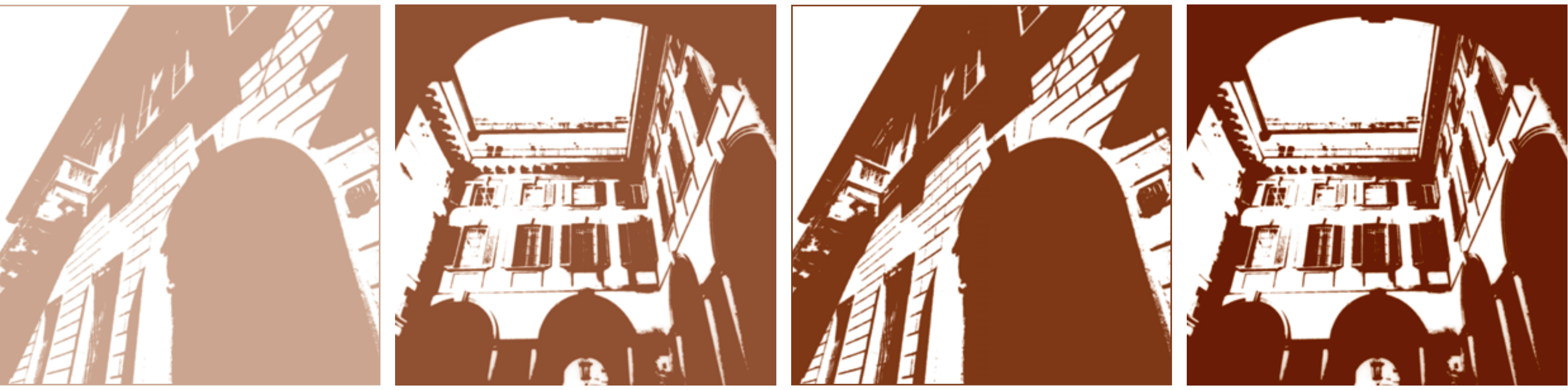
ITALMOBILIARE

Interim Report at June 30, 2016



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Interim Report at June 30, 2016

The Half-year financial report 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

Interim Report
at June 30, 2016

August 4, 2016

ITALMOBILIARE
Società per Azioni

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

Corporate bodies

Board of Directors

(Term ends on approval of financial statements at 12.31.2016)

Giampiero Pesenti	1	Chairman
Italo Lucchini	1-3	Deputy Chairman
Carlo Pesenti	1-2-6	Chief Executive Officer Chief Operating Officer
Anna Maria Artoni	5-7	
Giorgio Bonomi	4	
Carolyn Dittmeier	4-5-7	
Sebastiano Mazzoleni	6	
Luca Minoli		
Gianemilio Osculati	6-7	
Clemente Rebecchini		
Paolo Domenico Sfameni	3-4-5-7-10	
Livio Strazzera	1-6-8	
Massimo Tononi	6-7-9	
Laura Zanetti	1-3-6-7	
Graziano Molinari	11	Secretary to the Board

Board of Statutory Auditor

(Term standings statutory on approval of financial statements at 12.31.2016)

Acting auditors

Francesco Di Carlo	Chairman
Angelo Casò	
Luciana Ravicini	

Substitute auditors

Barbara Berlanda
Paolo Ludovici
Maria Rachele Vigani

Manager in charge of financial reporting

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 Member of the Investment Committee
7 Independent director (pursuant to the Code of Conduct and Legislative Decree no. 58, February 24, 1998)
8 Independent director (pursuant to Legislative Decree no. 58, February 24, 1998)
9 Lead independent director
10 Member of the Supervisory Body
11 Secretary to the Executive Committee

Company officers and delegation of powers

The current Board of Directors was elected at the Shareholders' Meeting of May 27, 2014, to hold office for the three-year period 2014-2016, that is, until approval of the financial statements as at and for the year ending December 31, 2016. The shareholders established the number of directors at 14.

On the same date, the Board appointed the company officers and assigned their powers.

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

The company By-laws attribute the **legal representation** of the company, severally, to the Chairman, the Deputy Chairman and the Chief Executive Officer.

Within the Board of Directors, the allocation of powers is as follows:

- to the **Executive Committee**, consisting of five members, all the powers and the assignments of the Board of Directors, except for those that the law and the By-laws do not allow to be delegated. As specified at the time of its appointment, the resolutions of the Executive Committee shall be reported to the Board of Directors at their next meeting;
- to the **Chairman**, Giampiero Pesenti, in addition to the powers contemplated by the By-laws, among others the powers to oversee and ensure compliance with the principles of Corporate Governance adopted by the company and to oversee the execution and implementation of the investment plans defined by the Board of Directors and/or the Executive Committee. Also, the powers to undertake any administrative act and measure, among which to acquire and dispose of equity investments, carry out credit and securities transactions, accept securities, grant collateral and securities in favor of third parties provided that such third parties are direct or indirect subsidiaries or associates of Italmobiliare, up to a maximum amount of 20 million euro for each transaction; to enter into real estate sale purchase agreements, trade-in and divisions, to settle easements or real estate rights in general, up to a maximum amount of 20 million euro for each transaction;
- to the **Deputy Chairman**, Italo Lucchini, the sole representative powers, in accordance with the By-laws, to be exercised separately from the Chairman;
- to the **Chief Executive Officer – Chief Operating Officer**, Carlo Pesenti, among others the powers to oversee and guide the operations of Italmobiliare and the main direct or indirect subsidiaries, to direct management policies and establish guidelines for management of the main companies in which Italmobiliare S.p.A. directly or indirectly holds an equity investment enabling it to exert significant influence. Also, the powers to undertake any act regarding the management of the company, including securities and credit transactions, to undertake, on behalf of the company, bonds of any kind including bonds secured by collateral in favor of third parties provided that such third parties are direct or indirect subsidiaries of Italmobiliare, to acquire and sell government securities, bonds, land, stocks, company shareholdings, to perform sale or purchase carryover and forward transactions on securities up to a maximum amount of 20 million euro for each transaction to negotiate the opening of lines of credit with banks up to a maximum amount of 35 million euro, to recruit personnel of any category and qualification, establishing their remuneration, suspending, terminating and modifying the employment relationship.

Other powers were granted to the joint Chief Financial Officer (Administration and Finance) and to the Secretary of the Board, within their respective areas of competence.

Remuneration Committee and Control & Risk Committee

The corporate governance structure adopted by the company as set up in the binding articles of the By-laws and in the non-binding provisions of the Code of Conduct promoted by the Corporate Governance Committee reflects Italmobiliare's commitment to complying with national and international best practices for corporate governance.

As contemplated by the Code and in order to ensure the effective performance of its functions, the Board of Directors formed from among its members, during the meeting at which the company officers were appointed, a Remuneration Committee and a Control & Risk Committee, both composed of three non-executive directors, two of whom are independent. All the members of the Control & Risk Committee possess appropriate expertise in accounting and finance (as required under the Code for at least one member).

The resolutions adopted by the committees are of an advisory nature and are not binding.

During the first half of the year, the Remuneration Committee held two meetings, both attended by all members; the Control & Risk Committee held four meetings, all attended by all members.

Committee for Transactions with Related Parties

In compliance with the regulations governing transactions with related parties, the Board of Directors formed from among its members a Committee for Transactions with Related Parties, composed of three independent directors.

The Committee for Transactions with Related Parties met once during the first half of the year.

Investment Committee

The Investment Committee was formed on March 24, 2015, to assist the Chief Executive Officer and management in defining portfolio strategies and assessing investment opportunities; it consists of six members, including four independent directors, and is chaired by the Chief Executive Officer, Carlo Pesenti.

The Investment Committee did not meet during the first half of the year.

Supervisory body

The Supervisory Body was formed in accordance with the «Organization, Management and Control Model» (the «Model») adopted by the company under Legislative Decree no. 231/01, and is responsible for the ongoing monitoring of the effective operation and enforcement of the «Model», and for recommending updates.

As envisaged by the «Model», the Supervisory Body is composed of one independent director (subsequently named Chairman), the Head of Internal Audit and an external professional.

During the first half of the year, the Supervisory Body held three meetings to perform the functions assigned to it by the «Model».

Lead independent director

The Code provides that should the Chairman of the Board of Directors be the main officer in charge of company management, or should the position of Chairman be held by the person who controls the company, the Board shall appoint an independent director as «Lead independent director», to provide a reference point for and coordinate requests and contributions of non-executive directors and, in particular, independent directors.

At the meeting that appointed the company officers, the Board of Directors appointed Massimo Tononi, an independent director, as «Lead independent director».

Director in charge of supervising the internal control and risk management system

With regard to internal control and risk management, the Code provides that the Board of Directors name a director to take charge of supervising the internal control and risk management system.

At the meeting that appointed the company officers, the Board of Directors named the Chief Executive Officer, Carlo Pesenti, as director in charge of supervising the internal control and risk management system.

Manager in charge of financial reporting

At its meeting on May 27, 2014, the Board of Directors confirmed Giorgio Moroni as the Manager in charge of financial reporting pursuant to art. 154-bis of the Consolidated Law on Finance (T.U.F.) and art. 29 of the company By-laws.

Group financial highlights

(in millions of euro)	H1 2016	H1 2015 IFRS 5	H1 2015 (published)
Revenue	182.6	207.5	2,316.2
Recurring gross operating profit	1.2	19.8	334.2
Gross operating profit (loss)	1.2	(7.7)	301.9
Operating profit (loss)	(8.7)	(14.8)	96.2
Loss for the period	(37.6)	(20.4)	(20.4)
Loss for the period attributable to owners of the parent	(47.6)	(39.2)	(39.2)
Capital expenditure relating to continuing operations	52.9	14.9	203.4

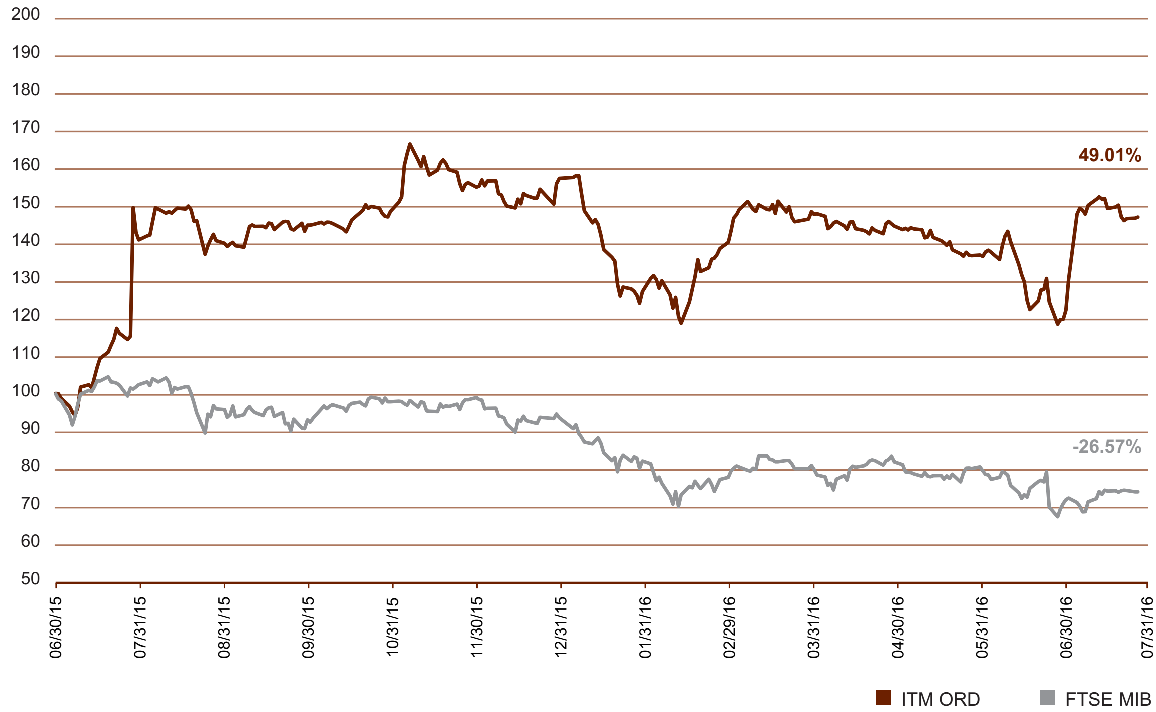
(in millions of euro)	H1 2016	December 31, 2015
Total equity	3,974.5	4,329.5
Equity attributable to owners of the parent	1,566.4	1,838.6
Net financial debt	2,124.2	2,081.7
Net financial debt / Equity	53.45%	48.08%
Net financial debt / Recurring gross operating profit	11.87	-1.69*
(Diluted) earnings (losses) per ordinary share	(1.263)	0.151
(Diluted) earnings (losses) per savings share	(1.263)	0.229
Equity attributable per share[1]	41.631	48.864
Number of employees - continuing operations	1,958	1,917

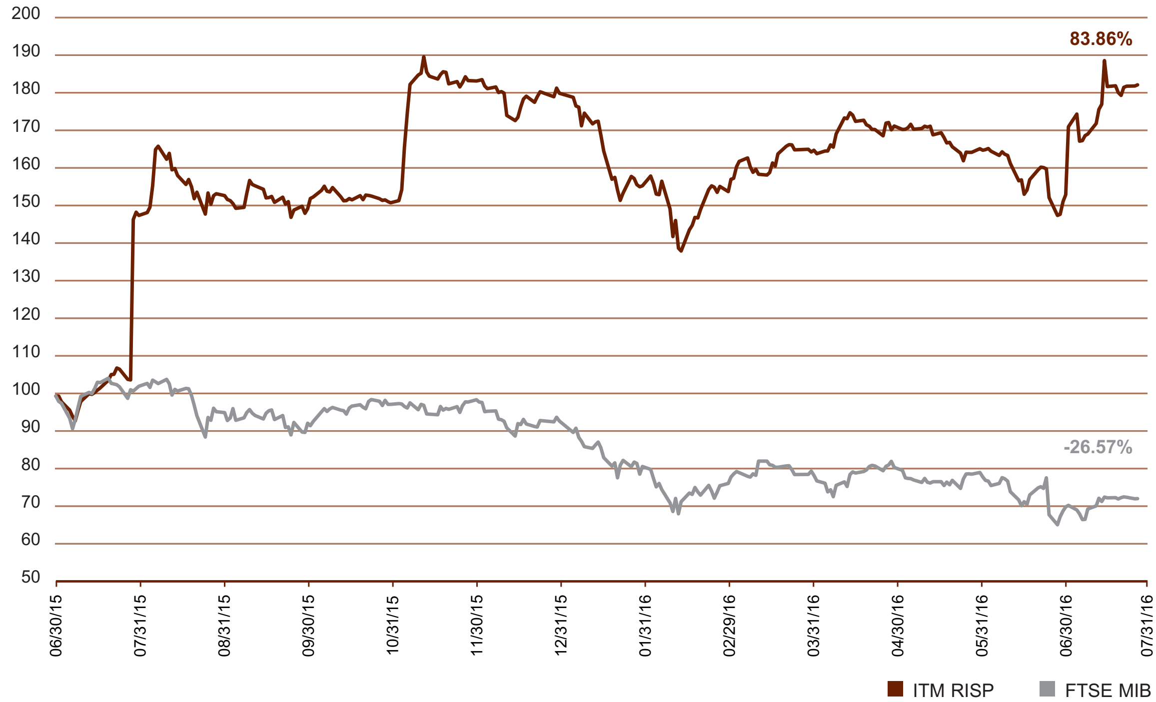
* relating to continuing operations
[1] net of treasury shares in portfolio

Italmobiliare S.p.A. on the Stock Exchange

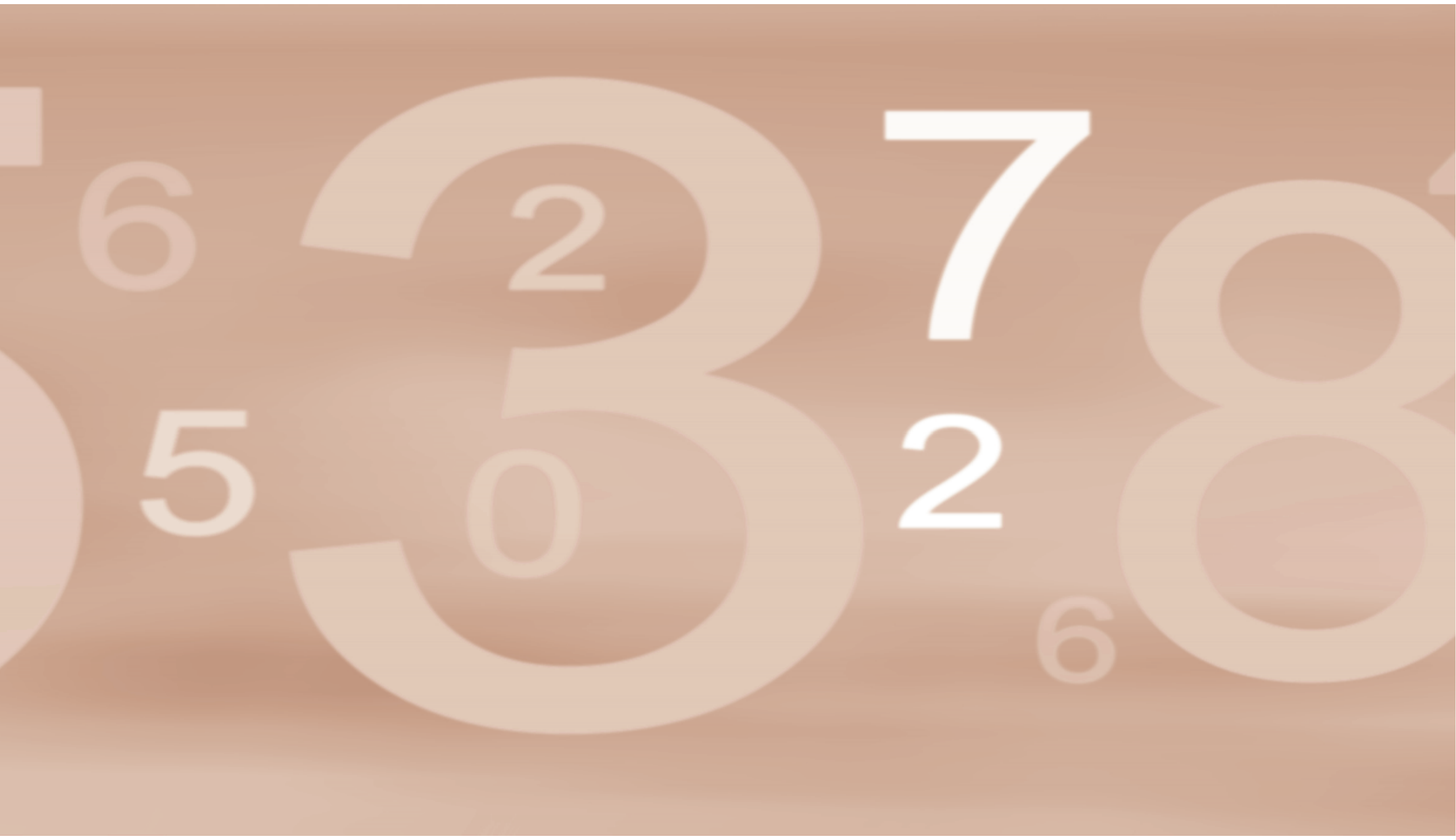
Share prices from 07.01.2015 al 07.29.2016

(euro)	high		low		07.01.2015	07.29.2016	performance
Ordinary shares	43.8086	11.06.2015	24.5010	07.08.2015	26.0812	38.8639	49.01%
Savings shares	31.1563	11.11.2015	15.3162	07.08.2015	16.3932	30.1411	83.86%
FTSE MIB	24,031.19	07.20.2015	15,103.58	06.27.2016	22,943.64	16,846.86	-26.57%





Directors' report



Foreword

The interim report as at and for the six months ended June 30, 2016 has been drawn up in accordance with article 154 ter, paragraphs 2, 3 and 4, of Legislative Decree no. 58 of February 24, 1998, and subsequent amendments. In accordance with the aforementioned paragraph 3, the condensed interim financial statements are presented in consolidated form.

The changes in standards and interpretations with respect to the financial statements as at and for the year ended December 31, 2015 did not generate material impacts on this interim report and concern the application as from January 1, 2016, of:

- "Annual improvements cycle 2010-2012". The main changes refer to IFRS 3 "Business combinations" (changes in the criteria for the measurement, recognition and classification of contingent), IFRS 8 "Operating segments" (changes in operating segment disclosures);
- "Annual improvements cycle 2012-2014". The main changes are clarifications concerning IFRS 5 "Non-current assets held for sale and discontinued operations";
- IFRS 11 "Joint arrangements". The changes introduce new indications regarding accounting treatment of acquisitions of equity investments in joint arrangements which constitute a business;
- IAS 1 "Presentation of financial statements". The changes improve the effectiveness of financial disclosure;
- IAS 19 "Employee benefits". The changes are designed to clarify accounting treatment of employee or third-party contributions relating to defined benefit plans;
- IAS 27 "Separate financial statements". The changes have introduced the possibility to apply the equity method in separate financial statements when accounting for investments in subsidiaries, joint ventures and associates.

As described in the previous financial reports in 2015, on July 28, 2015, Italmobiliare S.p.A. signed an agreement with HeidelbergCement to sell its entire equity stake in Italcementi. Under the agreement, on June 30, 2016 Italmobiliare purchased from Italcementi S.p.A. the equity investments held in e-procurement (BravoSolution group) and in renewable energy (Italgen group) and some properties located in Rome, which, as in 2015, have been consolidated on a line-by-line basis. Consequently, the assets in question have been accounted for in compliance with IFRS 5, showing income statement items under a single specific caption ("Profit (loss) relating to discontinued operations, net of tax effects") both for the period under review and for 2015, whose interim results therefore differ from those published last year. The consolidated statement of financial position for 2016 also presents separately specific line items for the assets and the liabilities relating to the "disposal group" and respectively classified as "held for sale".

The application of IFRS 5 also involved, as last year, the re-statement of the results of operations and equity of the disposal group, Italcementi, as at and for the six months ended June 30, 2016 in connection with the suspension, for the first half year under review, of amortization and depreciation and of impairment losses on non-current assets net of the tax effect. This generated a positive change in Italcementi results of operations and equity for an overall amount of 332.6 million euro (of which 306.1 million euro attributable to owners of the parent and 26.5 million euro to non-controlling interests).

The application of IFRS 5 did not entail recognition in either the separate financial statements of Italmobiliare S.p.A. or the Group consolidated financial statements of any impairment losses for alignment with the lower of the carrying amount of the assets held for sale and their fair value less costs to sell.

