Capital expenditure

Capital expenditure in the nine months ended September 30, 2013, amounted to 252,791 thousand euro, as follows:

(in thousands of euro)	Nine months to 09.30.2013	Nine months to 09.30.2012	Change	
			Amount	%
Intangible assets	8,132	8,780	(648)	-7.4%
Property, plant and equipment, investment property	220,992	202,602	18,390	9.1%
Non-current financial assets	14,779	15,978	(1,199)	-7.5%
Change in payables/receivables for purchases of non-current financial assets	285	(769)	1,054	n.s.
Change in payables/receivables for purchases of property, plant and equipment, investment property and intangible assets	8,603	53,780	(45,177)	-84.0%
Total	**252,791**	**280,371**	**(27,580)**	**-9.8%**

Investments in property, plant and equipment and investment property in the nine months to September 30, 2013 amounted to 220,992 thousand euro, an increase of 9.1% from the first nine months of 2012; they were in the European Union for 132,854 thousand euro (Italy 42,055 thousand euro, Bulgaria 41,010 thousand euro, France 38,519 thousand euro, Belgium 5,749 thousand euro), North America for 21,120 thousand euro, Africa for 33,343 thousand euro, and Asia and Middle East for 30,016 thousand euro, including India 14,773 thousand euro.

Investments in non-current financial assets in the nine months to September 30, 2013 amounted to 14,779 thousand euro; in the third quarter they amounted to 13,003 thousand euro, including 10 million euro in RCS Media Group.

Financial Position

Net financial debt at September 30, 2013, stood at 1,946,644 thousand euro (1,930,488 thousand euro at December 31, 2012), consisting of gross financial liabilities of 3,326,343 thousand euro (3,634,861 thousand euro at December 31, 2012) and gross financial assets of 1,379,699 thousand euro (1,704,373 thousand euro at December 31, 2012).
Gross financial liabilities comprised current financial liabilities of 903,694 thousand euro (1,405,059 thousand euro at December 31, 2012) and non-current financial liabilities for 2,422,649 thousand euro (2,229,802 thousand euro at December 31, 2012).
At September 30, 2013, non-current financial liabilities included the bonds issued by Italcementi Finance S.A. on the European market for an overall nominal amount of 1,250 million euro, comprising 750 million euro issued in 2010 for ten years, 350 million euro issued on February 14, 2013 at a fixed rate of 6.125% and yield at 6.25%, and 150 million euro issued on May 14, 2013 at a price of 108.261 and yield at 4.169%; the latter two issues will mature on February 21, 2018.

The increase in net financial debt with respect to December 31, 2012, was 16,156 thousand euro, as follows:

(in thousands of euro)	**Change vs. Dec. 31, 2012**
Current financial assets	285,160
Current financial liabilities	(501,365)
Change in current net financial debt	***(216,205)***
Non-current financial assets	39,514
Non-current financial liabilities	192,847
Change in non-current net financial debt	***232,361***
Change in total net financial debt	**16,156**

Events after the reporting date

No significant events have taken place since the reporting date that require amendments to or additional comments on the Group's financial position and results of operations as at and for the nine months ended September 30, 2013.
For further details, the reader is referred to the report on operations.

* * *

The Manager in charge of preparing the Italmobiliare S.p.A. financial reports, Giorgio Moroni, declares – pursuant to paragraph 2 article 154-bis of the Consolidated Law on Finance (Legislative Decree 58/1998) – that the accounting information contained in this press release corresponds to the document results, books and accounting entries.