With regard to the scope of consolidation, in January 2016 the entire investment in Italterminali S.r.l. was sold.

Information on operations

The international economy continues to show signs of weakness, although with significant differences among the regions: expansion proceeds in the USA, albeit with some uncertainty, while prospects in the emerging economies remain fragile and represent the main element of risk for growth and for the world financial markets. In the Eurozone, the economic recovery continued in 2016, if at a moderate pace. At the beginning of 2016, GDP accelerated in all the main Eurozone countries, rising by 0.7% in Germany, 0.6% in France and 0.3% in Italy. German economic growth, the highest of the past two years, was sustained in particular by capital expenditure, while the French and Italian economies benefited from a recovery in household spending and to a lesser extent from a rise in investments.

In the first two months of the year, renewed fears over growth in the emerging economies led to sharp falls in share prices on the international financial markets, particularly for bank stocks. From the end of February, the stock markets rallied somewhat, thanks to the positive economic figures of the advanced countries, the continuation of strong expansionary monetary policies in the Eurozone, the stabilization of the Chinese exchange rate and the rise in commodities prices.

At its meeting in March, the ECB adopted a comprehensive set of measures to support the recovery and a return to inflation: official interest rates were lowered, the asset purchase program was bolstered and at the end of the first half year new financing transactions were introduced at extremely advantageous conditions to stimulate credit for households and business.

The outcome of the UK referendum on June 23, with the vote in favor of leaving the European Union (Brexit), has raised volatility on the international financial markets, exposing the global growth outlook, already undermined by the weakness of the emerging economies, to greater risks. Uncertainty over the political and institutional effects of Brexit had a particularly sharp impact on the stock markets of the most vulnerable Eurozone countries and on the banking sector, with investors choosing assets with a lower risk. The impact of these tensions on treasury bonds, whose yields benefited from the Eurosystem securities re-purchase program, was fairly contained. From the end of March, the yield differentials on Italian treasury bonds compared with German bonds increased by approximately 30 points, while Irish, Spanish, Belgian and French differentials remained substantially at the levels of the beginning of the year. In Greece, the strong increase in the spread after the UK referendum made up only in part the reduction recorded after the agreement with the Eurogroup at the end of May on the disbursement of new funding and debt relief.

The British pound was significantly affected by the outcome of the referendum, falling to a thirty-year low against the dollar. Since the end of the first quarter, the euro has appreciated against the pound (approximately 7%), but depreciated against the US dollar by 3.2% and more significantly against the Japanese yen.

In this economic scenario, the Italmobiliare Group closed the first half of 2016 with a **loss** of 37.6 million euro and a **loss attributable to owners of the parent** of 47.6 million euro, compared respectively with a loss of 20.4 million euro and a loss attributable to owners of the parent of 39.2 million euro in the first half of 2015.

As explained in the foreword, the figures relating to discontinued operations as at and for the six months ended June 30, 2016 (companies in the Italcementi group active essentially in the production of construction materials) are presented in compliance with IFRS 5, both for the period under review and for the prior year period, whose results are therefore different from the published versions.

Breakdown of consolidated loss by segment

(in millions of euro)	June 2016	% of total	June 2015 IFRS 5	% of total
Construction materials *	(36.8)	77.4	(14.8)	37.8
Packaging and insulation	2.7	(5.6)	(22.3)	57.0
Banking segment	0.1	(0.2)	3.4	(8.7)
Financial segment	(15.8)	33.2	9.2	(23.5)
Property, services and other segment	0.3	(0.7)	(0.3)	0.7
Inter-segment eliminations	1.9	(4.1)	(14.4)	36.7
Loss for the period attributable to owners of the parent	**(47.6)**	**100.0**	**(39.2)**	**100.0**

* Includes the disposal group Italcementi

The other main results relating to continuing operations for the first half year ended June 30, 2016, were:

- **Revenue**: 182.6 million euro compared with 207.5 million euro in the first half of 2015 (-12.0%);
- **Recurring gross operating profit**: 1.2 million euro compared with 19.8 million euro in the first half year of 2015 (-94.2%);
- **Gross operating profit**: 1.2 million euro compared with a loss of 7.7 million euro in the first half of 2015 (positive change >100%);
- **Operating loss**: 8.7 million euro compared with a loss of 14.8 million euro for the first half of 2015 (+41.6%);
- **Loss relating to continuing operations**: 24.6 million euro compared with a loss of 24.8 million euro in the first half of 2015 (+0.8%);

At June 30, 2016, **total equity** stood at 3,974.5 million euro compared with 4,329.5 million euro at December 31, 2015.

Total **net financial debt** at June 30, 2016, including debt relating to disposal Italcementi operations, was 2,124.2 million euro, up from compared with 2,081.7 million euro at the end of December 2015, while the net financial debt relating to continuing operations amounted of 169.7 million euro (net financial position of 55.7 million euro at December 31, 2015).

As a result of the changes in equity and net financial debt, the **gearing** ratio (net financial debt/equity) rose from 48.08% at the end of 2015 to 53.45% at the end of June 2016.

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

- as a result of the agreement to sell the entire equity investment stake in Italcementi, the **continuing construction materials segment** (not including the disposal Italcementi group) is represented by the segment operations that are not being sold, that is, the BravoSolution group and the Italgen group, whose purchase by the parent took place on June 30, 2016. The results of the disposal operations of Italcementi group are represented in a single caption on the income statement (Profit (loss) relating to discontinued operations, net of tax effects).

  The consolidated results of the BravoSolution group, the leading international player in “Supply Management” solutions, reflect an improvement in turnover, even though the national and international economy continue to be influenced by the consequences of the persistent financial and industrial stagnation. In this context, in the first half of the year the

BravoSolution group reported revenue of 39.2 million euro, up 5.0% from the prior year period; the reduction in profit margins in both absolute and percentage terms compared with last year was largely due to expense relating to completion of the group corporate restructuring, which began in 2015. Gross operating profit decreased by 1.1 million euro, and the group posted an operating loss of 2.3 million euro (-0.6 million euro in the year-earlier period). The 56.2% improvement in finance costs from the first half of 2015 and the positive income tax posting of 0.1 million euro (expense of 0.1 million euro in the first half of 2015), generated a loss for the period of 2.5 million euro (loss of 1.3 million euro in the first half of 2015).

The Italgen group, active in energy production and distribution on the domestic and international market, closed the first half of 2016 with a profit of 3.1 million euro, down 0.9 million euro from the prior year period. Trends on the electricity market in the first six months, with a fall in power consumption and reduction in gas prices, affected group revenue, which amounted to 23.9 million euro in the first half, down 17.0% from the first half of 2015. Specifically, the segment reported a reduction in revenue from vectored power (-4.7 million euro) due to a fall in transported volumes from the first half of 2015 and adverse weather conditions, which limited hydroelectric power generation. Operating results showed a stronger contraction: gross operating profit -20.0% (5.9 million euro compared with 7.4 million euro in the first half of 2015), operating profit -25.7% (4.3 million euro compared with 5.8 million euro in the first half of 2015).

Overall, profit relating to continuing operations in the segment was 0.6 million euro (profit of 2.7 million euro in the prior year period).

The **discontinued operations of the Italcementi group** closed the first half year with a loss of 13.1 million euro (profit of 1.1 million euro in the first half June 30, 2015);

- despite continuing market difficulties in terms of demand, the **food packaging segment**, consisting of the Sirap Gema group, reported revenue and margins substantially in line with the first half of 2015, on a like-for-like basis. After the sale of the equity investment in Sirap Insulation S.r.l. on July 30, 2015, the thermal insulation core business ceased; consequently, the figures for the first half of 2016 refer only to the food packaging segment and are not comparable to those of the prior year period. In this context, the segment revenue of 98.6 million euro was down 28.1 million euro from the first half of 2015 (-2.1 million euro net of the thermal insulation segment in the first half of 2015). Recurring gross operating profit of 9.6 million euro (11.9 million euro in the prior year period, of which 1.7 million euro at Sirap Insulation S.r.l.), benefited from the small reduction in the cost of the polystyrene raw materials used in production, compared with the average cost in 2015. Gross operating profit in the first half totaled 9.6 million euro, compared with a loss of 15.3 million euro in the prior year period. 2015 operating results were penalized by the fine imposed by the European Commission for breach of community competition laws on the foamed tray market, which led to recognition of a risk provision of 27.1 million euro. After a reduction of 21.9% in amortization and depreciation, the segment posted an operating profit of 5.5 million euro (loss of 17.7 million euro in the first half of 2015). Finance costs of 1.8 million euro (2.2 million euro in the first half of 2015) and income tax expense of 1.0 million euro (2.4 million euro in the prior year period) generated a profit for the period of 2.7 million euro (a loss of 22.3 million euro in the first half of 2015);
- the **financial segment**, represented by the Italmobiliare parent and the subsidiary Franco Tosi S.r.l., into which the Luxembourg company Société de Participation Financière Italmobiliare S.A. was merged in July 2015, reported revenue of 29.3 million euro, a small improvement from the first half of 2015, despite the significant decrease in dividends

received due to the absence of an Italcementi dividend, which in the first half of 2015 was 14.1 million euro. Management of cash and cash equivalents was positive with inflows of 3.7 million euro, an improvement of 17.2% from the first half of 2015. The significant rise in first-half operating expense at the parent Italmobiliare, in connection with non-recurring transactions now taking place (legal and advisory costs for the sale of Italcementi), generated negative operating results. Specifically, the segment posted a recurring gross operating loss and an operating loss of 4.0 and 4.1 million euro respectively (profit of 12.8 and 12.3 million euro in the first half of 2015.). The increased volatility on the financial markets at the end of the first half was reflected in impairment losses of 9.6 million euro on financial assets (zero in the first half of 2015), essentially arising from impairment losses on bank stocks to align carrying amount with fair value based on Italian stock market prices. After a loss of 0.5 million euro on equity-accounted investees, an improvement from the year-earlier period (-1.2 million euro), and income tax of 1.6 million euro, the segment posted a loss for the period of 15.8 million euro (profit of 9.2 million euro in the first six months of 2015);

- the **banking segment** represents the activities of Crédit Mobilier de Monaco, since the Finter Bank Zürich group was sold at the end of September 2015. The revenue for the first half of 2016 of the Monaco-based bank totaled 789,000 euro in line with the corresponding figure in 2015, while gross operating profit and operating profit were down by 25.8% and 28.6%, respectively. Consequently, the profit for the period of 77,000 euro was down 66,000 euro from the first half of 2015 (143,000 euro);
- the **property, services, other segment** reported a profit for the period of 359,000 euro compared with a loss of 103,000 euro in the first half of 2015. The segment is not of great importance within the global context of the Group and its results are therefore not of material significance.

Pro-forma **Net Asset Value** at June 30, 2016 was computed taking account of the asset purchase and sale transactions executed on June 30 and July 1, 2016, under the agreement reached in July 2015 with HeidelbergCement AG. Specifically:

- the purchase of the equity investments held by Italcementi in Italgen S.p.A. and BravoSolution S.p.A., as well as a property in Rome, on June 30, 2016,
- the sale of the Italcementi S.p.A. shares for as part of the consideration for 10.5 million HeidelbergCement shares and cash of 877.9 million euro, on July 1, 2016, reflected retroactively on the statement of financial position at June 30, 2016 so as to present Italmobiliare S.p.A. NAV as if the Italcementi share sale and consideration received had taken place on June 30, 2016.

At June 30, 2016, Italmobiliare pro-forma NAV rectified as described above was 2,007.2 million euro (2,086.2 million euro at December 31, 2015 and 1,357.6 million euro at June 30, 2015). The breakdown by activity was as follows:

(in millions of euro)	June 2016 pro-forma	% of total	December 2015	% of total
Construction materials	717.6	35.8	1,652.5	79.2
Industry and others	286.4	14.3	12.8	0.6
Banking	104.1	5.2	194.9	9.3
Publishing	27.4	1.4	28.7	1.4
Cash and cash equivalents	771.3	38.4	139.8	6.7
Property	43.2	2.2	23.8	1.1
Private equity and others	57.2	2.8	33.7	1.6
Total Net Asset Value	**2,007.2**	**100.0**	**2,086.2**	**100.0**

NAV was computed considering:

- the market price at the end of the first half of the equity investments in listed companies, with the exception of the investment in HeidelbergCement shares, measured at market price at July 1, 2016,
- the value of non-listed companies determined, when possible, on the basis of market multiples or specific valuations or, alternatively, on the basis of equity determined in accordance with IFRS, where available, or with local accounting policies,
- the increased value of any real estate assets;

taking account of the tax effect.

Key consolidated figures for the six months ended June 30, 2016

(in millions of euro)	H1 2016	H1 2015 IFRS 5	% change	H1 2015 published
Revenue	**182.6**	**207.5**	**(12.0)**	**2,316.2**
Recurring gross operating profit	**1.2**	**19.8**	**(94.2)**	**334.2**
% of revenue	*0.6*	*9.6*		*14.4*
Other expense and income	-	(27.5)	n.s.	(32.3)
Gross operating profit (loss)	**1.2**	**(7.7)**	**n.s.**	**301.9**
% of revenue	*0.6*	*(3.7)*		*13.0*
Amortization and depreciation	(9.5)	(9.9)	4.7	(206.6)
Impairment (losses) reversals of impairment on non-current assets	(0.4)	2.8	n.s.	0.9
Operating (profit) loss	**(8.7)**	**(14.8)**	**41.6**	**96.2**
% of revenue	*(4.7)*	*(7.1)*		*4.2*
Net finance costs	(2.0)	(2.6)	22.1	(61.1)
Impairment losses on financial assets	(9.6)	-	n.s.	-
Share of profit (loss) of equity-accounted investees	(0.3)	(1.2)	74.4	2.2
Profit (loss) before tax	**(20.6)**	**(18.6)**	**(10.9)**	**37.3**
% of revenue	*11.3*	*(9.0)*		*1.6*
Income tax expense	(4.0)	(6.2)	36.1	(57.7)
Loss relating to continuing operations	**(24.6)**	**(24.8)**	**0.8**	**(20.4)**
Profit (loss) relating to discontinued operations net of tax effects	(13.0)	4.4	n.s.	
Loss for the period	**(37.6)**	**(20.4)**	**(84.5)**	**(20.4)**
attributable to: **Owners of the parent**	**(47.6)**	**(39.2)**	**(21.5)**	**(39.2)**
Non-controlling interests	10.0	18.8	(46.9)	18.8
Cash flow from operating activities relating to continuing operations	16.4	2.5		188.2
Capital expenditure relating to continuing operations	52.9	14.9		203.4

n.s.: not significant

(in millions of euro)	June 30, 2016	December 31, 2015
Total equity	3,974.5	4,329.5
Equity attributable to owners of the parent	1,566.4	1,838.6
Total net financial debt	(2,124.2)	(2,081.7)
Number of employees at period end relating to continuing operations	1,958	1,917

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), 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 (loss) corresponds to gross operating profit plus amortization and depreciation and impairment losses on non-current assets.

Revenue and operating performance in the first half of 2016 relating to continuing operations

Contribution to consolidated revenue

(net of intragroup eliminations)

(in millions of euro)	H1 2016		H1 2015		Change	
Operating segment		%		%	%	%[1]
Construction materials continuing operations	63.1	34.6	66.1	31.9	*(4.6)*	(3.7)
Packaging and insulation	98.6	54.0	126.7	61.1	*(22.2)*	(0.4)
Finance segment	18.8	10.3	13.8	6.6	*36.9*	36.9
Banking segment	0.8	0.4	0.8	0.4	*(0.3)*	(0.3)
Property, services and other	1.3	0.7	0.1	-	*n.s.*	n.s.
Total	**182.6**	**100.0**	**207.5**	**100.0**	***(12.0)***	**1.9**
Geographical segment						
European Union	137.6	75.4	163.6	78.7	*(15.8)*	0.7
Other European countries	5.8	3.2	6.6	3.3	*(13.0)*	0.5
Other countries	39.2	21.4	37.3	18.0	*5.0*	6.5
Total	**182.6**	**100.0**	**207.5**	**100.0**	***(12.0)***	**1.9**

[1] on a like-for-like basis and at constant exchange rates.

Revenue and operating performance by operating and geographical segment

(in millions of euro)	Revenue		Recurring gross operating profit (loss)		Gross operating profit (loss)		Operating profit (loss)	
	H1 2016	% change vs H1 2015	H1 2016	% change vs H1 2015	H1 2016	% change vs H1 2015	H1 2016	% change vs H1 2015
Operating segment								
Construction materials continuing operations	63.1	(4.6)	5.2	(46.6)	7.2	(26.6)	2.0	(61.6)
Packaging and insulation	98.6	(22.2)	9.6	(19.8)	9.6	n.s.	5.5	n.s.
Finance segment	29.3	1.0	(4.0)	n.s.	(4.0)	n.s.	(4.1)	n.s.
Banking segment	0.8	(0.3)	0.2	(25.5)	0.2	(25.5)	0.2	(28.3)
Property, services and other	1.6	n.s.	0.4	n.s.	0.4	n.s.	0.4	n.s.
Reclassifications and inter-segment eliminations	(10.8)	31.6	(10.2)	31.0	(12.2)	17.8	(12.7)	14.7
Total	**182.6**	**(12.0)**	**1.2**	**(94.2)**	**1.2**	**n.s.**	**(8.7)**	**41.6**
Geographical segment								
European Union	137.8	(15.9)	(0.5)	n.s.	(0.5)	94.9	(6.7)	54.6
Other European countries	5.8	(13.3)	0.4	(26.3)	0.4	(23.2)	0.4	(22.5)
Other countries	39.2	5.0	1.3	(47.1)	1.3	(47.1)	(2.3)	n.s.
Reclassifications and inter-area eliminations	(0.2)	34.6	-	n.s.	-	n.s.	(0.1)	n.s.
Total	**182.6**	**(12.0)**	**1.2**	**(94.2)**	**1.2**	**n.s.**	**(8.7)**	**41.6**

n.s. not significant

The downturn of 12.0% in **revenue** compared with the first half of 2015 reflected:

- a negative consolidation effect, for 12.6%,
- the exchange rate effect for 1.3%, against
- a positive business performance of 1.9%.

At constant exchange rates and on a like-for-like basis, the increase stemmed from the financial segment for 36.9% and a marginal contribution from the property, services, other segment. The contribution of the industrial segments was negative, specifically the Italgen group after a significant decrease in revenue on energy transportation, and the food packaging segment, -0.4% from the first half of 2015. There was also a small reduction in revenue at the bank in Monaco, of 0.3%. At country level, all the geographical segment reported an increase, notably Italy, France, Croatia, the eastern European countries and Turkey.

The negative exchange-rate effect, which referred largely to the Sirap group, reflects the depreciation against the euro of the Polish zloty, the Ukrainian hryvnia and the Turkish lira.

The significant negative change in the scope of consolidation compared with the first half of 2015 is attributable to the Sirap Gema group on the sale of the interest in Sirap Insulation S.r.l. to the French group Holding Soprema S.A.; after this transaction, regulated under the agreement of July 30, 2015, the thermal insulation segment was eliminated.

Recurring gross operating profit was 1.2 million euro, down from the first half of 2015 (19.8 million euro). The reduction arose in all segments, with the sole exception of property, services, other, notably the financial segment, due to the increase in non-recurring operating expense (legal and advisory costs relating to the sale of Italcementi), and the construction materials segment, as a result both of the costs sustained by the BravoSolution group for completion of the plan to strengthen the group's corporate structure and of the rise in electricity procurement costs at the Italgen group. The 19.8% decrease in the food packaging segment was essentially due to the contribution of 1.7 million euro in the first half of 2015 from the thermal insulation segment, which, as noted above, was sold in July 2015.

After a reduction of 4.7% in amortization and depreciation, and impairment losses of 0.4 million euro on non-current assets (reversals of 2.8 million euro in the first half of 2015 to the Sirap Gema group), the Group posted an **operating loss** for the period of 8.7 million euro, although this was an improvement compared with the prior year period (-14.8 million euro). The figure for the first half of 2015 was heavily affected by non-recurring expense of 27.5 million euro relating mainly to the fine imposed by the European Commission on the Sirap Gema group for breach of community competition laws on the foamed tray market.

Finance costs and other items

Net finance costs were down 0.6 million euro, from 2.6 million euro in the first half of 2015 to 2.0 million euro in the first six months of 2016, thanks to the reduction of 29.8% in interest expense on net financial debt to 1.1 million euro, and to the improvement of 0.2 million euro on the balance on exchange-rate differences net of hedges.

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

The high volatility on the financial markets at the end of the first half after the UK referendum fueled a fall on the stock markets, especially among banking stocks. In this context, the financial segment reported **impairment losses on financial assets** of 9.6 million euro (losses of 24,000 euro in the first half of 2015), as a result of write downs applied mainly to banking stocks to align carrying amount with fair value based on Italian stock market prices.

The **share of profit (loss) of equity-accounted investees** reflected a loss of 0.3 million euro (loss of 1.2 million euro in 2015). The figure arose from the loss of 0.5 million euro at the associates in the financial segment, as the Group's share of the loss at Società Editrice Sud, mitigated in part by the profits of the equity-accounted investees of the Italgen group totaling 0.2 million euro.

Loss for the period

The above figures generated a **loss before tax** of 20.6 million euro in the first half (loss of 18.6 million euro in the first half of 2015).

After income tax expense of 4.0 million euro (6.2 million euro in the first half of 2015), the **loss for the first half relating to continuing operations** was 24.6 million euro (loss of 24.8 million euro in the first half of 2015).

There was a **loss after tax relating to discontinued operations** of 13.1 million euro, specifically the discontinued operations of the construction materials segment. As required by IFRS 5, the segment's consolidated result includes, in addition to the loss of 345.6 million euro on the discontinued construction materials segment, the positive effect net of tax arising from suspension of amortization and depreciation for 144.1 million euro and impairment losses on non-current assets of 188.5 million euro.

The total **loss for the period** was 37.6 million euro, of which 47.6 million euro attributable to owners of the parent (profit attributable to non-controlling interests of 10.0 million euro), compared with a loss of 20.4 million euro for the first half of 2015, of which 39.2 million euro attributable to owners of the parent (profit attributable to non-controlling interests of 18.8 million euro).

Total comprehensive expense

In the first half of 2016, continuing operations had total comprehensive expense of 77.5 million euro (income of 49.2 million euro in the first half of 2015) arising as follows:

- a change of 75.4 million euro in fair value on available-for-sale financial assets,
- translation differences of 2.7 million euro,

and the related positive tax effect of 0.6 million euro.

Discontinued operations affected other comprehensive expense of 165.0 million euro (income of 138.9 million euro in the first half of 2016). Considering the loss for the period of 37.6 million euro, described above, and the aforementioned items, total comprehensive expense in the first half of 2016 was 280.1 million euro (expense of 174.3 million euro attributable to owners of the parent and 105.8 million euro attributable to non-controlling interests). This compared with total comprehensive income of 167.7 million euro in the first half of 2015 (65.1 million euro attributable to owners of the parent and 102.6 million euro attributable to non-controlling interests).

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

Condensed statement of financial position

(in millions of euro)	June 30, 2016 IFRS 5	December 31, 2015 IFRS 5
Property, plant and equipment + investment property	135.8	137.7
Intangible assets	44.5	44.4
Other non-current assets	208.4	282.5
Non-current assets	**388.7**	**464.6**
Current assets	**329.6**	**461.8**
Assets held for sale	8,581.5	8,598.0
Total assets	**9,299.8**	**9,524.4**
Equity attributable to owners of the parent	1,566.4	1,838.6
Non-controlling interests	2,408.1	2,490.9
Total equity	**3,974.5**	**4,329.5**
Non-current liabilities	129.1	110.9
Current liabilities	433.4	352.0
Total liabilities	**562.5**	**462.9**
Liabilities directly linked to assets held for sale	4,762.8	4,732.0
Total equity and liabilities	**9,299.8**	**9,524.4**

Equity

Total equity at June 30, 2016 was 3,974.4 million euro, a reduction of 355.0 million euro from December 31, 2015. Equity attributable to owners of the parent and equity attributable to non-controlling interests decreased by, 272.2 million euro and 82.8 million euro respectively. The overall change arose largely from,

- the loss for the period of 37.6 million euro,
- the change of 93.0 million euro in the fair value reserve for equity investments and derivatives,
- the change of 128.4 million euro in the translation reserve due to the appreciation of the euro against the other currencies;
- dividends declared for 68.8 million euro;
- the change of 26.4 million euro arising from the adjustment to assets and liabilities relating to employee benefits.

At June 30, 2016, Italmobiliare S.p.A. held 853,261 ordinary treasury shares, representing 3.847% of the ordinary share capital, and 28,500 savings treasury shares (0.174% of the savings share capital).

Net financial debt

At June 30, 2016, net financial debt of 2,124.2 million euro, including that of the discontinued operations of the Italcementi group, was up 2.0% from December 31, 2015 (2,081.7 million euro); the continuing operations had net financial debt of 169.7 million euro (a positive position of 55.6 million euro at December 31, 2015).

Looking at cash flows, there were net outflows of 225.3 million euro relating to continuing operations, mainly attributable to the transfer of the non-core assets, and net inflows of 182.8 million euro relating to discontinued operations.

Breakdown of net financial debt

(in millions of euro)	June 30, 2016	December 31, 2015
Current financial assets	175.4	299.4
Current financial liabilities	(307.9)	(228.4)
Non-current financial assets	25.8	27.8
Non-current financial liabilities	(63.0)	(43.2)
Net financial position (debt) relating to continuing operations	**(169.7)**	**55.6**
Net financial debt relating to discontinued operations	(1,954.5)	(2,137.3)
Overall net financial position	**(2,124.2)**	**(2,081.7)**

Financial ratios

(amounts in millions of euro)	June 30, 2016	December 31, 2015
Overall net financial position	(2,124.2)	(2,081.7)
Consolidated equity	3,974.5	4,329.5
Gearing	**53.45%**	**48.08%**
Net financial position (debt) relating to continuing operations	(169.7)	55.6
Recurring gross operating profit[1]	14.3	33.0
Leverage	**11.87**	**(1.69)**

[1] 12 months rolling

Condensed statement of cash flows

(in millions of euro)		H1 2016 IFRS 5		H1 2015 IFRS 5
Overall net financial debt at beginning of period		**(2,081.7)**		**(2,114.8)**
Cash flow from operating activities		16.4		2.5
Capital expenditure:				
PPE, investment property and intangible assets	*(15.1)*		*(14.5)*	
Non-current financial assets	*(37.8)*		*(0.4)*	
Capital expenditure		**(52.9)**		**(14.9)**
Proceeds from sale of non-current assets		33.1		12.6
Dividends paid		(17.7)		(11.7)
Change in shareholdings in subsidiaries		(201.0)		-
Structure and translation differences		(0.3)		7.6
Other changes		(2.9)		0.2
Net cash flows for the period		**(225.3)**		**(3.7)**
Cash flows relating to discontinued operations		182.8		(69.9)
Net financial debt at end of period		**(2,124.2)**		**(2,188.4)**

Capital expenditure

(in millions of euro)	Non-current financial assets		PPE and investment property		Intangible assets	
	H1 2016	H1 2015	H1 2016	H1 2015	H1 2016	H1 2015
Operating segment						
Construction materials relating to continuing operations	-	-	5.2	3.1	3.7	3.0
Packaging and insulation	-	0.3	4.3	8.1	0.1	0.1
Finance segment	37.8	-	15.7	0.1	-	-
Banking segment	-	-	-	-	-	-
Property, services and other	-	-	-	-	-	-
Inter-segment eliminations	-	-	(15.0)		-	-
Total	**37.8**	**0.3**	**10.2**	**11.3**	**3.8**	**3.1**
Change in payables	-	0.1	1.1	0.1	-	-
Total capital expenditure	**37.8**	**0.4**	**11.3**	**11.4**	**3.8**	**3.1**

Group capital expenditure in the first half relating to continuing operations amounted to 52.9 million euro, up by 38.0 million euro from the first half of 2015 (14.9 million euro).

Investments in non-current financial assets amounted to 37.8 million euro (0.4 million euro in the first half of 2015) and related mainly to investments made by the financial segment in stocks listed on the Italian stock exchange and in private equity.

Investments in property, plant and equipment and investment property totaled 11.3 million euro and related mainly to the Group's industrial segments, in particular the production facilities of the Sirap group and the industrial investments of the Italgen group. The investment in property, plant and equipment in the financial segment referred to the property in Rome purchased from Italcementi S.p.A.. Investments in intangible assets related essentially to software development work on the technology platform at the BravoSolution group.

Construction materials segment

As a consequence of the agreement to sell the equity investment held in Italcementi to the HeidelbergCement group, the results of continuing operations in the segment refer to the BravoSolution group, international leader in supply management solutions, and the Italgen group, an international producer of power from renewable sources, which have not been sold.

(in millions of euro)	**H1 2016 IFRS 5**	**H1 2015 IFRS 5**	**% change**	**H1 2015 published**
Revenue	**63.1**	**66.1**	**(4.6)**	**2,167.5**
Recurring gross operating profit	**5.2**	**9.8**	**(46.6)**	**324.5**
% of revenue	*8.3*	*14.8*		*15.0*
Other expense and income	2.0	-	n.s.	(8.5)
Gross operating profit	**7.2**	**9.8**	**(26.6)**	**316.0**
% of revenue	*11.4*	*14.9*		*14.6*
Amortization and depreciation	(5.2)	(4.5)	(13.8)	(201.1)
Impairment losses on non-current assets	-	-		(1.9)
Operating profit	**2.0**	**5.3**	**(61.6)**	**113.0**
% of revenue	*3.2*	*8.0*		*5.2*
Net finance costs	(0.4)	(0.8)	41.3	(59.3)
Impairment losses on financial assets	-	-		-
Share of profit (loss) of equity-accounted investees	0.2	-	n.s.	3.5
Profit before tax	**1.8**	**4.5**	**(61.1)**	**57.3**
% of revenue	*2.8*	*6.9*		*2.6*
Income tax expense	(1.2)	(1.8)	37.5	(53.5)
Profit for the period	**0.6**	**2.7**	**(77.2)**	**3.8**
Capital expenditure	8.9	6.1		194.4

n.s. not significant

(in millions of euro)	**June 30, 2016**	**December 31, 2015**
Total equity	65.4	72.0
Equity attributable to owners of the parent	63.3	69.2
Net financial debt	(29.6)	(32.3)
Number of employees at period end relating to continuing operations	734	728

BravoSolution group

(in millions of euro)	H1 2016	H1 2015	% change
Revenue	**39.2**	**37.3**	**5.0**
Gross operating profit	**1.3**	**2.4**	**(47.1)**
% of revenue	*3.2*	*6.4*	
Amortization and depreciation	(3.6)	(3.0)	(21.0)
Operating loss	**(2.3)**	**(0.6)**	**n.s.**
% of revenue	*(5.9)*	*(1.5)*	
Net finance costs	(0.3)	(0.6)	56.2
Loss before tax	**(2.6)**	**(1.2)**	**n.s.**
% of revenue	*(6.6)*	*(3.2)*	
Income tax (expense)	0.1	(0.1)	n.s.
Loss for the period	**(2.5)**	**(1.3)**	**(87.8)**
Capital expenditure	4.3	3.4	

n.s. not significant

(in millions of euro)	June 30, 2016	December 31, 2015
Total equity	29.6	34.1
Equity attributable to owners of the parent	27.7	31.5
Net financial debt	(10.8)	(5.6)
Number of employees at period end	643	633

The consolidated results for the first half of 2016 reflect an improvement in turnover at the BravoSolution group, even though the domestic and international economy continues to be affected by the consequences of the financial and industrial stagnation that began in 2008, which over the past few years has had a particularly marked effect on many Eurozone countries, causing falls in revenue and earnings among companies in the sector in which the BravoSolution group operates.

In the first half of 2016, BravoSolution group revenue was 39.2 million euro, up 5.0% on the year-earlier period (37.3 million euro).

The reduction in earnings from 2015, both in absolute terms and as percentages, was largely attributable to costs for completion of the expansion of the group corporate structure, which began in 2015, with the creation of central functions for marketing, human resources, strategy and global sales, accompanied by a further consolidation of corporate finance, product and software development operations. The new group organizational structure and the greater commercial focus on technology sales are designed to generate a strong increase in revenue and higher, more stable profitability, over a number of years, although in the short term, due to higher costs, the group is experiencing a transitory, if foreseeable, reduction in its business results, which nevertheless are positive for the most part.

Gross operating profit was down to 1.3 million euro (2.4 million euro in the first half of 2015) and the group had an operating loss of 2.3 million euro (loss of 0.6 million euro in the year-earlier period). The 56.2% improvement in finance costs from the first half of 2015 and the income tax posting of 0.1 million euro (expense of 0.1 million euro in the first half of 2015), generated a loss for the first half of 2.5 million euro (loss of 1.3 million euro in the first half of 2015).

Capital expenditure at the BravoSolution group in the first half amounted to 4.3 million euro (3.4 million euro in the year-earlier period). Most of this expenditure referred to software development work to enhance the functions and use of the technology platform.

Compared with December 31, 2015, the net financial position (debt) contracted by 5.2 million euro largely due to the above capital expenditure and to cash flows relating to operating activities which amounted to 1.5 million euro.

At June 30, 2016 the BravoSolution group had 643 employees, an increase of 10 from the end of 2015.

Significant events after the reporting period

There were no significant events after the reporting period.

Italgen group

(in millions of euro)	H1 2016	H1 2015	% change
Revenue	**23.9**	**28.8**	**(17.0)**
Recurring gross operating profit	**4.0**	**7.4**	**(46.4)**
% of revenue	*16.6*	25.7	
Other expense and income	1.9	-	n.s.
Gross operating profit	**5.9**	**7.4**	**(20.0)**
% of revenue	*24.9*	*25.8*	
Amortization and depreciation	(1.6)	(1.6)	(0.7)
Operating profit	**4.3**	**5.8**	**(25.7)**
% of revenue	*18.1*	*20.2*	
Net finance costs	(0.2)	(0.2)	n.s.
Share of profit (loss) of equity-accounted investees	0.2	0.1	n.s.
Profit before tax	**4.3**	**5.7**	**(24.3)**
% of revenue	*18.2*	*19.9*	
Income tax expense	(1.2)	(1.7)	27.0
Profit for the period	**3.1**	**4.0**	**(23.1)**
Capital expenditure	4.6	2.8	

n.s. not significant

(in millions of euro)	June 30, 2016	December 31, 2015
Total equity	35.7	34.0
Equity attributable to owners of the parent	35.6	33.8
Net financial debt	(18.8)	(26.7)
Number of employees at period end	91	95

The Italian electric power market saw a significant contraction in the Single National Price in the first half of 2016, compared with 2015, with an all-time low recorded in April since the beginning of trading on the Italian Electricity Exchange (2004).

The new downward trend in the first half of 2016 arose from three main factors:

- the price of gas, which reached a price low of less than 12 euro/MWh in the first quarter of the year;
- good wind energy production, above average throughout the first half, and good hydroelectric production, which saw a significant rise after a difficult first quarter;
- the climatic conditions of the first half, with milder winter temperatures and cooler summer temperatures for most of June, which slowed demand for power.

This situation was a factor in the reduction in revenue at the Italgen group to 23.9 million euro in the first half of the year, compared with 28.8 million euro in the year-earlier period. The contraction, due to lower revenue on vectored power (-4.7 million euro compared with the first half of 2015), was caused essentially by the decrease in the volume of vectoring services provided to third parties, from 173 GWh in the first half of 2015 to 112 GWh in the first half of 2016.

The significant reduction of 46.4% in recurring gross operating profit from the first half of 2015 was caused not only by the fall in hydroelectric production and lower sales prices, but also by higher electricity purchase costs (+41.6%) due to increased purchased volumes and by the rise in overheads (+8.8%), largely relating to the current re-organization. There was also a significant fall in income from the sale of green certificates, from 4.6 million euro in the first half of 2015 to 2.8 million euro in the period under review.

After non-recurring income of 1.9 million euro for gains on the sale of properties and amortization and depreciation of 1.6 million euro, in line with the year-earlier period, operating profit was 4.3 million euro, down 25.7% from the first half of 2015.

A slight reduction in finance costs from the first half of 2015, the profit of 0.2 million euro from equity-accounted investees and income tax expense of 1.2 million euro (1.7 million euro in the first half of 2015) generated profit for the period of 3.1 million euro, a reduction from the first half of 2015 (4.0 million euro).

First-half capital expenditure at the Italgen group was 4.6 million euro, of which 3.0 million euro for the purchase of buildings and plant from Italcementi S.p.A. and 1.3 million euro for extraordinary maintenance and completion of the new Vetra plant.

Net financial debt was down 7.9 million euro to 18.8 million euro (26.7 million euro at December 31, 2015).

At June 30, 2016 the Italgen group had 91 employees, a decrease of 4 from the end of 2015.

Significant events after the reporting period

There were no significant events after the reporting period.

* * * *

Overall, the **continuing operations** described above generated a profit for the first half of 2016 of 0.6 million euro, down from 2.7 million euro in the year-earlier period.

Equity relating to continuing operations was 65.4 million euro, a reduction of 7.8 million euro from December 31, 2015. Equity attributable to owners of the parent was down 7.1 million euro (63.3 million euro against 70.4 million euro at December 31, 2015).

The net financial position reflected debt of 29.6 million euro (32.3 million euro at December 31, 2015).

* * * *

The **discontinued operations** consist of the Italcementi group companies that operate in the construction materials segment, essentially in the production of cement, aggregates and ready mixed concrete. In the construction sector trends continued to vary greatly, both among the developed nations and among the emerging nations. In the mature area, growth in the USA slowed significantly, largely due to the negative trend in non-residential construction and public works.

In the Eurozone the divergences in the construction cycles among different countries widened. In France the general economic recovery and favorable interest rates were not sufficient to counter the weakness of the situation in construction. In Italy, the expectation of an upturn in construction with the recovery in some industry indicators and the expectations that emerged at the end of 2015 of a resumption in infrastructure investment were not fully confirmed during the first half. Spain on the other hand continues to report growth, although the strength of its progress is limited by persistent adverse structural factors.

Trends were even more variegated – albeit within a substantially positive picture – among the Italcementi group's emerging countries. The construction industry in Egypt displayed a certain resilience, despite the current economic slowdown, while weak private demand limited investment recovery in Morocco. In Asia, India reported appreciable overall results, which extended to the southern part of the country where the group operates.

In the first half of 2016, the group reported a small improvement in all three businesses, most notably in aggregates and ready mixed concrete.

Revenue, at 2,059.5 million euro, was down 41.8 million euro from the first half of 2015, due to the negative exchange-rate effect (-3.1%), while the consolidation effect (+0.6%) and business performance (+0.4%) were marginally positive.

Recurring gross operating profit, at 294.7 million euro, was down 6.3%, largely owing to the reduction in sales of carbon rights compared with the year-earlier period; after impairment losses on assets of approximately 188.5 million euro, there was an operating loss of 211.6 million euro (operating profit of 107.8 million euro in the first half of 2015). Non-recurring expense for re-organizations consisted mainly of net charges set aside after reviews of the organization structures in Italy for 116.2 million euro, North America for 10.2 million euro and Trading for 9.0 million euro.

After net finance costs of 84.6 million euro (+44.8%), no impairment losses on financial assets and the share of profit (loss) of equity-accounted investees generating profit of 3.4 million euro (unchanged from the first half of 2015), the group posted a loss before tax of 292.8 million euro (profit of 52.7 million euro in the first half of 2015). Income tax expense of 53.4 million euro was up 3.5% from the first half of 2015.

The loss for the period of 346.3 million euro compared with profit of 1.1 million euro in the first half of 2015.

Net financial debt amounted to 1,954.5 million euro at June 30, 2016, down by 182.8 million euro from December 31, 2015.

Total equity was 3,346.8 million euro, a reduction of 379.8 million euro from December 31, 2015.

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As in 2015, the contribution of the discontinued construction materials segment to the overall consolidated financial statements of the Italmobiliare Group was determined in accordance with IFRS 5; this also involved the re-statement of the results of operations and equity of the discontinued Italcementi group as at and for the six months ended June 30, 2016 in connection with the suspension since October 1, 2015 and for the period January 1 – June 30, 2016 of amortization and depreciation and of impairment losses on non-current assets net of the tax effect, as well as the elimination of the economic effects of the transactions conducted with other continuing segments of the group.

This generated a positive change in the results of operations and equity of the discontinued operations for an overall amount of 333.2 million euro.

Consequently, the construction materials segment contributed to the overall consolidated result for the first six months with a loss of 13.1 million euro (profit of 1.1 million euro for the first half of 2015), and a loss of 78.9 million euro attributable to owners of the parent (loss of 32.6 million euro in the year-earlier period).

Segment total equity at June 30, 2016, was 3,784.4 million euro, down by 47.2 million euro from December 31, 2015 (3,831.6 million euro).

Overall net financial debt stood at 1,954.5 million euro, an improvement of 182.8 million euro from December 31, 2015.

Outlook

BravoSolution group

Despite the uncertain national and international economic situation, for the rest of 2016 the BravoSolution group will continue to take action to grow its business in order to increase revenue and achieve satisfactory profit margins. Specifically, it will focus on consolidating its global leadership of the supply management market in order to expand its presence among the top national and international industrial groups and to establish a position on developing markets, while identifying new opportunities for geographical and product growth.

Italgen group

Considering all the plants in operation during the year and the attainment of the green certificates due in relation to the production from plants that have recently been revamped, the group should report recurring gross operating profit for 2016, although the result will be significantly lower than in 2015, largely as a result of the low rainfall in the first quarter of 2016.

Food packaging segment

The Sirap Gema group, through its subsidiaries in Italy and abroad, is active in the production and sale of products for the packaging of fresh food.

The main change in the corporate structure with respect to the situation at June 30, 2015 is the sale to the French group Holding Soprema S.A. of the equity investment in Sirap Insulation S.r.l.; as a result of the sale, conducted in accordance with an agreement reached on July 30, 2015, the thermal insulation core business has ceased and the Sirap group now focuses its activities on food packaging.

Attention is drawn to the fact that in the comparison of the consolidated figures at June 30, 2016 and June 30, 2015, the scope of consolidation for the first half of last year included the Sirap Insulation S.r.l., which, as noted above, was sold in the third quarter of 2015. Moreover, the figures for the first half to June 30, 2015 were significantly affected by the decision of the European Commission published on June 24, 2015, which found that some companies in the Sirap group had breached competition laws on the foamed tray market from 2002 to 2008. The imposition on the companies in question, Sirap-Gema S.p.A., Sirap France S.a.s., and some subsidiaries of the Petruzalek group, of a fine totaling 35.9 million euro, led the parent to set aside 27.1 million euro to the provision for risks in the first half of 2015, pending the final ruling.

Despite continuing market difficulties in terms of demand, in the first half of 2016 revenue and profit margins were substantially in line with the first half of 2015.

There was a small reduction in the first half in polystyrene raw materials used in production compared with the 2015 average, particularly as regards polystyrene (-6.2%).

The European Commission case did not have an impact on results of operations, apart from finance costs of approximately 0.2 million euro relating to the bank guarantees given to the Commission and the re-measurement of the provision set aside at December 31, 2015.

Business and financial performance

(in millions of euro)		H1 2016	H1 2015	% change
Revenue		**98.6**	**126.7**	**(22.2)**
Recurring gross operating profit		**9.6**	**11.9**	**(19.8)**
% of revenue		*9.7*	*9.4*	
Other expense and income		-	(27.2)	
Gross operating profit (loss)		**9.6**	**(15.3)**	**n.s.**
% of revenue		*9.7*	*(12.1)*	
Amortization and depreciation		(4.1)	(5.2)	21.9
Impairment losses reversals of impairment losses on non-current assets		-	2.8	n.s.
Operating profit (loss)		**5.5**	**(17.7)**	**n.s.**
% of revenue		*5.6*	*(14.0)*	
Net finance costs		(1.8)	(2.2)	19.1
Profit (loss) before tax		**3.7**	**(19.9)**	**n.s.**
% of revenue		*3.8*	*(15.7)*	
Income tax expense		(1.0)	(2.4)	56.8
Profit (loss) for the period		**2.7**	**(22.3)**	**n.s.**
attributable tc	**Owners of the parent**	**2.7**	**(22.3)**	**n.s.**
	Non-controlling interests	n.s.	n.s.	
Capital expenditure		4.4	8.2	

n.s. not significant

(in millions of euro)	June 30, 2016	December 31, 2015
Total equity	12.1	10.0
Equity attributable to owners of the parent	11.8	9.6
Net financial debt	(63.3)	(58.7)
Number of employees at period end	1,182	1,149

Group **revenue** in the first half of 2016 was 98.6 million euro, a reduction of 28.1 million euro from 126.7 million euro in the first half of 2015, which included 26.2 million euro at Sirap Insulation S.r.l.. When the figure of 98.6 million euro is compared with revenue in the food packaging segment in the first half of 2015 (100.7 million euro), the reduction falls to 2.1 million euro, of which 1.7 million euro attributable to the exchange-rate effect.

The group posted **recurring gross operating profit** of 9.6 million euro in the first half of 2016, against 11.9 million euro in the prior year period, which included 1.7 million euro at Sirap Insulation S.r.l.; net of Sirap Insulation, the reduction was 0.6 million euro. The difference was due in part to the purchase of the initial stock of Sirap Remoulins S.a.s. at particularly favorable conditions, which helped improve the profit margins of the company and the group in the first half of 2015.

The group reported **gross operating profit** of 9.6 million euro for the first half of 2016, compared with a gross operating loss of 15.3 million euro in the prior year period after the risk provision set aside as described above.

Amortization and depreciation (4.1 million euro) were down on the year-earlier period (5.2 million euro, of which 0.8 million euro relating to Sirap Insulation S.r.l.).

The group **operating profit** of 5.5 million euro compared with an operating loss of 17.7 million euro in the first half of 2015, which included the effects of the above-mentioned risk provision and reversals of impairment losses of 2.8 million euro on assets at Sirap Remoulins S.a.s..

Net **finance costs** amounted to 1.8 million euro, compared with 2.2 million euro in 2015; the decrease was attributable to the reduction in average net financial debt, and to a slightly more favorable dynamic in interest rates compared with the first half of 2015.

Income tax expense (1.0 million euro) was lower than in 2015 (2.4 million euro), despite a significant improvement in consolidated profit before tax (3.7 million euro, compared with a loss of 19.9 million euro); this was largely due to the non-deductibility in 2015 of the 27.1 million euro provision for risks.

The group posted a consolidated **profit for the period** of 2.7 million euro, compared with a loss of 22.3 million euro for the first half of 2015.

Consolidated **net financial debt** at June 30, 2016 was 63.3 million euro, up by 4.6 million euro from 58.7 million euro at December 31, 2015; the increase was chiefly due to seasonal trends in net working capital movements and in part to capital expenditure in the period. The net financial position includes, among assets, 15.0 million euro deposited as partial coverage of the fine imposed by the European Commission; this payment also helps contain the finance costs relating to the bank guarantee and to the deferred contingent liability due to the Commission.

Consolidated **equity** at June 30, 2016, was 12.1 million euro, up from 10.0 million euro at December 31, 2015. The improvement of 2.1 million euro arose from the profit for the period of 2.7 million euro and the negative change of 0.6 million euro in the translation and consolidation reserves.

Group **capital expenditure** in the first half of 2016 sought to balance the need to recover efficiency in manufacturing processes with financial cover. Asset acquisitions totaled 4.4 million euro, compared with 8.2 million euro in the year-earlier period, which included 2.8 million euro reversals of impairment losses on assets at Sirap Remoulins S.a.s..

Of the total amount of 4.4 million euro, 4.3 million euro were for investments in property, plant and equipment and investment property and 0.1 million euro for investments in intangible assets.

At June 30, 2016, the Sirap group had 1,182 employees, an increase of 33 from December 31, 2015, and a reduction of 149 from June 30, 2015, reflecting the departure of 187 employees in the thermal insulation segment and the net increase of 38 in the food packaging workforce.

Performance by geographical segment

(in millions of euro)	Revenue		Recurring gross operating profit		Gross operating profit		Operating profit	
	H1 2016	% change vs. H1 2015	H1 2016	% change vs. H1 2015	H1 2016	% change vs. H1 2015	H1 2016	% change vs. H1 2015
Food packaging								
- Italy	42.8	(4.2)	4.5	(6.7)	4.5	n.s.	2.2	n.s.
- France	24.3	0.8	2.2	(11.7)	2.2	(11.7)	1.3	(71.6)
- Other EU countries	33.6	0.2	2.6	6.7	2.6	6.7	1.7	11.6
- Other non-EU countries	5.5	(16.9)	0.3	(44.1)	0.3	(41.8)	0.3	(41.7)
Eliminations	(7.6)	-	-	-	-	-	-	-
Total	**98.6**	**(2.1)**	**9.6**	**(6.4)**	**9.6**	**n.s.**	**5.5**	**n.s.**
Thermal insulation	-	(100.0)	-	(100.0)	-	(100.0)	-	(100.0)
Total	**98.6**	**(22.2)**	**9.6**	**(19.8)**	**9.6**	**n.s.**	**5.5**	**n.s.**

n.s. not significant

In Italy and France, demand for food packaging products in the first half of 2016 was significantly weak.

In Poland, consumption was in line with previous periods.

In Eastern Europe, where the Sirap group operates through the Petruzalek subsidiaries, demand did not show indications of a recovery, and indeed weakened in some countries, notably Ukraine and Turkey, where political and social instability has been high, particularly in Turkey in recent weeks.

In this context, and thanks above all to the entry of the new company Sirap Remoulins S.a.s., the group focused on maintaining and consolidating its market share, reporting turnover for the first half of 2016 of 98.6 million euro, a small reduction from 100.7 million euro in the first half of 2015.

The trends on the main markets are analyzed below:

- on the Italian market the parent Sirap Gema S.p.A. (which manages the Italian foamed and rigid container business with the subsidiary Universal Imballaggi S.r.l.) reported overall turnover of 43.0 million euro in the first half, against 44.9 million euro recorded in 2015; the decrease of 1.9 million euro was largely due to the reduction in sales volumes of OPS and PET sheets. Gross operating profit totaled 4.5 million euro, a small reduction in absolute terms from the year-earlier period (4.8 million euro), with a steady return on revenue (10.5%);
- on the French market, despite some stagnation in consumption, 2016 consolidated the significant rise in turnover reported in 2015 thanks to the acquisition of the former Vitembal operations under Sirap Remoulins S.a.s.: 24.3 million euro against 24.1 million euro in the first half of 2015, an improvement of 0.2 million euro. Gross operating profit was 2.2 million euro, from 2.5 million euro in the year-earlier period; operating profit was 1.3 million euro, against 4.5 million euro in 2015, which included 2.8 million euro of impairment losses reversals on assets at Sirap Remoulins S.a.s.;
- in Poland, thanks to its strong positioning on the local market, Inline Poland reported turnover of 15.1 million euro in the first half of 2016, just below 15.5 million euro in the first half of 2015, despite an unfavorable exchange rate effect of 0.8 million euro; gross operating profit and operating profit, at 1.6 and 1.0 million euro, respectively, were in line with 2015;

- turnover at the Petruzalek group, from operations in Central Eastern Europe with generally weak demand and significant tensions in some countries, such as Ukraine and Turkey, was 24.3 million euro, down 1.4 million euro from 25.7 million euro in the first half of 2015. Turnover was influenced in part by an unfavorable exchange-rate effect of -0.9 million euro, of which -0.6 million euro in Ukraine and -0.3 million euro in Turkey, due to the depreciation of the hryvnia and the Turkish lira. Gross operating profit and operating profit for the first half, at 1.2 million euro and 1.0 million euro, respectively, were in line with the year-earlier period.

Environmental initiatives

Since January 1, 2012, the Sirap Gema group has had an Environmental Policy document providing visibility on its commitment and the action taken to safeguard the environment in the countries where it operates. Guidelines have been established and made known to personnel summarizing the group's intention of complying with local regulations and applying the best ecological standards for sustainable and responsible development.

Safety initiatives

In its factories, the Sirap group adopts the necessary measures to ensure maximum safety for its workers and property. Development continued of the group safety culture project introduced in 2009, with the involvement of all senior managers: this involves extensive reporting on accidents and accident statistics, and also on potential risk situations and promotion of measures to mitigate accident risk.

Research and development

Projects to support the improvement of manufacturing performance in the plants of the Sirap group continued for the two main technologies of extrusion and thermoforming.

Disputes and pending proceedings

With regard to the current proceeding with the European Commission (which began in 2008, for breaches of community competition laws on the plastic food packaging market), no developments have taken place with respect to the information provided in previous reports on operations in the food packaging segment.

Significant events after the reporting period

On July 11, 2016, under a plan to strengthen its activities agreed with the controlling company Italmobiliare S.p.A., after a positive preliminary assessment, the parent Sirap Gema S.p.A. completed the acquisition of the entire share capital of Rosa Plast Due S.r.l., which specializes in heat-formed rigid plastic food containers, mainly for meat, cold cuts and ice cream. The company has approximately thirty employees at the production site in Bovezzo (Brescia) and reported turnover of approximately 9 million euro in 2015. The acquisition is an important opportunity for the growth of the group's "rigid" container segment, thanks to product, commercial, logistic and technological synergies with the Castelbelforte factory (Mantua) and with Inline Poland.

Outlook

The general economic situation in the Sirap group's key markets remains weak. There is a continuing high credit collection risk given the limited liquidity of many operators. This risk will continue to be carefully monitored in order to minimize negative effects on results and mitigated through appropriate insurance cover, if is considering advantageous.

Following the sale of Sirap Insulation S.r.l., the Sirap Gema group is now focused solely on the food packaging segment. Demand for food packaging continues to be influenced by the low level of food consumption and by supermarket promotions. Against this background there has been a consolidated improvement in operating profits due to efficiency gains achieved through restructuring, greater automation in manufacturing processes and the constant focus on costs. The recent acquisitions in France in 2015 and in Italy in 2016 are part of the program to consolidate Sirap Gema on its key markets.

Financial segment

The financial segment includes the parent Italmobiliare S.p.A. and the subsidiary Franco Tosi S.r.l., into which the Luxembourg-based company Société de Participation Financière Italmobiliare S.A. was merged in July 2015.

Business and financial performance

(in millions of euro)	H1 2016	H1 2015	% change
Revenue	**29.3**	**29.1**	**1.0**
Recurring gross operating profit (loss)	**(4.0)**	**12.8**	**n.s.**
Other expense and income	-	(0.3)	n.s.
Gross operating profit (loss)	**(4.0)**	**12.5**	**n.s.**
Amortization and depreciation	(0.1)	(0.2)	41.4
Operating profit (loss)	**(4.1)**	**12.3**	**n.s.**
Net finance costs	-	(0.1)	n.s.
Impairment losses on financial assets	(9.6)	-	n.s.
Share of profit (loss) of equity-accounted investees	(0.5)	(1.2)	58.3
Profit (loss) before tax	**(14.2)**	**11.0**	**n.s.**
Income tax expense	(1.6)	(1.8)	8.3
Profit (loss) for the period	**(15.8)**	**9.2**	**n.s.**

n.s. not significant

(in millions of euro)	June 30, 2016	December 31, 2015
Equity	1,007.7	1,112.6
Net financial position (debt)	(83.8)	139.8

Before the UK referendum on June 23, the Eurozone financial markets were substantially stable. Long-term treasury bond yields in the main advanced economies remained at very contained levels, due to the strong expansionary stance of the central banks, while share prices had made moderate progress.

The result of the UK referendum triggered a sharp fall in share prices, strengthening investor preference for lower-risk instruments. The Italian market was particularly badly hit, especially the prices of bank stocks. Italian banks were affected by concern over the amount of deteriorated credit in their portfolios and their ability to raise new capital. Overall, the Italian banking sector index has lost approximately 53% since the beginning of the year.

The impact was more contained on the treasury bond market, which throughout the Eurozone benefited from the Eurosystem asset repurchase program. In the second quarter of 2016, yields on ten-year Italian treasury bonds were substantially unchanged, those on bonds with longer maturity declined. In June yields on German ten-year treasury bonds fell below zero for the first time; yields on the corresponding Japanese securities, which were already negative, declined further.

Rates also fell on US treasury bonds, reflecting market expectations of more gradual rises in official rates.

In this context, segment revenue amounted to 29.3 million euro, a slight increase from the first half of 2015, while operating results in the first half were negative, due to the impact of extraordinary costs.

Significant events in the period

In January, Franco Tosi reached a positive assessment on an investment in a US private equity fund issued by BDT Capital Partners. The company is based in Chicago and specializes in consultancy and financial support for industrial companies held by large mainly American families. BDT Capital Partners decided to re-open Fund II for approximately 1 billion US dollars, and Franco Tosi made a commitment for 50 million USD, of which to date it has disbursed 16.5 million USD. The aim of the investment is to diversify Italmobiliare Group NAV on a geographical basis through direct participation in co-investments in the USA and in Europe, and also to enable Group companies already active in the USA to access the network of contacts for potential business development in diversified sectors.

In connection with the agreement signed on July 28, 2015 with HeidelbergCement for the sale of all shares held in Italcementi for a consideration consisting in part of the assignment to Italmobiliare of an investment in HeidelbergCement, on June 21, 2016 Italmobiliare informed the counterpart of its decision to subscribe 10.5 million HeidelbergCement shares, representing approximately 5.3% of the post-increase share capital, so that Italmobiliare will become the German group's third-largest shareholder. The price of the new shares issued for Italmobiliare was 75.06 euro per share, the weighted average share price in the period of thirty trading days ending June 17, 2016.

On June 30, 2016, also in connection with the agreement with HeidelbergCement, Italmobiliare purchased from Italcementi its holdings in Italgen S.p.A. and BravoSolution S.p.A. and some properties in Rome. The overall consideration paid was 201.0 million euro, corresponding to the agreed price of 241 million euro, less the financial debt of the two companies acquired. In the consolidated and separate financial statements, the equity investments have been recognized at historical cost, since the transaction is classified as “under common control” requiring continuity of accounting values.

In May, Italmobiliare signed a preliminary contract for the purchase of Clessidra Sgr S.p.A., based on an overall value of approximately 20 million euro. This transaction is part of the policy to diversify the Italmobiliare Group portfolio and offers a significant opportunity for the growth of its operations in the private equity sector through the acquisition of the leading Italian player. Closing of the acquisition is subject to the approval of the authorities and of the investors in the Clessidra Capital Partners III fund. On July 15, 2016, the investors of the Clessidra Capital Partners III fund approved the transaction.

After Italcementi S.p.A. withdrew from its role as founding partner of the Fondazione Italcementi Cav. Lav. Carlo Pesenti, Italmobiliare S.p.A. expressed its desire to continue supporting the foundation, and ensure the continuity of its operations. As from June 28, Italmobiliare is therefore the sole and exclusive owner of the foundation, which has changed its name to ‘Fondazione Cav. Lav. Carlo Pesenti’.

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 bonds and trading equities, capital gains/losses on the sale of trading securities, gains/losses 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.

(in millions of euro)	H1 2016	H1 2015	% change
Net gains (losses) on equity investments	(3.0)	16.0	n.s.
Net gains on investments of cash and cash equivalents	3.7	3.2	17.2
Net borrowing costs	(0.4)	(0.8)	48.3
Total finance income/costs	**0.3**	**18.4**	**(98.2)**
Other income and expense	(14.5)	(7.4)	(96.8)
Income tax expense	(1.6)	(1.8)	8.3
Profit (loss) for the period	**(15.8)**	**9.2**	**n.s.**

The economic and financial conditions in which the companies of the financial segment operated, notably the significant fall in bank share prices at the end of the first half after the UK referendum on June 23 and the reduction in dividends collected in the first half, generated a sharp decline in net gains (losses) on equity investments, which reflected net losses of 3.0 million euro compared with net gains of 16.0 million euro in the first half of 2015. Specifically:

- dividends of 3.3 million euro, down 12.3 million euro from the first half of 2015 due to the absence of a dividend from Italcementi, which in the first half of 2015 was 14.1 million euro,
- gains from the sale of bank stocks, which, net of impairment losses, were 3.9 million euro (gains of 1.7 million euro in the first half of 2015),
- impairment losses on financial assets of 9.6 million euro (an immaterial amount in the year-earlier period), due essentially to impairment losses on Unicredit shares and securities to align the carrying amount with fair value based on Italian stock market prices,
- a loss of 0.5 million euro for the equity-accounted investees (loss of 1.2 million euro in the first half of 2015), as a result of the group's share of the loss recorded by the associate Società Editrice Sud S.p.A..

Net gains of 3.7 million euro on investments of cash and cash equivalents (3.2 million euro in the first half of 2015) produced an improvement of 17.2% from the year-earlier period, despite measurement losses of 0.7 million euro on trading instruments compared with gains of 1.2 million euro for the first half of 2015.

With average segment debt of 123.7 million euro (determined on the basis of quarterly average values), a significant decrease from 153.7 million euro in the first half of 2015, **net borrowing costs** were down 48.3% from the first half of 2015.

The above figures generated **net finance income** of 0.3 million euro in the first half (income of 18.4 million euro in the first half of 2015).

Other expense net of other income amounted to 14.5 million euro (7.4 million euro in the first half of 2015). The significant increase of 7.2 million euro arose from the high costs sustained by the parent Italmobiliare for the current non-recurring transactions (legal and advisory costs relating to the sale of Italcementi), while operating expense was in line with the first half of 2015.

After income tax of 1.6 million euro (1.8 million euro in the first half of 2015), the segment posted a **loss for the period** of 15.8 million euro, compared with a profit of 9.2 million euro in the first half of 2015.

Equity was 1,007.7 million euro, a reduction of 104.9 million euro from December 31, 2015, due to:

- the loss for the period of 15.8 million euro,
- the decrease of 72.8 million euro in the fair value reserve,
- dividends of 16.3 million euro distributed by Italmobiliare S.p.A..

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 June 30, 2016, the consolidated balance on this reserve in the financial segment was negative at 39.8 million euro (a positive balance of 33.0 million euro at December 31, 2015), due to the fall in share prices, especially bank stocks.

Information on the companies in the segment

Italmobiliare S.p.A.

The interim financial statements as at and for the six months ended June 30, 2016, drawn up in accordance with the IFRS for the purposes of the Group consolidated financial statements, reflect the following key data:

(in millions of euro)	H1 2016	H1 2015	% change
Net gains (losses) on equity investments	(0.3)	16.8	*n.s.*
Net gains (losses) on investments of cash and cash equivalents	1.8	(0.4)	*n.s.*
Net borrowing costs	(0.4)	(0.7)	*47.0*
Total finance income	**1.1**	**15.7**	***(92.8)***
Other income and expense	(13.8)	(6.7)	*n.s.*
Income tax (expense)	0.2	-	*n.s.*
Profit (loss) for the period	**(12.5)**	**9.0**	***n.s.***

n.s. not significant

	June 30, 2016	December 31, 2015
Equity	842.6	944.9
Net financial debt	(247.4)	(138.9)

The company posted net losses of 0.3 million euro on equity investments, a significant decrease from the net gains of 16.8 million euro in the first half of 2015. Attention is drawn to:

- dividends of 3.0 million euro, down 12.3 million euro from the first half of 2015 due to the absence of a dividend from Italcementi, which in the first half of 2015 paid a dividend of 14.1 million euro,
- gains of 6.3 million euro from the sale of Mediobanca shares after the exercise of put options and the sale of Banca Popolare di Milano shares (gains of 1.5 million euro in the first half of 2015),
- impairment losses on financial assets of 9.5 million euro (absent in the year-earlier period), due essentially to impairment losses on Unicredit shares and securities to align the carrying amount with fair value based on Italian stock market prices.

There were net gains on investments of cash and cash equivalents of 1.8 million euro (net losses of 0.4 million euro in the first half of 2015), relating largely to financial gains on hedges.

Net borrowing costs showed an improvement of 47.0% due to the lower cost of money and a reduction in average net financial debt in the first half year.

Other income and expense reflected net expense of 13.8 million euro, an increase of 7.1 million euro from the first half of 2015, mainly due to non-recurring costs relating to the project for the sale to HeidelbergCement AG of the entire holding in Italcementi and, as part of the same transaction, the purchase of the equity investments in e-procurement (BravoSolution group) and in renewable energy (Italgen group) and the tax expense on the purchase of properties in Rome.

After income tax expense of 0.2 million euro, the loss for the period was 12.5 million euro (profit of 9.0 million euro in the first half of 2015).

Equity at June 30, 2016 was 842.6 million euro, down 102.3 million euro from December 31, 2015 mainly as a result of the decrease of 73.5 million euro in the fair value reserve, the loss for the period and dividends paid for 16.3 million euro.

Italmobiliare net financial debt of 247.4 million euro was up 108.5 million euro from December 31, 2015, essentially in connection with the investments made for the acquisition of BravoSolution S.p.A., Italgen S.p.A. and the properties in Rome. Cash flows are analyzed in the section "Net financial position of Italmobiliare S.p.A. and the financial segment".

Franco Tosi S.r.l.

As detailed in the previous directors' report as at and for the year ended December 31, 2015, following the merger of Société de Participation Financière Italmobiliare S.A. into Franco Tosi S.r.l., effective from July 9, 2015, only the figures for the first half of 2016 are presented, since they are not comparable with those of the year-earlier period. In the first half of 2015, Franco Tosi provided solely general and IT services for the Italmobiliare Group, an operation that was spun off on December 15, 2015 to the newly established company Italmobiliare Servizi S.r.l..

(in millions of euro)	**H1 2016**
Net gains (losses) on equity investments	(0.4)
Net gains on investments of cash and cash equivalents	1.9
Net borrowing costs	-
Total finance income/costs	**1.5**
Other income and expense	(0.7)
Income tax expense	(1.6)
Loss for the period	**(0.8)**

	June 30, 2016	**December 31, 2015**
Equity	199.4	301.4
Net financial position	163.5	278.7

Finance income net of finance costs amounted to 1.5 million euro, thanks to gains of 1.9 million euro on investments of cash and cash equivalents, whereas there were net losses of 0.4 million euro on equity investments, essentially due to impairment losses on derivatives.

After operating expense of 0.7 million euro and income tax expense of 1.6 million euro, the company posted a loss for the period of 0.8 million euro.

Besides managing a trading portfolio, Franco Tosi S.r.l. holds the foreign equity investments of the financial segment: Crédit Mobilier de Monaco S.A., Société d'Etudes de Participations et de Courtage S.A., both based in the Principality of Monaco, and Finimage 15 Sagl (Switzerland).

In addition to the above controlling equity investments, the "available-for-sale" portfolio includes other equity investments for 24.0 million euro, an increase of 14.7 million euro from December 31, 2015. The increase arose essentially from the investment made by Franco Tosi in January in the US private equity fund BDT Capital Partners Fund II. The transaction, described in "*Significant events in the period"* involves an overall commitment for the company of 50 million USD, plus commission. To date, Franco Tosi has disbursed a nominal amount of 16.5 million USD.

Non-current assets include a commercial property in Chiasso, carried at 8.8 million euro, which is managed by a local specialist agency. Most of the properties are let and the related amounts are aligned with the market prices in force at the contract dates.

Equity at June 30, 2016 was 199.4 million euro, down 102.0 million euro from December 31, 2015 mainly as a result of the reimbursement of equity reserves to the parent Italmobiliare for 100 million euro and the loss for the period of 1.6 million euro.

The above reimbursement of 100 million euro and the investment in the first half in the US private equity fund BDT Capital Partners Fund II led to a decrease of 115.1 million euro in the net financial position, from 278.7 million euro at the end of 2015 to 163.6 million euro at June 30, 2016.

Net financial position of Italmobiliare S.p.A. and the financial segment

(in millions of euro)	June 30, 2016		December 31, 2015	
	Italmobiliare	**Financial segment[1]**	**Italmobiliare**	**Financial segment[1]**
Current financial assets	14.8	158.0	9.5	278.6
Current financial liabilities	(265.6)	(251.2)	(133.9)	(133.3)
Current net financial debt	**(250.8)**	**(93.2)**	**(124.4)**	**145.3**
Non-current financial assets	3.4	9.4	5.5	14.5
Non-current financial liabilities	0.0	0.0	(20.0)	(20.0)
Non-current net financial position (debt)	**3.4**	**9.4**	**(14.5)**	**(5.5)**
Net financial debt	**(247.4)**	**(83.8)**	**(138.9)**	**139.8**

[1] consisting of: Italmobiliare S.p.A. - Franco Tosi S.r.l.

At June 30, 2016, current financial assets of the financial segment totaled 158.0 million euro, and mainly consisted of bonds (55.2%) and cash/money market instruments (23.8%). The bond portfolio consisted of floating-rate instruments for 18.29% and fixed-rate instruments for the remaining 81.71% with a Moody’s Aa2 rating (source: Bloomberg). The portfolio is diversified on a geographical basis and a segment basis, and maximum exposure on a single instrument was 6.9% (BBB), while maximum exposure to a single issuer (Italian government bonds) was 21.6% (BBB) out of the total bond portfolio at June 30, 2016. In this portfolio, treasury instruments amounted to 31.8 million euro, with an average rating of A.

The material investments made in the first half of the year had a significant impact on the financial segment’s net financial position: Italmobiliare S.p.A. reported a decline of 108.5 million euro from December 31, 2015, reflected in the consolidated financial position of the financial segment, with net debt of 83.8 million euro (a positive position of 139.8 million euro at December 31, 2015).

The changes in the net financial position (debt) of Italmobiliare and the financial segment are detailed in the table below.

(in millions of euro)	**Italmobiliare**	**Financial segment**
Sale and reimbursement of capital on equity investments	130.2	30.3
Equity investments acquired	(208.0)	(224.2)
Property purchases	(15.0)	(15.0)
Dividends received	2.1	2.3
Dividends paid	(16.3)	(16.3)
Finance income (costs)	(0.7)	0.5
Current operations and non-recurring items	(0.8)	(1.2)
Total	**(108.5)**	**(223.6)**

Disputes and pending proceedings

In relation to the tax assessment report (PVC, *Processo Verbale di Constatazione*) served by the Italian tax authorities on completion of the tax inspection into the 2010 tax period (for direct taxes and VAT), and notified to Italmobiliare S.p.A. on July 31, 2015, relating in particular to the non-Italian Italmobiliare companies in the banking and financial segments, after the presentation on December 4, 2015 of a rebuttal to the PVC (pursuant to art. 12, para. 7, Law Nr. 212/2000), the tax authorities served a questionnaire (pursuant to art. 32, Presidential Decree Nr. 600/73) to obtain additional specific information and related documents regarding the tax period in question. Furthermore, a specific questionnaire was also served on Italmobiliare for the 2011 tax period. The company is collecting the documentation required to substantiate the response it intends to present within the term required by law.

No tax assessment notice has been served to date for the year in question, although the tax authorities have until the end of 2019 to serve such a notice, due to the doubling of the deadlines for assessment notices envisaged by art. 43, Presidential Decree Nr. 600/73.

Significant events after the reporting period

On July 1, 2016, under the agreement with HeidelbergCement, Italmobiliare S.p.A. transferred its entire holding in Italcementi S.p.A., equal to 45% of Italcementi share capital, to HeidelbergCement AG and to HeidelbergCement France S.A.S., a company indirectly held 100% by HeidelbergCement AG. Specifically, in accordance with and execution of the preliminary share sale-purchase agreement signed on July 28, 2015 by Italmobiliare and HeidelbergCement AG, and the subsequent amendment of July 1, 2016, Italmobiliare sold 82,819,920 Italcementi shares to HeidelbergCement France for an overall amount of 877.9 million euro and transferred 74,351,887 Italcementi shares to HeidelbergCement AG in exchange for 10,500,000 new HeidelbergCement ordinary shares. HeidelbergCementi AG subsequently sold the transferred shares on to HeidelbergCement France. As a result of these transactions, HeidelbergCement France owns 45% of Italcementi share capital, while Italmobiliare now holds approximately 5.3% of post-increase HeidelbergCement share capital.

The new HeidelbergCement shares were issued in favor of Italmobiliare at a price of 75.06 euro each, equivalent as agreed to the weighted average HeidelbergCement share price in the period of 30 trading days ending on June 17, 2016, and have been recognized at fair value at July 1, 2016.

In July, the Italmobiliare S.p.A. Board of Directors approved the transaction to simplify the capital structure through the distribution of an extraordinary dividend to the savings shareholders only and the simultaneous mandatory conversion of the savings shares into ordinary shares. The purpose of the transaction is to simplify the structure of Italmobiliare S.p.A. share capital and to achieve uniform rights for all shareholders, also with a view to responding more efficiently to any opportunities on the capital markets in executing the company's future growth plans.

The proposal to be presented for the approval of an extraordinary meeting of the ordinary shareholders and a special meeting of the savings shareholders on August 4, 2016, is as follows:

I. distribution to the savings shareholders only of an extraordinary preferred dividend, in part in cash, for an amount of 80.00 euro for each group of 10 savings shares for an overall maximum amount of 130.4 million euro, and in part in stock, with the assignment of three

HeidelbergCement AG shares for each group of 10 savings shares for an overall maximum of 4,891,399 HeidelbergCement AG shares; and

II. the simultaneous mandatory conversion of the 16,343,162 savings shares into Italmobiliare S.p.A. ordinary shares, at a conversion rate of 1 new ordinary share for each group of 10 savings shares.

The extraordinary preferred dividend will involve the distribution to entitled shareholders of a portion of the "Retained earnings" reserve.

Since the distribution of the extraordinary preferred dividend and the mandatory conversion involve amendments to the Italmobiliare S.p.A. By-laws with regard to the participation rights of ordinary shareholders and the voting and participation rights of the savings shareholders, Italmobiliare shareholders have a right of withdrawal pursuant to art. 2437, paragraph 1, letter g) of the Italian Civil Code. The liquidation value computed pursuant to art. 2437-*ter* of the Italian Civil Code has been set at 26.64 euro per savings share and 36.51 euro per ordinary share.

Execution of the extraordinary preferred dividend and mandatory conversion resolution is subject to the condition that the outlay for the company, pursuant to art. 2437-*quater* of the Italian Civil Code, with respect to the right of withdrawal of shareholders who did not vote in favor of the resolution may not exceed, for each share category, an overall amount of 30 million euro. This condition is set in the exclusive interest of Italmobiliare S.p.A., and may be waived by Italmobiliare S.p.A..

Outlook

The material gain from the sale of the equity investment in Italcementi S.p.A. indicates that the segment will close 2016 with a profit for the year, while ordinary financial operations could be affected by the high volatility that has developed on the financial markets since the UK Brexit referendum on June 23, which has generated an unprecedented situation in the process of European integration, whith repercussions that are difficult to predict.

Banking segment

Following the sale of the Finter Bank Zürich group at the end of September 2015, the banking segment is represented by Crédit Mobilier de Monaco.

Crédit Mobilier de Monaco

Crédit Mobilier de Monaco is a bank in Monaco whose main activity is collateralized loans. In 2016 despite the improvement in net interest income (+4.6% compared with 2015), the increase in operating expense led to a decrease in gross operating profit of 25.5% compared with the first half of 2015, from 255 thousand euro to 190 thousand euro for the first half of 2016.

After impairment losses on non-current assets and income tax expense for a total of 113 thousand euro in line with the year-earlier period, the profit for the period was 77 thousand euro, down from the first half of 2015 (143 thousand euro).

Equity was 5,939 thousand euro, up from December 31, 2015 due to the profit for the period.

The positive net financial position of 5.4 million euro was in line with the end of 2015.

Crédit Mobilier de Monaco's importance within the Italmobiliare Group is not such as to require further comment on its results.

Significant events in the period

No significant events took place.

Significant events after the reporting period

No significant events took place.

Outlook

The business of the bank for 2016 will depend on the quantity and quality of the collateralized loans it provides to customers, as well as its constant commitment to a careful policy of optimizing costs and the quality of the services provided. These trends will influence its performance and make it impossible to provide reliable forecasts about the results for the current year.

Property, services and other

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 for the first half of 2016 was 1.6 million euro, up from the year-earlier period (0.6 million euro). After operating expense and amortization and depreciation totaling 1.2 million euro (0.7 million euro in the year-earlier period), the segment posted a profit for the period of 0.4 million euro (a loss of 0.1 million euro in the first half of 2015).

Segment equity at June 30, 2016 was 1.9 million euro, up 0.4 million euro from December 31, 2015.

The net financial position also improved, by 0.2 million euro, rising from 1.4 million euro at December 31, 2015 to 1.6 million euro at June 30, 2016.

Subject to unpredictable events, the segment is expected to report an improvement in its full-year result compared with 2015.

Transactions with related parties

For the purposes of the Group consolidated financial statements, transactions with related parties 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.

The figures at June 30, 2016 for transactions with related parties are provided in the notes.

No atypical or unusual transactions took place in the first half year.

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.

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

Transactions with other related parties

Transactions with other related parties in the first half year 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 180.6 thousand euro.
- legal consultancy, judicial and extrajudicial assistance provided to the Italmobiliare Group by the Gattai – Minoli & Partners law firm, of which the Italmobiliare director Luca Minoli is a partner, for considerations of 1,051.0 thousand euro;

During the first half year, the Italmobiliare S.p.A. Group made an endowment to the Italcementi Cav. Lav. Carlo Pesenti foundation of 10.3 million euro. The Italcementi group charged the foundation 151 thousand euro for administrative, corporate and other services.

Disputes

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, potential liabilities are probable and measurable.

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

Outlook

The outcome of the UK referendum on the exit from the European Union has produced a situation whose economic effects are difficult to assess, and will be influenced above all by the political decisions taken by the EU and its member states; consequently, the risks of an extension of financial and banking tensions have increased, and could be mitigated by full use of existing monetary policy measures.

In this context, the Group's industrial segments as a whole should consolidate the improvement of their operating margins, thanks to the positive contribution of the food packaging segment, whose restructuring has improved efficiency, increased production automation and constant attention to costs, whereas the results of the Italgen group, while positive, will be down on those of 2015 in part as a result of weather conditions that limited hydroelectric power generation in the first half of 2016. The BravoSolution group will continue to take action to improve its offer of products and services and grow revenue.

The material gain on the sale of the equity investment in Italcementi will enable the Group to report a full-year profit, although operating results could be affected by the high volatility of the financial markets.

Compliance with the conditions for listing laid out in the CONSOB market regulation

With reference to the *Conditions for the listing of certain companies*, laid out in art. 36 of the market regulation adopted by CONSOB with Resolution no. 16191 of October 29, 2007, and subsequent amendments, on the basis of the «2015 Audit Plan», 13 subsidiaries headquartered in 9 non-European Union countries are included in the scope of «material significance».

With regard to these companies, all the conditions required for the maintenance of the listing of the company as the "*Parent of non-European companies established and regulated under the law of non-EU countries"* have been met.

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

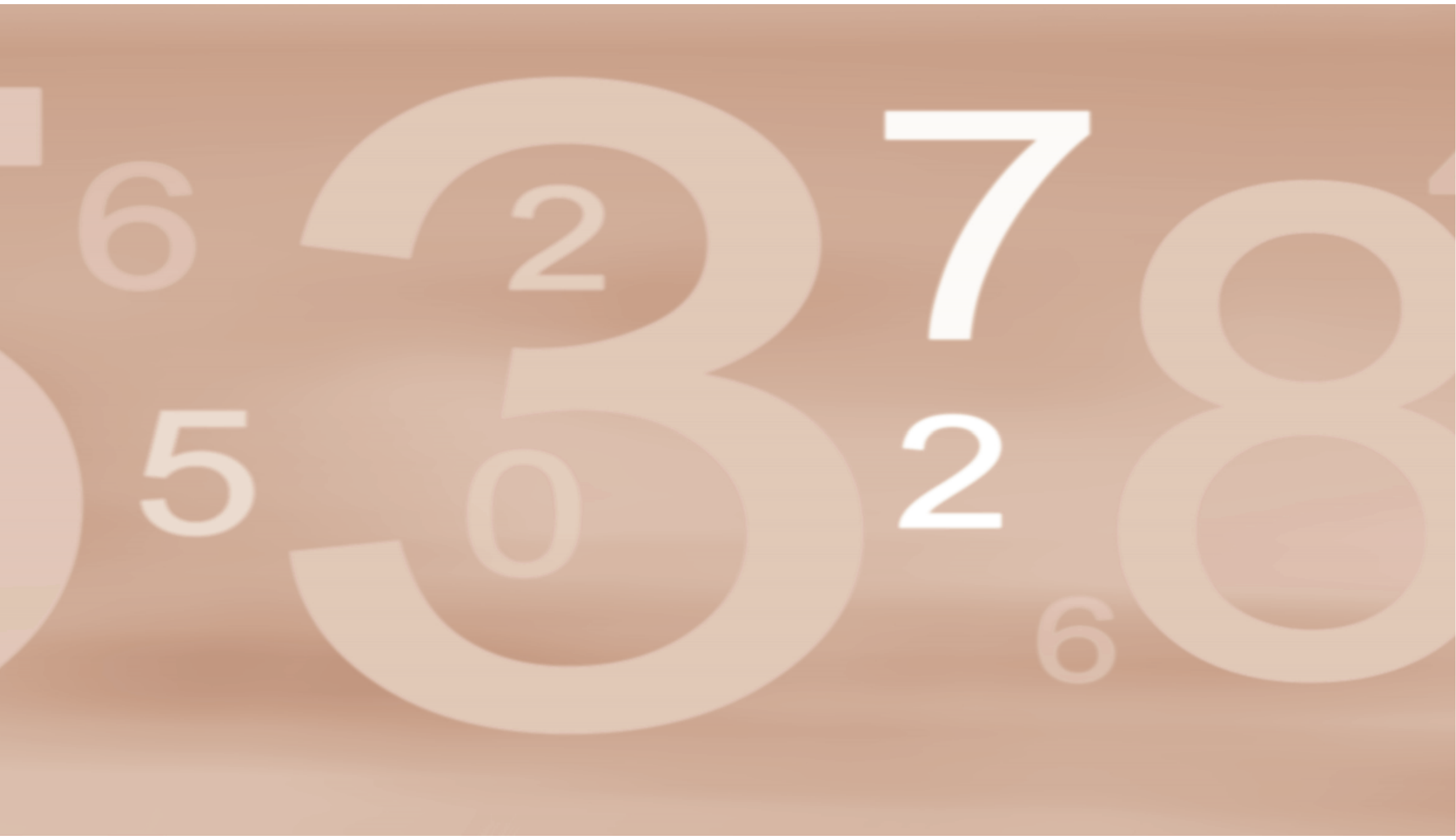
Italmobiliare S.p.A. has adopted the opt-out regime envisaged by the Consob Issuers Regulation, exercising the right to waive the obligations to publish disclosure documents required in connection with significant merger and demerger transactions, acquisitions and sales end, capital increases by contributions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

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

Milan, August 4, 2016

for the Board of Directors
The Chief Executive Officer
(signed on the original)

Condensed interim consolidated financial statements



Financial statements

Statement of financial position

(in thousands of euro)	Note	06.30.2016	12.31.2015	Change
Non-current assets				
Property, plant and equipment	1	129,190	131,238	(2,048)
Investment property		6,618	6,510	108
Goodwill	2	24,303	24,423	(120)
Intangible assets		20,204	20,009	195
Equity-accounted investees	3	17,378	17,735	(357)
Other equity investments	4	133,655	204,387	(70,732)
Trade receivables and other non-current assets		36,750	37,270	(520)
Deferred tax assets		20,602	23,047	(2,445)
Non-current amounts due from employees				
Total non-current assets		**388,700**	**464,619**	**(75,919)**
Current assets				
Inventories		36,522	33,459	3,063
Trade receivables	5	97,011	108,001	(10,990)
Other current assets including derivatives		32,873	25,006	7,867
Tax assets		1,880	3,782	(1,902)
Equity investments, bonds and loan assets	6	104,730	173,395	(68,665)
Cash and cash equivalents	7	56,580	118,173	(61,593)
Total current assets		**329,596**	**461,816**	**(132,220)**
Assets held for sale	25	**8,581,462**	**8,598,004**	**(16,542)**
Total assets		**9,299,758**	**9,524,439**	**(224,681)**
Equity				
Share capital	8	100,167	100,167	
Share premium		177,191	177,191	
Reserves	9	(9,184)	85,830	(95,014)
Treasury shares	10	(20,792)	(20,792)	
Retained earnings		1,319,002	1,496,161	(177,159)
Equity attributable to owners of the parent		**1,566,384**	**1,838,557**	**(272,173)**
Non-controlling interests	11	2,408,112	2,490,918	(82,806)
Total equity		**3,974,496**	**4,329,475**	**(354,979)**
Non-current liabilities				
Financial loans and borrowings	13	62,950	43,242	19,708
Employee benefits		11,966	11,444	522
Provisions	12	50,405	50,295	110
Other liabilities		562	1,637	(1,075)
Deferred tax liabilities		3,207	4,282	(1,075)
Total non-current liabilities		**129,090**	**110,900**	**18,190**
Current liabilities				
Bank loans and borrowings	13	275,023	156,851	118,172
Financial loans and borrowings	13	25,860	62,971	(37,111)
Trade payables	14	57,181	58,215	(1,034)
Provisions	12	666	986	(320)
Tax liabilities		404	1,846	(1,442)
Other liabilities	15	74,293	71,112	3,181
Total current liabilities		**433,427**	**351,981**	**81,446**
Total liabilities		**562,517**	**462,881**	**99,636**
Liabilities directly linked to assets held for sale	25	**4,762,745**	**4,732,083**	**30,662**
Total equity and liabilities		**9,299,758**	**9,524,439**	**(224,681)**

Pursuant to Consob Resolution no. 155519 of July 27, 2006, the effects of transactions with related parties on the financial position and results of operations are set out in the relevant annexes.

Income statement

(in thousands of euro)	Note	H1 2016	%	H1 2015 re-stated IFRS 5	%	Change	%
Revenue	16	**182,605**	**100.0**	**207,516**	**100.0**	**(24,911)**	**-12.0**
Other revenue		2,626		5,137		(2,511)	
Change in inventories		3,066		402		2,664	
Internal work capitalized		2,625		2,715		(90)	
Raw materials and supplies	17	(71,684)		(90,483)		18,799	
Services	18	(32,726)		(34,145)		1,419	
Personnel expenses	19	(77,083)		(66,551)		(10,532)	
Other operating expense	20	(8,272)		(4,751)		(3,521)	
Recurring gross operating profit		**1,157**	**0.6**	**19,840**	**9.6**	**(18,683)**	**-94.2**
Gains (losses) from the sale of non-current assets	21			10		(10)	
Non-recurring personnel expense for re-organizations	21	(12)		(73)		61	
Other non-recurring income (expense)	21	5		(27,448)		27,453	
Gross operating profit (loss)		**1,150**	**0.6**	**(7,671)**	**-3.7**	**8,821**	**n.s.**
Amortization and depreciation	1	(9,464)		(9,935)		471	
Impairment (losses) reversals of impairment (losses) on non-current assets	1	(356)		2,770		(3,126)	
Operating loss		**(8,670)**	**-4.7**	**(14,836)**	**-7.1**	**6,166**	**41.6**
Finance income	22	71		51		20	
Finance costs	22	(1,860)		(2,252)		392	
Exchange-rate differences and net gains (losses) on derivatives	22	(230)		(390)		160	
Impairment losses on financial assets	23	(9,636)		(24)		(9,612)	
Share of profit (loss) of equity-accounted investees	3	(293)		(1,143)		850	
Loss before tax		**(20,618)**	**-11.3**	**(18,594)**	**-9.0**	**(2,024)**	**-10.9**
Income tax expense	24	(3,936)		(6,160)		2,224	
Loss relating to continuing operations		**(24,554)**	**-13.4**	**(24,754)**	**-11.9**	**200**	**0.8**
Profit (loss) relating to discontinued operations, net of tax effects	25	(13,056)		4,373		(17,429)	
Loss for the period		**(37,610)**	**-20.6**	**(20,381)**	**-9.8**	**(17,229)**	**-84.5**
Attributable to:							
Owners of the parent		(47,608)	-26.1	(39,197)	-19.0	(8,411)	-21.5
Non-controlling interests		9,998	5.5	18,816	9.1	(8,818)	-46.9
Earnings (losses) per share							
Basic ordinary shares	27	(1.265) €		(1.041) €			
Basic savings shares	27	(1.265) €		(1.041) €			
Diluted ordinary shares	27	(1.263) €		(1.041) €			
Diluted savings shares	27	(1.263) €		(1.041) €			

Statement of comprehensive income

(in thousands of euro)	Note	H1 2016	%	H1 2015 re-stated IFRS 5	%	Change	%
Loss for the period		**(37,610)**	**-20.6**	**(20,381)**	**-9.8**	**(17,229)**	**-84.5**
Items that will not be reclassified to profit or loss subsequently							
Re-measurement of the net liability/(asset) for employee benefits				24		(24)	
Income tax expense				(9)		9	
Total items that will not be reclassified to profit or loss subsequently				**15**		**(15)**	
Items that might be reclassified to profit or loss subsequently							
Translation reserve on foreign operations		(2,659)		8,759		(11,418)	
Translation reserve on foreign operations - equity-accounted investees							
Fair value gains (losses) on cash flow hedging		(74)		(22)		(52)	
Fair value gains (losses) on cash flow hedging - equity-accounted investees							
Fair value gains (losses) on available-for-sale financial assets		(75,395)		39,392		(114,787)	
Fair value gains (losses) on available-for-sale financial assets - equity-accounted investees							
Income tax		639		1,033		(394)	
Total items that might be reclassified to profit or loss subsequently		**(77,489)**		**49,162**		**(126,651)**	
Total other comprehensive income (expense) relating to continuing operations net of tax effect		**(77,489)**		**49,177**		**(126,666)**	
Other comprehensive income (expense) relating to discontinued operations	25	(165,027)		138,920		(303,947)	
Total other comprehensive income (expense)	26	**(242,516)**		**188,097**		**(430,613)**	
Total comprehensive income (expense)		**(280,126)**	**n.s.**	**167,716**	**80.8**	**(447,842)**	**n.s.**
Attributable to:							
owners of the parent		(174,279)		65,070		(239,349)	
non-controlling interests		(105,847)		102,646		(208,493)	

Consolidated statement of changes in equity

(in thousands of euro)	Attributable to owners of the parent: Share capital	Reserves: Share premium	Reserves: AFS fair value reserve	Reserves: Hedging reserve	Reserves: Actuarial gain/losses on defined benefit plans	Reserves: Other reserves	Treasury shares	Translation reserve	Retained earnings	Total share capital and reserves	Non-controlling interests	Total equity
Balance at December 31, 2014	**100,167**	**177,191**	**18,231**	**-9,158**	**-18,941**	**64,572**	**-21,226**	**-8,055**	**1,503,493**	**1,806,274**	**2,480,106**	**4,286,380**
Profit (loss) for the period									-39,197	-39,197	18,816	-20,381
Total other comprehensive income (expense)			40,425	-10	15			8,253		48,683	494	49,177
Total other comprehensive income (expense) relating to discontinued operations			11,064	1,801	133			42,586		55,584	83,336	138,920
Total comprehensive income (expense)			**51,489**	**1,791**	**148**			**50,839**	**-39,197**	**65,070**	**102,646**	**167,716**
Stock options							340			340		340
Dividends									-11,694	-11,694	-93,755	-105,449
% change in control and scope of consolidation									-6,076	-6,076	5,415	-661
Balance at June 30, 2015	**100,167**	**177,191**	**69,720**	**-7,367**	**-18,793**	**64,572**	**-20,886**	**42,784**	**1,446,526**	**1,853,914**	**2,494,412**	**4,348,326**
Profit (loss) for the period									46,151	46,151	29,017	75,168
Total other comprehensive income (expense)			-12,016	48	334			-28,675		-40,309	178	-40,131
Total other comprehensive income (expense) relating to discontinued operations			-13,594	-3,560	7,603			-9,099		-18,650	-28,865	-47,515
Total comprehensive income (expense)			**-25,610**	**-3,512**	**7,937**			**-37,774**	**46,151**	**-12,808**	**330**	**-12,478**
Stock options							94			94		94
% change in control and scope of consolidation						-1,200			-1,443	-2,643	-3,824	-6,467
Balance at December 31, 2015	**100,167**	**177,191**	**44,110**	**-10,879**	**-10,856**	**63,372**	**-20,792**	**5,010**	**1,491,234**	**1,838,557**	**2,490,918**	**4,329,475**
Profit (loss) for the period									-47,608	-47,608	9,998	-37,610
Total other comprehensive income (expense)			-74,756	-74				-2,461		-77,291	-198	-77,489
Total other comprehensive income (expense) relating to discontinued operations			-23	-8,474	-12,242			-28,641		-49,380	-115,647	-165,027
Total comprehensive income (expense)			**-74,779**	**-8,548**	**-12,242**			**-31,102**	**-47,608**	**-174,279**	**-105,847**	**-280,126**
Dividends									-16,330	-16,330	-52,479	-68,809
% change in control and scope of consolidation and reclassifications						638		-5,196	-77,006	-81,564	75,520	-6,044
Balance at June 30, 2016	**100,167**	**177,191**	**-30,669**	**-19,427**	**-23,098**	**64,010**	**-20,792**	**-31,288**	**1,350,290**	**1,566,384**	**2,408,112**	**3,974,496**

Statement of cash flows

(in thousands of euro)	Note	H1 2016	H1 2015 re-stated IFRS 5
A) Cash flow from operating activities:			
Loss before tax		(20,618)	(18,594)
Adjustments for:			
Amortization, depreciation and impairment losses		19,456	7,189
Reversal of share of profit (loss) of equity-accounted investees		366	1,164
(Gains)/losses on the sale of non-current assets		(6,835)	(1,856)
Change in employee benefits and other provisions		603	28,750
Stock options			
Reversal of net finance costs and income		(3,833)	550
Cash flow from operating activities before tax, finance income/costs, change in working capital		**(10,861)**	**17,203**
Change in working capital:			
Inventories		(3,064)	(4,895)
Trade receivables		10,487	(3,573)
Trade payables		(671)	6,339
Other receivables/payables, prepayments and accrued income, accrued expense and deferred income		19,128	(3,527)
Cash flow from operating activities before tax, finance income/costs		**15,019**	**11,547**
Net finance costs paid		(344)	(814)
Dividends received		2,485	364
Taxes paid		(798)	(8,587)
		1,343	**(9,037)**
Total A)		**16,362**	**2,510**
Cash flow from operating activities of discontinued operations		140,855	190,295
B) Cash flow used in investing activities:			
Capital expenditure:			
PPE and investment property		(11,254)	(11,478)
Intangible assets		(3,830)	(3,057)
Financial assets (equity investments) net of cash acquisitions		(37,852)	(560)
Total capital expenditure		**(52,936)**	**(15,095)**
Proceeds from sale of non-current assets and loan repayments		34,088	12,656
Total sales		**34,088**	**12,656**
Cash flow used in investing activities of sold operations			
Total B)		**(18,848)**	**(2,439)**
Cash flow used in investing activities of discontinued operations (*)		(131,344)	(194,951)
C) Cash flow used in financing activities:			
Change in financial liabilities		118,313	12,067
Change in financial assets		41,200	(43,361)
Change in current equity investments			1,057
Purchase of treasury shares			341
Percentage change in interests in consolidated companies		(200,994)	
Dividends paid		(17,724)	(11,694)
Other changes in equity		(103)	(121)
Total C)		**(59,308)**	**(41,711)**
Cash flow used in financing activities of discontinued operations		67,679	146,969
D) Translation differences and other changes			
Translation differences and other changes		201	7,919
Total D)		**201**	**7,919**
Translation differences and other changes relating to discontinued operations		14,002	20,882
E) Cash flows for the period relating to continuing operations (A+B+C+D)		**(61,593)**	**(33,721)**
Cash flows for the period relating to discontinued operations		**91,192**	**163,195**
F) Cash and cash equivalents at beginning of period relating to continuing ops		**118,173**	**83,133**
Cash and cash equivalents at beginning of period relating to discontinued ops		**537,092**	**780,404**
Cash and cash equivalents at end of period relating to continuing ops (E+F)	**7**	**56,580**	**49,412**
Cash and cash equivalents at end of period relating to discontinued ops		**628,284**	**943,599**
(*) cash and cash equivalents from acquired and consolidated companies			2,784

Cash flows used in investing activities and from sales of non-current assets are discussed in the relevant section of the notes.
The statement of cash flows relating to discontinued operations is illustrated in note 25 “Profit (loss) relating to discontinued operations, net of tax effects”.

Notes to the condensed interim consolidated financial statements

The condensed interim consolidated financial statements of Italmobiliare S.p.A. as at and for the six months ended June 30, 2016 were approved by the Board of Directors on August 4, 2016. At the meeting, the Board authorized publication of a press release dated August 4, 2016 containing key information from the financial statements.

Statement of compliance with the IFRS

The condensed interim consolidated financial statements have been drawn up in compliance with the International Financial Reporting Standards (IFRS) applicable at June 30, 2016, endorsed by the EC Commission; specifically, the condensed interim consolidated financial statements have been drawn up in accordance with International Accounting Standard 34 governing interim financial reporting.
The condensed interim consolidated financial statements do not present all the information and notes published in the annual report and should therefore be read in conjunction with the consolidated financial statements of Italmobiliare S.p.A. as at and for the year ended December 31, 2015.

The accounting policies used to draw up these condensed interim consolidated financial statements are consistent with the accounting policies used to draw up the Group financial statements as at and for the year ended December 31, 2014, and, in addition, with the policies and interpretations endorsed by the European Union and applicable as from January 1, 2016, specifically:

- "Annual improvements cycle 2010-2012". The main changes refer to IFRS 3 "Business combinations" (changes in the criteria for the measurement, recognition and classification of contingent considerations), IFRS 8 "Operating segments" (changes in operating segment disclosures);
- "Annual improvements cycle 2012-2014". The main changes are clarifications concerning IFRS 5 "Non-current assets held for sale and discontinued operations";
- IFRS 11 "Joint arrangements". The changes introduce new indications regarding the accounting treatment of acquisitions of equity investments in joint arrangements which constitute a business;
- IAS 1 "Presentation of financial statements". The changes improve disclosure effectiveness;
- IAS 19 "Employee benefits". The changes are designed to clarify accounting treatment of employee or third-party contributions relating to defined benefit plans;
- IAS 27 "Separate financial statements". The changes have introduced the possibility to apply the equity method when accounting for investments in subsidiaries, joint ventures and associates in separate financial statements.

Application of the above standards, amendments and interpretations did not have a material impact on the Group financial statements.

Discretional measurements and use of estimates

In the preparation of these condensed interim consolidated financial statements, 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 used in the preparation of the consolidated financial statements as at and for the year ended December 31, 2015.

Exchange rates used to translate the financial statements of foreign operations

Exchange rates for 1 euro:

Currencies	Average rate			Closing rate		
	H1 2016	Full year 2015	H1 2015	June 30, 2016	December 31, 2015	June 30, 2015
Thai baht	39.55896	38.02781	36.78264	39.00700	39.24800	37.79600
Czech crown	27.03961	4.12364	27.50209	27.131000	4.130960	27.253000
Swedish crown	9.30187	27.27918	9.34008	9.424200	27.023000	9.215000
Gambian dalasi	46.67008	9.35346	49.92623	47.794100	9.189500	44.442700
Kuwaiti dinar	0.33662	46.71636	0.33373	0.335140	43.450000	0.338110
Libyan dinar	1.52996	0.33397	1.51174	1.539590	0.330520	1.540360
Serbian dinar	122.92840	1.51826	120.88263	123.142000	1.510120	120.321000
UAE dirham	4.09661	120.68668	4.09672	4.075540	121.451000	4.107480
Moroccan dirham	10.87492	4.07334	10.80971	10.866000	3.996620	10.852300
Australian dollar	1.52198	10.81397	1.42608	1.492900	10.788100	1.455000
Canadian dollar	1.48444	1.47766	1.37736	1.438400	1.489700	1.383900
US dollar	1.11583	1.41856	1.11579	1.110200	1.511600	1.118900
Hungarian florin	312.71354	1.10951	307.50568	317.060000	1.088700	314.930000
Swiss franc	1.09605	309.99563	1.05673	1.086700	315.980000	1.041300
Ukrainian hryvnia	28.41643	1.06786	23.87228	27.563800	1.083500	23.540600
Croatian kuna	7.55941	24.28141	7.62773	7.528100	26.158700	7.594800
Albanian lek	138.17949	7.61370	140.37790	137.367000	7.638000	140.106000
Moldavian leu	22.25077	139.68217	20.15052	22.059500	137.020000	20.923300
Bulgarian lev	1.95580	20.87194	1.95583	1.955800	21.402200	1.955830
Egyptian pound	9.44783	1.95583	8.43588	9.850780	1.955830	8.534210
Syrian lira	244.51779	8.55177	231.28029	240.747000	8.520490	243.588000
Bosnian mark	1.95580	237.24573	1.95583	1.955800	239.460000	1.955830
Mozambican metical	57.90815	1.95583	37.55697	70.264600	1.955830	42.786700
New Turkish lira	3.25927	42.32918	2.86265	3.206000	49.122100	2.995300
New Ghanian cedi	4.28655	3.02546	4.10080	4.355260	3.176500	4.841870
New Romanian leu	4.49555	4.44541	4.44793	4.523400	4.524000	4.472500
Mauritanian ouguiya	389.09877	360.16988	354.67680	394.016000	369.869000	364.689000
Mexican peso	20.17313	17.61573	16.88873	20.634700	18.914500	17.533200
Brazilian real	4.12955	3.70044	3.31015	3.589800	4.311700	3.469900
Chinese renminbi	7.29646	6.97333	6.94081	7.375500	7.060800	6.936600
Qatar riyal	4.06201	4.03903	4.06230	4.041130	3.962870	4.072800
Saudi riyal	4.18549	4.16202	4.18599	4.164100	4.086240	4.196220
Russian ruble	78.29683	68.07203	64.64071	71.520000	80.673600	62.355000
Indian rupee	75.00187	71.19561	70.12440	74.960300	72.021500	71.187300
Sri Lankan rupee	162.21045	150.93086	148.47856	161.899000	156.992000	149.750000
Pound sterling	0.77877	0.72585	0.73233	0.826500	0.733950	0.711400
Kazakh tenge	385.32237	247.33694	206.75542	376.223000	370.349000	208.350000
Japanese yen	124.41362	134.31402	134.20424	114.050000	131.070000	137.010000
Polish zloty	4.36882	4.18412	4.14086	4.436200	4.263900	4.191100

The exchange rates used to translate the financial statements of foreign operations are those published by the Bank of Italy.

Significant events and changes in the scope of consolidation

As a consequence of the agreement signed with HeidelbergCement on July 28, 2015, since December 31, 2015, the construction materials segment has been accounted for in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations".
The same accounting treatment has been used for the 2016 half-year figures.

With regard to the scope of the assets and liabilities in the "disposal group" classified as held for sale in accordance with IFRS 5, the agreement with HeidelbergCement envisages that such scope include all the assets and liabilities of Italcementi with the exception of the following non-core assets:

- Italgen S.p.A.;
- BravoSolution S.p.A.;
- some properties in Rome.

These non-core assets were sold on June 30, 2016 by Italcementi to the parent Italmobiliare, before the sale, on July 1, 2016, of the entire controlling investment in Italcementi to HeidelbergCement. Consequently, the above non-core assets remain as continuing operations of the Italmobiliare Group and are consolidated on a line-by-line basis.

This method has had material impacts, in particular on the presentation of the consolidated financial statements as at and for the year ended December 31, 2015, and as at and for the six months ended June 30, 2016, since the assets and liabilities classified as held for sale and subject to application of IFRS 5 are no longer consolidated on a line-by-line basis; instead:

- the consolidated statement of financial position presents separately specific line items for the assets and, the liabilities included in the "discontinued group", respectively, classified as held for sale;
- on the income statement, the overall profit (loss) for the period attributable to the "disposal group" classified as held for sale is presented under a specific line item ("Profit (loss) relating to discontinued operations, net of tax effects") separately from the profit (loss) relating to continuing operations;
- on the statement of cash flows, cash flows relating to the assets held for sale are shown separately from the other cash flows relating to continuing operations.

IFRS 5 also envisages specific measurement criteria for profit or loss and the assets and liabilities in the "disposal group" and a specific disclosure.
With regard to the measurement criteria for the "disposal group" classified as held for sale, IFRS 5 requires the entire "disposal group" to be recognized at the lower of carrying amount and fair value less costs to sell.
In this specific case, fair value less costs to sell was determined with reference to the sale price for the entire Italcementi equity investment to Heidelberg Cement, adjusted to take account of the acquisition of the non-core assets mentioned above and the amount of the costs to sell.
Application of IFRS 5 also extends to goodwill of 34.3 million euro relating to Italcementi recognized in the Italmobiliare consolidated financial statements, which is included in the overall carrying amount of the "disposal group". Therefore, impairment testing of goodwill in accordance with IAS 36 is no longer necessary, since IAS 36 does not apply to the "disposal group", which is treated as required by IFRS 5 (under which the overall carrying amount of the "disposal group" may not exceed its fair value less costs to sell).
The application of IFRS 5 also involved the re-statement of the results of operations and equity of the disposal Italcementi group in connection with the suspension for the period October 1, 2015 – June 30, 2016 of amortization and depreciation and of impairment losses on the non-current assets in the disposal group net of the tax effect. The date October 1, 2015, refers to the first presentation of the figures of the Italcementi group as a held for sale, on the quarterly closure at September 30, 2015.

The overall amount of Italcementi group equity relating to the "disposal group", attributable to Italmobiliare, plus goodwill relating to Italcementi recognized in the Italmobiliare consolidated financial statements and adjusted for suspension of amortization, depreciation and impairment losses as described above, together with the reversal of

the gain realized by the Italcementi group on the sale of the non-core assets, generated a "discontinued carrying amount" of 1,354 million euro at June 30, 2016, with respect to a fair value less costs to sell of 1,384 million euro.
Since fair value (less costs to sell) is higher than the carrying amount, it was not necessary to adjust the carrying amount in the Italmobiliare consolidated financial statements.

On September 3, 2015, an agreement was signed for the sale of the subsidiary Finter Bank Zurich to the Swiss group Vontobel Holding AG. The sale took place on September 30, 2015. This transaction too has been classified as a discontinued operation in accordance with IFRS 5; consequently, the related profit or loss for the six months ended June 30, 2015 has been presented in a single line item of the income statement ("Profit (loss) relating to discontinued operations, net of the tax effect") separately from profit (loss) relating to continuing operations.

For both operations described above, the income statement, the statement of comprehensive income and the statement of cash flows presented for comparative purposes have been re-stated to present the discontinued operations separately from continuing operations.

The changes with respect to the first half of 2015 are:
- the sale of the equity investment in Finter Bank Zurich (Switzerland), on September 30, 2015;
- the sale of the equity investment in Sirap Gema Insulation S.r.l. (Italy) which operated in thermal insulation.

The following transactions also took place within the scope of consolidation:
- the upstream merger of Société de Partecipations Financières (Luxembourg) into and with Franco Tosi S.r.l. (Italy);
- the spin-off of the general services and information technology operations from the subsidiary Franco Tosi to the newly established Italmobiliare Servizi S.r.l. (Italy), a wholly-owned subsidiary of the parent.

In the discontinued construction materials segment, the entire shareholding in Italterminali S.r.l. was sold in January 2016.

Seasonal nature of interim business

The Group industrial operating segments are subject to seasonal trends, and this must be taken into account in the analysis and assessment of performance in interim periods. Specifically, business levels are affected by meteorological conditions, which are usually less favorable in the winter months (for the European countries and for North America), but obviously may vary from year to year. Consequently, performance in the first half year may not be representative of a full-year trend.

Operating segment disclosure

The businesses in which the Group operates that constitute its reportable segments as required by IFRS 8 are: continuing construction materials segment, food packaging segment, financial segment, banking segment, and property, services and other segment.

The Group management and organizational structure reflects the segment reporting format by line of business described above. Identification of the operating segments is based on the elements used by Group senior management to take decisions regarding allocation of resources and evaluation of results. In addition to the segment reporting required by IFRS 8, information is also disclosed by the following geographical areas: European Union, Other European countries, Other countries.

The table below sets out segment revenue and performance for the first half of 2016:

(in thousands of euro)	Revenue	Intragroup sales	Contributive revenue	Recurring gross operating profit (loss)	Gross operating profit (loss)	Operating profit (loss)	Finance income (costs)	Impairment losses on financial assets	Share of profit (loss) of equity-accounted investees	Profit (loss) before tax	Income tax expense	Profit (loss) for the period
Construction materials continuing operations	63,104	(2)	63,102	5,243	7,213	2,020			220			
Packaging and insulation	98,584		98,584	9,562	9,550	5,482						
Finance segment	29,344	(10,518)	18,826	(3,969)	(3,965)	(4,066)		(9,636)	(513)			
Banking continuing operations	790		790	190	190	160						
Property, services and other	1,590	(287)	1,303	395	395	389						
Unallocated items and adjustments	(10,807)	10,807		(10,264)	(12,233)	(12,655)	(2,019)			(20,618)	(3,936)	(24,554)
Total	**182,605**		**182,605**	**1,157**	**1,150**	**(8,670)**	**(2,019)**	**(9,636)**	**(293)**	**(20,618)**	**(3,936)**	**(24,554)**
Construction materials discontinued operations	2,059,523		2,059,523	306,806	168,027	170,353	(84,638)		3,426	89,141	(102,197)	(13,056)
Total	**2,242,128**		**2,242,128**	**307,963**	**169,177**	**161,683**	**(86,657)**	**(9,636)**	**3,133**	**68,523**	**(106,133)**	**(37,610)**

The table below sets out segment revenue and performance for the first half of 2015:

(in thousands of euro)	Revenue	Intragroup sales	Contributive revenue	Recurring gross operating profit (loss)	Gross operating profit (loss)	Operating profit (loss)	Finance income (costs)	Impairment losses on financial assets	Share of profit (loss) of equity-accounted investees	Profit (loss) before tax	Income tax expense	Profit (loss) for the period
Construction materials continuing operations	66,138		66,138	9,816	9,826	5,265			86			
Packaging and insulation	126,732		126,732	11,930	(15,292)	(17,732)						
Finance	29,050	(15,294)	13,756	12,781	12,481	12,307		(24)	(1,229)			
Banking continuing operations	792		792	255	255	223						
Property, services and other	600	(502)	98	(60)	(59)	(66)						
Unallocated items and adjustments	(15,796)	15,796		(14,882)	(14,882)	(14,833)	(2,591)			(18,594)	(6,160)	(24,754)
Total	**207,516**		**207,516**	**19,840**	**(7,671)**	**(14,836)**	**(2,591)**	**(24)**	**(1,143)**	**(18,594)**	**(6,160)**	**(24,754)**
Construction materials discontinued operations	2,101,349		2,101,349	314,701	306,205	107,775	(58,446)		3,415	52,744	(51,635)	1,109
Banking discontinued operations	10,300		10,300	(333)	3,332	3,215	(23)			3,192	72	3,264
Total	**2,319,165**		**2,319,165**	**334,208**	**301,866**	**96,154**	**(61,060)**	**(24)**	**2,272**	**37,342**	**(57,723)**	**(20,381)**

The table below sets out other segment data at June 30, 2016:

	June 30, 2016		**June 30, 2016**			
(in thousands of euro)	**Total assets**	**Total liabilities**	**PPE, inv. prop. and intangible assets**	**Non-current financial assets**	**Amortization and depreciation**	**Impairment losses on non-current assets**
Construction materials	133,594	102,560	8,884		(5,194)	
Packaging and insulation	188,585	176,472	4,428		(4,065)	
Finance segment	1,300,815	293,095	15,715	37,852	(102)	
Banking segment	13,336	7,397	12		(30)	
Property, services and other	2,996	1,105	23		(6)	
Inter-segment eliminations	(921,030)	(18,112)	(15,000)		(67)	(356)
Total	**718,296**	**562,517**	**14,062**	**37,852**	**(9,464)**	**(356)**

The table below sets out other segment data at December 31, 2015 and June 30, 2015:

	December 31, 2015		**June 30, 2015**			
(in thousands of euro)	**Total assets**	**Total liabilities**	**PPE, inv. prop. and intangible assets**	**Non-current financial assets**	**Amortization and depreciation**	**Impairment losses on non-current assets**
Construction materials	142,485	103,611	6,076	6	(4,561)	
Packaging and insulation	190,848	180,881	8,204	250	(5,205)	2,770
Finance segment	1,303,807	191,185	76		(180)	
Banking segment	13,376	7,515	13		(32)	
Property, services and other	2,474	943	4		(1)	
Inter-segment eliminations	(726,555)	(21,254)			44	
Total	**926,435**	**462,881**	**14,373**	**256**	**(9,935)**	**2,770**

Additional disclosure by geographical segment

	Contributive revenue		PPE, investment property and intangible assets		Non-current financial assets		Total assets		Total liabilities	
(in thousands of euro)	**6/30/2016**	**6/30/2015**	**6/30/2016**	**6/30/2015**	**6/30/2016**	**6/30/2015**	**6/30/2016**	**12/31/2015**	**6/30/2016**	**31/12/15**
European Union	137,656	163,564	9,796	11,066	37,852	250	656,532	864,778	501,135	406,182
Other European countries	5,779	6,640	3	2			5,800	6,114	4,061	4,301
Other	39,170	37,312	4,263	3,305		6	89,046	92,569	59,413	54,534
Inter-area eliminations							(33,082)	(37,026)	(2,092)	(2,136)
Total	**182,605**	**207,516**	**14,062**	**14,373**	**37,852**	**256**	**718,296**	**926,435**	**562,517**	**462,881**

Assets

Non-current assets

1) Property, plant and equipment

Property, plant and equipment amounted to 129,190 thousand euro. Additions for capital expenditure of 10,232 thousand euro were mainly in Italy for 7,911 thousand euro, France for 904 thousand euro, Poland for 442 thousand euro and Hungary for 331 thousand euro.

Depreciation for the period was 5,792 thousand euro (6,555 thousand euro in the first half of 2015).

The Group posted net impairment losses of 356 thousand euro, relating to facilities sold by Italgen S.p.A. (net impairment losses reversals of 2,770 thousand euro in the first half of 2015 due to reversals of impairment losses on the facilities of Sirap Remoulins s.a.s. in France).

No assets were pledged as security for bank loans.

2) Goodwill

Goodwill at June 30, 2016 amounted to 24,303 thousand euro, as follows:

- construction materials segment for 13,995 thousand euro, of which 3,966 thousand euro recognized in Italmobiliare S.p.A.;
- food packaging segment for 10,308 thousand euro.

The decrease of 120 thousand euro arose from translation differences on the appreciation of some currencies against the euro.

Goodwill impairment testing

At June 30, 2016, the segments checked their impairment indicators with regard to expected cash flows in the current reporting period and to WACC discount rates.
Expected cash flows for 2016 do not modify the long-term projections used in the impairment tests at December 31, 2015; similarly, the WACC rates, computed using the Group methodology, do not differ materially from those used in December 2015.

3) Equity-accounted investees

This caption reflects equity interests in equity-accounted investees. The main equity-accounted investees are listed below:

	Carrying amount		Share of profit (loss)	
(in thousands of euro)	June 30, 2016	December 31, 2015	2016	2015
Associates				
S.E.S. (Italy) (*)	16,854	17,357	(513)	(1,229)
Others	524	378	220	86
Total associates	**17,378**	**17,735**	**(293)**	**(1,143)**

(*) figures at December 31 of previous year

4) Other equity investments

Other equity investments at June 30, 2016 were as follows:

(in thousands of euro)	Number of shares	June 30, 2016
Investments in listed companies		
Mediobanca	11,070,732	56,076
Unicredit	7,357,915	14,102
Vontobel	198,238	7,671
Banca Popolare di Milano	11,900,000	4,297
Coima Res	500,000	4,050
RCS MediaGroup	1,051,102	845
UBI	100,000	243
Total		**87,284**
Investments in non-listed companies		
BDT Fund		15,684
Fin Priv		10,956
Banca Leonardo group		4,798
Sesaab		9,800
Others		5,133
Total		**46,371**
At June 30, 2016		**133,655**

The fair value of listed companies is determined on the basis of the official share price on the last accounting day. The methods used to measure the fair value of non-listed investments depend on the characteristics of the companies and the data available.

Other equity investments decreased by 70,732 thousand euro from December 31, 2015 (204,387 thousand euro). The change was largely the result of the following events:

- the acquisition of the equity investment in Banca Popolare di Milano for 13,268 thousand euro and partial sale for 6,091 thousand euro and re-measurement at fair value through a decrease of 2,880 thousand euro in the related equity reserve;
- the acquisition of the equity investment in Coima Res for 5,000 thousand euro and re-measurement at fair value through a decrease of 950 thousand euro in the specific equity reserve;
- the acquisition of a unit in the BDT Fund for 15,684 thousand euro;
- the acquisition of the equity investment in UBI Banca for 466 thousand euro and re-measurement at fair value through a decrease of 223 thousand euro in the specific equity reserve;

- the partial reimbursement of the equity investment in the Banca Leonardo group for 1,402 thousand euro;
- the partial sale of the equity investment in Mediobanca for 16,005 thousand euro and re-measurement at fair value through a decrease of 48,016 thousand euro in the specific equity reserve;
- the re-measurement at fair value of Unicredit, by fully releasing the specific equity reserve down by 16,054 thousand euro and recognizing an additional impairment loss of 7,038 thousand euro in the income statement, offset by an increase in the stock dividend for 811 thousand euro;
- the re-measurement at fair value of FinPriv through a decrease of 7,774 thousand euro in the specific equity reserve;
- the re-measurement at fair value of Vontobel through a decrease of 1,020 thousand euro in the specific equity reserve.

Current assets

5) Trade receivables

(in thousands of euro)	June 30, 2016	December 31, 2015	Change
Gross amount	105,654	116,052	(10,398)
Allowance for impairment	(8,643)	(8,051)	(592)
Total	**97,011**	**108,001**	**(10,990)**

6) Equity investments, bonds and loan assets

The balance on this caption was as follows:

(in thousands of euro)	June 30, 2016	December 31, 2015	Change
Securities and bonds	104,211	172,613	(68,402)
Trading equities	8	8	-
Amounts due from banks	511	774	(263)
Net amount	**104,730**	**173,395**	**(68,665)**

The decrease arose largely from the sale of financial instruments to raise the resources for the acquisition of the non-core assets.

7) Cash and cash equivalents

(in thousands of euro)	June 30, 2016	December 31, 2015	Change
Cash and checks in hand	263	218	45
Bank and postal accounts	56,293	117,931	(61,638)
Short-term deposits	24	24	
Net amount	**56,580**	**118,173**	**(61,593)**

Short-term deposits have varying maturities within three months, in relation to the Group's financial requirements; interest matures at the respective short-term rates.
Cash and cash equivalents are also shown under "Cash and cash equivalents at the end of the period" on the statement of cash flows.
The decrease arose largely from the use of resources for the acquisition of the non-core assets.

The table below sets out cash and cash equivalents by currency:

(in thousands of euro)	June 30, 2016	December 31, 2015	Change
Euro	45,854	105,553	(59,699)
UAE dirham	4,825	5,410	(585)
Pound sterling	2,288	2,099	189
Ukrainian hryvnia	682	616	66
US and Canadian dollar	393	891	(498)
Swiss franc	392	69	323
Moroccan dirham	3	28	(25)
Egyptian pound	18	1,077	(1,059)
Others	2,125	2,430	(305)
Net amount	**56,580**	**118,173**	**(61,593)**

Equity and liabilities

Share capital, reserves and retained earnings

8) Share capital

At June 30, 2016, the parent's fully paid-up share capital amounted to 100,166,937 euro represented by 38,525,745 no-par shares, as follows:

Number of shares	June 30, 2016	December 31, 2015	Change
Ordinary shares	22,182,583	22,182,583	-
Savings shares	16,343,162	16,343,162	-
Total	**38,525,745**	**38,525,745**	**-**

9) Reserves

AFS fair value reserve – attributable to owners of the parent

The decrease of 75,418 thousand euro was chiefly due to application of the official share prices at June 30, 2016 to measure available-for-sale listed companies and, to a lesser extent, to measure the other non-listed available-for-sale equity investments, as detailed in note 4.

Translation reserve – attributable to owners of the parent

This reserve reflects differences on the translation of the financial statements of consolidated foreign operations. At June 30, 2016, the balance on the reserve was negative, at 31.3 thousand euro, referring to the following currencies:

(in millions of euro)	June 30, 2016	December 31, 2015	Change
Egypt (Pound)	(73.9)	(44.3)	(29.6)
USA and Canada (Dollar)	33.9	33.1	0.8
Thailand (Baht)	26.4	25.7	0.7
Morocco (Dirham)	5.8	7.4	(1.6)
India (Rupee)	(25.6)	(20.0)	(5.6)
Other countries	2.1	3.1	(1.0)
Net amount	**(31.3)**	**5.0**	**(36.3)**

The change in the translation reserve attributable to owners of the parent was substantially due to the appreciation against the euro of the currencies in the countries in which the Group operates.

Dividends paid

The parent Italmobiliare S.p.A. paid the following dividends:

	2016 (euro per share)	2015 (euro per share)	2016 (000 euro)	2015 (000 euro)
Ordinary shares	0.400	0.250	8,532	5,331
Savings shares	0.478	0.390	7,798	6,363
Total dividends			**16,330**	**11,694**

10) Treasury shares

At June 30, 2016 treasury shares in portfolio stood at 20,792 thousand euro, unchanged from December 31, 2015. The amount is deducted against equity reserves. Treasury shares were as follows:

	No. of ordinary shares	Carrying amount (000 euro)	No. of saving shares	Carrying amount (000 euro)	Total carrying amount
At December 31, 2015	**853,261**	**20,396**	**28,500**	**396**	**20,792**
At June 30, 2016	**853,261**	**20,396**	**28,500**	**396**	**20,792**

Ordinary treasury shares in portfolio at June 30, 2016, service stock option plans for directors and managers.

11) Non-controlling interests

At June 30, 2016, non-controlling interests stood at 2,408,112 thousand euro (2,490,918 thousand euro at December 31, 2015); the decrease of 82,806 thousand euro in the first half year arose as follows:

- from comprehensive expense of 105,847 thousand euro;
- from dividends paid to third parties for 52,479 thousand euro
- and from other changes totaling +75,520 thousand euro essentially relating to the acquisition of the interests in Italgen S.p.A. and BravoSolution S.p.A. previously held by Italcementi S.p.A..

Non-current and current liabilities

12) Provisions

Non-current and current provisions totaled 51,071 thousand euro at June 30, 2016 (51,281 thousand euro at December 31, 2015). They consisted largely of amounts set aside for tax and legal disputes, obligations for environmental restoration of quarries and amounts set aside for the re-organization of industrial operations.

In the first half of 2016, there was a decrease of 210 thousand euro in provisions. This largely arose from provisions of 213 thousand euro thousand euro and applications of 412 thousand euro.

13) Financial liabilities

Financial liabilities included in the net financial position are shown below by category, subdivided by current and non-current liabilities:

(in thousands of euro)	June 30, 2016	December 31, 2015	Change
Amounts due to banks	62,950	23,241	39,709
Other loans and borrowings		20,001	(20,001)
Non-current financial liabilities	**62,950**	**43,242**	**19,708**
Fair value of hedging derivatives			
Total non-current financial liabilities	**62,950**	**43,242**	**19,708**
Amounts due to banks	275,023	156,851	118,172
Current portion of borrowings	22,910	21,876	1,034
Other loans and borrowings	9,647	47,744	(38,097)
Accrued interest expense	238	241	(3)
Amounts due to banks and current financial liabilities	**307,818**	**226,712**	**81,106**
Fair value of hedging derivatives	103	1,680	(1,577)
Total current financial liabilities	**307,921**	**228,392**	**79,529**
Total financial liabilities	**370,871**	**271,634**	**99,237**

During the first half, the parent:

- negotiated a facility of 200 million euro at the end of June with Intesa Sanpaolo expiring on July 31, 2016; at June 30, 2016, drawings amounted to 188 million euro, largely for the acquisition of the non-core assets on June 30, 2016;
- made drawings on uncommitted lines of credit which stood at 76.1 million euro at June 30, 2016 (Credito Bergamasco, BNL and Banca Popolare di Bergamo).

The other main changes were as follows:

- in June 2016, Italgen S.p.A. obtained two 5-year bank loans for a total of 24 million euro, 14 million euro from Credito Bergamasco (Banco Popolare group) with a pre-amortization period of 1.5 years and 10 million euro from Banca Popolare di Bergamo (UBI group) with a pre-amortization period of 2 years. The full amount of 24 million euro was used to extinguish the intragroup loan arranged with Italcementi S.p.A.;
- in June 2016, Italgen S.p.A. also arranged loans totaling 23.5 million euro (7.5 million euro with Banca Popolare di Bergamo, 8 million euro with Credito Bergamasco and 8 million euro with Intesa Sanpaolo);
- in April, Bravosolution S.p.A. repaid the six-monthly amount of 0.9 million euro due on the 5-year 7 million euro floating-rate loan arranged with Banca Popolare di Milano and maturing on April 30, 2018, repayable in 8 constant principal payments as from October 31, 2014, and secured by shares of the subsidiaries BravoSolution France S.a.s. and BravoSolution UK Ltd.;

- in June 2016, Bravosolution S.p.A. arranged a 5-year loan for 12 million euro with Banca Popolare di Bergamo (UBI group) with a two-year pre-amortization period. The loan was used to extinguish the intercompany loan arranged with Italcementi S.p.A.;
- in June 2016, Bravosolution S.p.A. arranged a short-term loan of 0.8 million euro with Banca Popolare di Bergamo (UBI group), which was also used to extinguish the intragroup loan arranged with Italcementi S.p.A.;
- in 2016 the Sirap Gema S.p.A. company arranged a new loan with Banca Popolare di Milano for 5 million euro, repayable in 5 years;
- in 2016 the Sirap Gema S.p.A. company arranged a new loan with UBI - Banca Popolare di Bergamo for 5 million euro, repayable in 5 years;
- in 2016 the Sirap Gema S.p.A. company repaid loans totaling 4.6 million euro;
- in 2016 the Sirap Gema France S.A. company arranged factoring transactions with an increase of 2.7 million euro in related liabilities.

Non-current financial liabilities by currency were as follows:

(in thousands of euro)	June 30, 2016	December 31, 2015	Change
Euro	62,037	41,997	20,040
Polish zloty	651	904	(253)
Hungarian florin	45	69	(24)
Other	217	272	(55)
Total	**62,950**	**43,242**	**19,708**

Non-current financial liabilities by maturity were as follows:

(in thousands of euro)	June 30, 2016	December 31, 2015	Change
2017		10,266	(10,266)
2018	5,394	28,562	(23,168)
2019	19,279	3,962	15,317
2020	17,559	58	17,501
2021	13,705	50	13,655
Beyond	7,013	344	6,669
Total	**62,950**	**43,242**	**19,708**

Net financial position

Net financial debt at June 30, 2016 was as follows:

(in thousands of euro)	Statement of financial position caption	Non NFP	NFP	Current assets	Current liabilities	Non-current assets	Non-current liabilities
Trade receivables and other non-current assets	36,750	10,953	25,797	42		25,755	
Other current assets including derivatives	32,873	18,815	14,058	14,058			
Financial assets and equity investments held for trading	104,730		104,730	104,730			
Cash and cash equivalents	56,580		56,580	56,580			
Non-current financial liabilities	(62,950)		(62,950)				(62,950)
Bank loans and borrowings	(275,023)		(275,023)		(275,023)		
Current financial liabilities	(25,860)		(25,860)		(25,860)		
Other liabilities	(74,292)	(67,254)	(7,038)		(7,038)		
Total	**(207,192)**	**(37,486)**	**(169,706)**	**175,410**	**(307,921)**	**25,755**	**(62,950)**

Net financial debt at June 30, 2016 stood at 2,124,249 thousand euro, as follows:

(in thousands of euro)	June 30, 2016	December 31, 2015	Change
Current financial assets	**175,410**	**299,405**	**(123,995)**
Cash and cash equivalents	56,580	118,173	(61,593)
Derivatives - assets	7,011	1,251	5,760
Other current financial assets	111,819	179,981	(68,162)
Current financial liabilities	**(307,921)**	**(228,392)**	**(79,529)**
Bank loans and borrowings	(275,023)	(156,851)	(118,172)
Current financial liabilities	(32,795)	(69,861)	37,066
Derivatives - liabilities	(103)	(1,680)	1,577
Non-current financial assets	**25,755**	**27,879**	**(2,124)**
Non-current financial assets	25,755	27,879	(2,124)
Non-current derivatives			
Non-current financial liabilities	**(62,950)**	**(43,242)**	**(19,708)**
Non-current financial liabilities	(62,950)	(43,242)	(19,708)
Non-current derivatives			
Net financial debt relating to continuing operations	**(169,706)**	**55,650**	**(225,356)**
Assets held for sale	722,361	659,909	62,452
Liabilities directly linked to assets held for sale	(2,676,904)	(2,797,230)	120,326
Net financial debt relating to discontinued operations	**(1,954,543)**	**(2,137,321)**	**182,778**
Total net financial debt	**(2,124,249)**	**(2,081,671)**	**(42,578)**

The net financial debt of continuing operations at June 30, 2016, computed in compliance with Consob communication no. DEM/2006 of July 28, 2006 (i.e., not including non-current financial assets) was negative at 195,461 thousand euro (net financial position of 27,771 thousand euro at December 31, 2015).

Comparison between fair value and carrying amount

The table below compares the carrying amount and the fair value of financial assets and liabilities at June 30, 2016:

	June 30, 2016		December 31, 2015	
(in thousands of euro)	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Assets at fair value through profit or loss				
Cash and cash equivalents	56,580	56,580	118,173	118,173
Short-term derivatives	*7,011*	*7,011*	*1,251*	*1,251*
Derivatives	7,011	7,011	1,251	1,251
Equity investments, bonds and loan assets	104,730	104,730	173,395	173,395
Amounts due from banks	9,943	9,943	9,563	9,563
Loans and receivables				
Trade receivables	97,011	97,011	108,001	108,001
Receivables and other non-current assets	33,742	33,742	34,579	34,579
Available-for-sale assets				
Non-current equity investments	133,655	133,655	204,387	204,387
Held-to-maturity investments				
Total	**442,672**	**442,672**	**649,349**	**649,349**
Financial liabilities				
Trade payables	57,181	57,181	58,215	58,215
Current financial liabilities	*300,883*	*300,883*	*219,822*	*219,822*
Other financial liabilities	*6,935*	*6,935*	*6,890*	*6,890*
Total current financial liabilities	307,818	307,818	226,712	226,712
Short-term derivatives	*103*	*103*	*1,680*	*1,680*
Total derivatives	103	103	1,680	1,680
Non-current financial liabilities	62,950	62,950	43,242	43,242
Total	**428,052**	**428,052**	**329,849**	**329,849**

Trade receivables and payables are current assets and liabilities and are carried at amounts that are reasonable approximations of their fair value.

Derivatives are measured and recognized at fair value net of credit valuation adjustment (CVA) and debit valuation adjustment (DVA), in compliance with IFRS 13. The fair value of interest-rate contracts is determined on the basis of discounted flows using the zero coupon curve.

The fair value of forward foreign-currency purchase contracts is based on the current exchange rates for contracts with similar maturity profiles.

The fair value of foreign-currency assets and liabilities is determined using the closing rates. The fair value of fixed-rate assets and liabilities is determined using a fixed rate net of transaction costs directly attributable to the financial assets and financial liabilities.

Fair Value – hierarchy

In determining and documenting the fair value of financial instruments, the Group uses the following hierarchy based on different measurement methods:

- level 1: financial instruments with prices quoted on active markets;
- level 2: prices quoted on active markets for similar financial instruments, or fair value determined with other measurement methods where all significant inputs are based on observable market data;
- level 3: fair value determined with measurement methods where no significant input is based on observable market data.

At June 30, 2016, financial instruments measured at fair value were as follows:

(in thousands of euro)	June 30, 2016	Level 1	Level 2	Level 3
Cash and cash equivalents	24	24		
Derivatives - assets	7,011	74	6,937	
Equity investments, bonds and loan assets	104,219	89,425	13,779	1,015
Banking and other receivables	2,896			2,896
Receivables and other non-current assets	9,050		3,433	5,617
Non-current equity investments	133,655	87,284	10,956	35,415
Current financial liabilities	300,883		300,883	
Derivatives - liabilities	103	103		
Non-current financial liabilities	62,950		62,950	

	Level 3	Increases						Decreases							Level 3
(in thousands of euro)	12/31/2015	Purchases	Gains in profit or loss	Other gains in profit or loss	Gains in equity	Other changes	Transfers from other levels	Sales	Repay-ments	Losses in profit or loss	Other losses profit or loss	Losses in equity	Other changes	Transfers to other levels	06/30/2016
Equity investments, bonds and loan assets	1,270								(187)		(42)		(26)		1,015
Amounts due from banks	3,020										(124)				2,896
Receivables and other non-current assets	2,738	3,434										(555)			5,617
Non-current equity investments	19,836	15,684			1,560	7		(121)	(1,401)		(123)	(22)	(5)		35,415

No reclassifications from categories measured at fair value to categories measured at amortized cost were made in the first half of 2016 or 2015, in the Group financial asset portfolio.
In the first half of 2016, no transfers were made to and from level 3.

Covenants

In addition to the customary clauses, some of the loan agreements granted to Group companies include covenants requiring compliance with financial ratios, fixed for the most part at the year end.

Loans subject to covenants at June 30, 2016 stood at 14 million euro of Italgen group gross loans and borrowings. The key financial ratio is "leverage" (Italgen S.p.A. net financial debt/Italgen S.p.A. recurring gross operating profit; the calculation of net financial debt does not include loans assets due to associates or Group companies). The ceiling is 4.5, monitored on an annual basis.

BravoSolution S.p.A. arranged a 5-year 7 million euro loan with Banca Popolare di Milano, maturing on April 30, 2018 at a floating market rate, repayable in 8 constant principal payments as from October 31, 2014, and secured by BravoSolution France S.a.s. and BravoSolution UK Ltd. shares; at June 30, 2016, long-term amounts due totaled 1.8 million euro, the portions due in 2016 amounted to 1.7 million euro.
The loan is subject to covenants, as follows:
NFP/Gross Operating Profit </= 1.64x
NFP/Equity </= 0.55x

The Group expects to comply with its covenants and will provide information as appropriate should its financial situation deteriorate.

Derivatives

The table below shows the fair value of the financial instruments recognized in the statement of financial position, subdivided by type of hedge:

	June 30, 2016		December 31, 2015	
(in thousands of euro)	Assets	Liabilities	Assets	Liabilities
Interest-rate derivatives for trading	74	(103)	82	(1)
Interest-rate derivatives	**74**	**(103)**	**82**	**(1)**
Derivatives on equities, securities and indices	6,937		1,169	(1,679)
Total current instruments	**7,011**	**(103)**	**1,251**	**(1,680)**
Total	**7,011**	**(103)**	**1,251**	**(1,680)**

The increase in the net amount of derivatives was largely due to the underwriting of options on German stock market indices.

14) Trade payables

The balance on this caption was as follows:

(in thousands of euro)	June 30, 2016	December 31, 2015	Change
Suppliers	48,049	52,684	(4,635)
Other trade payables	9,132	5,531	3,601
Total	**57,181**	**58,215**	**(1,034)**

15) Other liabilities

(in thousands of euro)	June 30, 2016	December 31, 2015	Change
Due to employees	26,324	23,300	3,024
Due to social security authorities	5,631	6,720	(1,089)
Due to tax authorities	8,214	6,027	2,187
Accrued expenses and deferred income	20,422	17,862	2,560
Derivatives	103	1,680	(1,577)
Amounts due in banking segment	6,935	6,890	45
Advances from customers	858	581	277
Due to suppliers for non-current assets	1,490	2,797	(1,307)
Other liabilities	4,316	5,255	(939)
Total	**74,293**	**71,112**	**3,181**

Commitments

In May, Italmobiliare signed a preliminary contract for the purchase of Clessidra Sgr S.p.A., based on an overall value of approximately 20 million euro. Closing of the acquisition is subject to the approval of the authorities and of the investors in the Clessidra Capital Partners III fund.

At June 30, 2016, the Group had commitments for future payments to private equity funds totaling 33.5 million US dollars and 8.9 million euro by Franco Tosi S.r.l. and Italmobiliare S.p.A..

Income statement

16) Revenue

Revenue from sales and services totaled 182,605 thousand euro, as follows:

(in thousands of euro)	H1 2016	H1 2015	Change	% change
Industrial revenue				
Product sales	98,853	126,776	(27,923)	-22.0%
Services provided	64,956	68,453	(3,497)	-5.1%
Other revenue	18	17	1	5.9%
Total	**163,827**	**195,246**	**(31,419)**	**-16.1%**
Financial revenue				
Interest	1,024	1,015	9	0.9%
Dividends	3,295	1,331	1,964	n.s.
Gains and other revenue	13,690	9,127	4,563	50.0%
Total	**18,009**	**11,473**	**6,536**	**57.0%**
Bank revenue				
Interest	751	737	14	1.9%
Total	**751**	**737**	**14**	**1.9%**
Property and service revenue	**18**	**60**	**(42)**	**-70.0%**
Grand total	**182,605**	**207,516**	**(24,911)**	**-12.0%**

The reader is referred to the directors' report for comments on the changes in revenue and acquisition costs.

17) Raw materials and supplies

Expense for raw materials and supplies amounted to 71,684 thousand euro, as follows:

(in thousands of euro)	H1 2016	H1 2015	Change	% change
Raw materials and semifinished goods	25,747	38,543	(12,796)	-33.2%
Fuel	173	526	(353)	-67.1%
Materials and machinery	3,883	4,322	(439)	-10.2%
Finished goods	21,606	22,547	(941)	-4.2%
Electricity, water and gas	20,117	24,132	(4,015)	-16.6%
Change in inventories of raw materials, consumables and other	158	413	(255)	-61.7%
Total	**71,684**	**90,483**	**(18,799)**	**-20.8%**

18) Services

Services amounted to 32,726 thousand euro, as follows:

(in thousands of euro)	H1 2016	H1 2015	Change	% change
External services and maintenance	4,616	5,938	(1,322)	-22.3%
Transport	6,614	7,896	(1,282)	-16.2%
Legal fees and consultancy	9,185	6,627	2,558	38.6%
Rents	4,947	4,802	145	3.0%
Insurance	1,318	1,334	(16)	-1.2%
Membership fees	105	111	(6)	-5.4%
Other expense	5,941	7,437	(1,496)	-20.1%
Total	**32,726**	**34,145**	**(1,419)**	**-4.2%**

19) Personnel expenses

Personnel expenses totaled 77,083 thousand euro, as follows:

(in thousands of euro)	H1 2016	H1 2015	Change	% change
Wages and salaries	54,833	46,626	8,207	17.6%
Social security contributions	16,497	14,769	1,728	11.7%
Other expense	5,753	5,156	597	11.6%
Total	**77,083**	**66,551**	**10,532**	**15.8%**

The number of employees is shown below:

(headcount)	H1 2016	H1 2015	Change
Number of employees at period end - continuing operations	1,958	2,094	(136)
Number of employees at period end - discontinued operations	16,809	17,106	(297)
Total number of employees at period end	**18,767**	**19,200**	**(433)**
Average number of employees - continuing operations	1,945	2,056	(111)
Average number of employees - discontinued operations	17,566	17,132	434
Total average number of employees	**19,511**	**19,188**	**323**

20) Other operating income and expense

Other operating income net of other operating expense amounted to 8,272 thousand euro, as follows:

(in thousands of euro)	H1 2016	H1 2015	Change	% change
Other taxes	5,112	1,845	3,267	n.s.
Allowance for impairment	605	1,148	(543)	-47.3%
Interest expense and other expense for companies in the financial and banking segments	5,714	6,678	(964)	-14.4%
Provision for environmental restoration – quarries and other	1,020	1,772	(752)	-42.4%
Miscellaneous income	(4,179)	(6,692)	2,513	-37.6%
Total	**8,272**	**4,751**	**3,521**	**74.1%**

The increase in "Other taxes" was due to the higher VAT charge relating to the purchase of the property in Rome from Italcementi S.p.A..

"Miscellaneous income" includes income of 2.8 million euro from trading of green certificates attributed to Italgen S.p.A. (4.6 million euro in the first half of 2015); the 2015 figure included the sale of a share of green certificates relating to 2014 for 1.3 million euro.

21) Net non-recurring expense

Net non-recurring expense amounted to 7 thousand euro (net expense of 27,511 thousand euro in the first half of 2015), as follows:

(in thousands of euro)	H1 2016	H1 2015	Change	% change
Net gains on the sale of non-current assets	-	10	(10)	-100.0%
Non-recurring expense for re-organizations	(12)	(73)	61	-83.6%
Other non-recurring income (expense)	5	(27,448)	27,453	-100.0%
Total	**(7)**	**(27,511)**	**27,504**	**-100.0%**

"Other non-recurring income and expense" in the first half of 2015 included an amount of 27.1 million euro set aside to the existing provision for risks in connection with the fine imposed on the Sirap Gema group by the European Commission.

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

Net finance costs amounted to 2,019 thousand euro, as follows:

	H1 2016		H1 2015	
(in thousands of euro)	Income	Costs	Income	Costs
Interest income	55		40	
Interest expense		(1,123)		(1,562)
Gains/losses on sale of equity investments				(7)
Other finance income	16		11	
Other finance costs		(737)		(683)
Total finance income (costs)	**71**	**(1,860)**	**51**	**(2,252)**
Net exchange rate differences		(230)		(390)
Exchange rate differences and net gains (losses) on derivatives		**(230)**		**(390)**
Total finance income (costs), exchange-rate differences and net gains (losses) on derivatives		**(2,019)**		**(2,591)**

“Other finance costs” includes net finance costs of 12 thousand euro on employee defined benefit plans (22 thousand euro in the first half of 2015).

23) Impairment losses on financial assets

Impairment losses on financial assets amounted to 9,636 thousand euro (-24 thousand euro in the first half of 2015), relating to the following:

- the Unicredit equity investment for 7,038 thousand euro;
- Unicredit cashes for 2,475 thousand euro;
- the Draper equity investment for 123 thousand euro.

24) Income tax expense

Income tax expense for the period was 3,936 thousand euro, as follows:

(in thousands of euro)	H1 2016	H1 2015	Change	% change
Current tax	3,980	4,702	(722)	-15.4%
Prior-year tax and other net non-recurring tax items	(282)	(274)	(8)	2.9%
Deferred tax	238	1,732	(1,494)	-86.3%
Total	**3,936**	**6,160**	**(2,224)**	**-36.1%**

25) Profit (loss) relating to discontinued operations, net of tax effects

This caption is analyzed below:

(in thousands of euro)	H1 2016	H1 2015	Change	% change
Profit (loss) of discontinued construction materials segment, net of tax effect	(346,265)	1,109	(347,374)	n.s.
Reversal of H1 amortization, depreciation and impairment losses in discontinued construction materials segment, net of tax effect	334,946		334,946	100.0%
Reversal of intragroup postings	(1,737)			100.0%
Profit (loss) of discontinued banking segment, net of tax effect		3,264	(3,264)	-100.0%
Total	**(13,056)**	**4,373**	**(17,429)**	**n.s.**

The financial statements of the discontinued construction materials segment are set out below.

The statement of financial position reflects amounts for the discontinued construction materials segment, adjusted to take account of both the suspension of amortization and depreciation and impairment losses net of the tax effect (reflecting adjustments from both the fourth quarter of 2015 and the first half of 2016) and the allocation of goodwill recognized in Italmobiliare fot the discontinued construction materials segment.
Similarly, the income statement reflects the profit (loss) for the period net of the "non-core assets" consolidated on a line-by-line basis in the continuing construction materials segment and also adjusted for the suspension of amortization and depreciation and impairment losses net of the tax effect applied in the first half of 2016, as described in the section on accounting policies.

Specifically, with regard to the adjustments of 334,946 thousand euro, the amount includes 146,414 thousand euro for the adjustment of amortization and depreciation, net of tax effects, and 188,532 thousand euro for impairment losses on non-current assets, of which 180,000 thousand euro relating to the impairment loss applied by the Italcementi group to align the carrying amount of the Belgian subsidiary with fair value less costs to sell.

As indicated in the statement of financial position and the income statement of the discontinued Italcementi group set out below, the Italcementi group shows the equity investments in Belgium and the USA as assets held for sale in its consolidated interim financial statements as at and for the six months ended June 30, 2016.
Any additional impairment losses on these assets with respect to those recognized to align carrying amount with the sale amount would not have any impact on the Italmobiliare consolidated interim financial statements since, as a result of application of IFRS 5, they would be adjusted within the Italmobiliare financial statements.

Statement of financial position
Discontinued Italcementi group

(in thousands of euro)	06.30.2016	Adjustments	Total
Non-current assets			
Property, plant and equipment	3,124,129	513,698	3,637,827
Investment property	21,555		21,555
Goodwill	1,282,237	34,328	1,316,565
Intangible assets	61,348		61,348
Equity-accounted investees	198,543		198,543
Other equity investments	17,245		17,245
Trade receivables and other non-current assets	129,762		129,762
Deferred tax assets	83,496		83,496
Non-current amounts due from employees	270		270
Total non-current assets	**4,918,585**	**548,026**	**5,466,611**
Current assets			
Inventories	633,871		633,871
Trade receivables	532,783		532,783
Other current assets including derivatives	274,466		274,466
Tax assets	13,175		13,175
Equity investments, bonds and loan assets	60,959		60,959
Cash and cash equivalents	616,821		616,821
Total current assets	**2,132,075**		**2,132,075**
Non-current assets held for sale	**982,776**		**982,776**
Total assets	**8,033,436**	**548,026**	**8,581,462**
Equity			
Share capital	401,715		401,715
Share premium	711,879		711,879
Reserves	23,269		23,269
Treasury shares	(58,690)		(58,690)
Retained earnings	1,562,274	434,270	1,996,544
Equity attributable to owners of the parent	**2,640,447**	**434,270**	**3,074,717**
Non-controlling interests	706,328	37,672	744,000
Total equity	**3,346,775**	**471,942**	**3,818,717**
Non-current liabilities			
Financial liabilities	1,558,459		1,558,459
Employee benefits	380,988		380,988
Provisions	190,948		190,948
Other liabilities	87,584		87,584
Deferred tax liabilities	102,880	76,084	178,964
Total non-current liabilities	**2,320,859**	**76,084**	**2,396,943**
Current liabilities			
Bank loans and borrowings	183,302		183,302
Loans and borrowings	835,376		835,376
Trade payables	580,462		580,462
Provisions	1,838		1,838
Tax liabilities	13,166		13,166
Other liabilities	588,908		588,908
Total current liabilities	**2,203,052**		**2,203,052**
Total financial liabilities relating to continuing operations	**4,523,911**	**76,084**	**4,599,995**
Liabilities directly linked to assets held for sales	**162,750**		**162,750**
Total liabilities	**4,686,661**	**76,084**	**4,762,745**
Total equity and liabilities	**8,033,436**	**548,026**	**8,581,462**

Income statement
Discontinued Italcementi group

(in thousands of euro)	H1 2016	%	H1 2015 re-stated IFRS 5	%	Change	%
Revenue	**2,059,523**	**100.0%**	**2,101,349**	**100.0%**	**(41,826)**	**-2.0%**
Other revenue	11,739		15,120		(3,381)	
Change in inventories	3,340		(14,984)		18,324	
Internal work capitalized	10,027		16,544		(6,517)	
Raw materials and supplies	(806,569)		(860,600)		54,031	
Services	(549,270)		(542,003)		(7,267)	
Personnel expenses	(409,844)		(414,587)		4,743	
Other operating income (expense)	(24,215)		13,862		(38,077)	
Recurring gross operating profit	**294,731**	**14.3%**	**314,701**	**15.0%**	**(19,970)**	**-6.3%**
Net gains from the sale of non-current assets	17,342		6,449		10,893	
Non-recurring personnel expense for re-organizations	(131,991)		(14,720)		(117,271)	
Other non-recurring expense	(10,318)		(225)		(10,093)	
Gross operating profit	**169,764**	**8.2%**	**306,205**	**14.6%**	**(136,441)**	**-44.6%**
Amortization and depreciation	(192,836)		(196,568)		3,732	
Impairment losses on non-current assets	(188,532)		(1,862)		(186,670)	
Operating profit (loss)	**(211,604)**	**-10.3%**	**107,775**	**5.1%**	**(319,379)**	**n.s.**
Finance income	12,716		15,785		(3,069)	
Finance costs	(80,636)		(81,120)		484	
Exchange-rate differences and net gains (losses) on derivatives	(16,718)		6,889		(23,607)	
Impairment losses on financial assets						
Share of profit (loss) of equity-accounted investees	3,426		3,415		11	
Profit (loss) before tax	**(292,816)**	**-14.2%**	**52,744**	**2.5%**	**(345,560)**	**n.s.**
Income tax expense	(53,449)		(51,635)		(1,814)	
Profit (loss) for the period	**(346,265)**	**-16.8%**	**1,109**	**0.1%**	**(347,374)**	**n.s.**
Attributable to:						
owners of the parent	**(373,497)**	**-18.1%**	**(34,259)**	**-1.6%**	**(339,238)**	**n.s.**
non-controlling interests	**27,232**	**1.3%**	**35,368**	**1.7%**	**(8,136)**	**-23.0%**

Breakdown of the reclassified amount in the discontinued operations line item:

(in thousands of euro)	H1 2016	H1 2015 re-stated IFRS 5	Change
Other comprehensive income (expense)			
Items that will not be reclassified to profit or loss subsequently			
Re-measurement of the net liability/(asset) for employee benefits	(31,272)	374	(31,646)
Re-measurement of the net liability (asset) for employee benefits - equity-accounted investees			
Income tax expense	4,913	(82)	4,995
Total items that will not be reclassified to profit or loss subsequently	**(26,359)**	**292**	**(26,651)**
Items that might be reclassified to profit or loss subsequently			
Translation reserve on foreign operations	(120,531)	110,361	(230,892)
Translation reserve on foreign operations - equity-accounted investees			
Fair value gains (losses) on cash flow hedging	(21,636)	3,828	(25,464)
Fair value gains (losses) on cash flow hedging - equity-accounted investees			
Fair value gains (losses) on available-for-sale financial assets	(101)	24,309	(24,410)
Fair value gains (losses) on available-for-sale financial assets - equity-accounted investees			
Income tax expense	3,600	130	3,470
Total items that might be reclassified to profit or loss subsequently	**(138,668)**	**138,628**	**(277,296)**
Total other comprehensive income (expense)	**(165,027)**	**138,920**	**(303,947)**

Statement of cash flows
Discontinued Italcementi group

(in thousands of euro)		H1 2016	H1 2015
A) Cash flow from operating activities:			
Profit (loss) before tax		(292,816)	52,744
Adjustments for:			
Amortization, depreciation and impairment losses		373,829	198,721
Reversal of share of profit (loss) of equity-accounted investees		147	11,380
(Gains)/losses from the sale of non-current assets		(17,342)	(6,426)
Change in employee benefits and other provisions		90,446	(13,485)
Reversal of net finance costs and income		72,955	65,469
Cash flow from operating activities before tax, finance income/costs, change in working capital		**227,219**	**308,403**
Change in working capital:		**21,717**	**16,753**
Cash flow from operating activities before tax, finance income/costs		**248,936**	**325,156**
Net finance costs paid		(62,070)	(63,341)
Taxes paid		(46,011)	(67,030)
		(108,081)	**(130,371)**
Total A)		**140,855**	**194,785**
B) Cash flow used in investing activities:			
Capital expenditure:			
PPE and investment property		(130,677)	(188,523)
Intangible assets		(6,466)	(3,864)
Financial assets (equity investments) net of cash acquisitions (*)		(448)	725
Total capital expenditure		**(137,591)**	**(191,662)**
Proceeds from sale of non-current assets and loan repayments		8,082	9,385
Total sales		**8,082**	**9,385**
Change in other non-current financial assets/liabilities		(1,835)	(13,295)
Total B)		**(131,344)**	**(195,572)**
C) Cash flow from financing activities:			
New non-current loans and borrowings		37,840	83,859
Repayment non-current loans and borrowings		(23,306)	(69,835)
Change in current liabilities		(148,593)	152,583
Other sources and applications		31,611	18,688
Change in share capital			(171)
Dividends paid		(15,322)	(52,292)
Other changes in equity		185,449	(2,508)
Total C)		**67,679**	**130,324**
D) Translation differences and other changes			
Translation differences and other changes		14,002	18,240
Translation differences and other changes relating to discontinued operations			
Total D)		**14,002**	**18,240**
E) Cash flow for the period	**(A+B+C+D)**	**91,192**	**147,777**
F) Cash and cash equivalents at beginning of the period		**537,092**	**551,525**
Cash and cash equivalents at end of the period	**(E+F)**	**628,284**	**699,302**
of which:			
Cash and cash equivalents at end of period relating to discontinued operations		**11,463**	
Cash and cash equivalents at end of period relating to continuing operations	**(E+F)**	**616,821**	**699,302**
(*) cash and cash equivalents from acquired and consolidated companies			2,784

26) Items that might be reclassified to profit or loss subsequently

(in thousands of euro)	Gross amount	Income tax expense	Net amount
Re-measurement of the net liability (asset) for employee benefits			
Fair value gains (losses) on:			
Available-for-sale financial assets	(75,395)	639	(74,756)
Derivatives	(74)		(74)
Translation differences	(2,659)		(2,659)
Other comprehensive income (expense)	**(78,128)**	**639**	**(77,489)**

27) Earnings (losses) per share

Earnings (losses) per share at June 30, 2016 and 2015 are determined on the parent profit (loss) for the respective periods and stated separately for ordinary shares and savings shares.

Basic earnings (losses) per share

The weighted average number of shares and attributable profit (loss) are shown below:

	H1 2016		H1 2015	
(No. of shares in thousands)	Ordinary shares	Savings shares	Ordinary shares	Savings shares
No. of shares at January 1	22,182	16,343	22,182	16,343
Treasury shares at January 1	(853)	(28)	(871)	(28)
Weighted average number of treasury shares sold in period			12	
Total	**21,329**	**16,315**	**21,323**	**16,315**
Attributable loss in thousands of euro	(26,975)	(20,633)	(22,206)	(16,991)
Basic losses per share	(1.265)	(1.265)	(1.041)	(1.041)

Loss attributable by share category was determined as follows:

	H1 2016		H1 2015	
(in thousands of euro)	Ordinary shares	Savings shares	Ordinary shares	Savings shares
Earnings (losses) reserved for savings shareholders (euro 0.078 per share)				
Residual loss apportioned to all shares	(26,975)	(20,633)	(22,206)	(16,991)
Total	**(26,975)**	**(20,633)**	**(22,206)**	**(16,991)**

Diluted earnings (losses) per share

Diluted earnings (losses) per share are computed in the same way as basic earnings (losses) per share, taking account of the dilutive effect of stock options.

The weighted average number of shares and attributable profit (loss) are shown below:

	H1 2016		H1 2015	
(thousands of shares)	Ordinary shares	Savings shares	Ordinary shares	Savings shares
Weighted average number of shares at December 31	21,329	16,315	21,322	16,315
Dilutive effect of stock options	58		4	
Total	**21,387**	**16,315**	**21,326**	**16,315**
Attributable loss for the period for diluted earnings in thousand of euro	(27,006)	(20,602)	(22,208)	(16,989)
Diluted losses per share in euro	(1.263)	(1.263)	(1.041)	(1.041)

Loss attributable by share category was determined as follows:

	H1 2016		H1 2015	
(in thousands of euro)	Ordinary shares	Savings shares	Ordinary shares	Savings shares
Earnings (losses) reserved for savings shareholders (euro 0.078 per share)				
Residual loss apportioned to all shares	(27,006)	(20,602)	(22,208)	(16,989)
Total	**(27,006)**	**(20,602)**	**(22,208)**	**(16,989)**

Basic earnings (losses) per share relating to continuing operations are set out below:

	H1 2016		H1 2015	
(no. of shares in thousands)	Ordinary shares	Savings shares	Ordinary shares	Savings shares
No. of shares at January 1	22,182	16,343	22,182	16,343
Treasury shares at January 1	(853)	(28)	(871)	(28)
Weighted average number of treasury shares sold in period			12	
Total	**21,329**	**16,315**	**21,323**	**16,315**
Attributable loss relating to continuing operations in thousand euro	(13,486)	(10,315)	(15,223)	(11,648)
Basic losses per share relating to continuing operations	(0.632)	(0.632)	(0.714)	(0.714)

Diluted losses per share relating to continuing operations are set out below:

	H1 2016		H1 2015	
(thousands of shares)	Ordinary shares	Savings shares	Ordinary shares	Savings shares
Weighted average number of shares at December 31	21,329	16,315	21,322	16,315
Dilutive effect of stock options	58		4	
Total	**21,387**	**16,315**	**21,326**	**16,315**
Attributable loss for the period relating to continuing operations for diluted earnings in thousand euro	(13,502)	(10,299)	(15,224)	(11,647)
Diluted losses per share in euro	(0.631)	(0.631)	(0.714)	(0.714)

Basic earnings per share relating to discontinued operations are set out below:

	H1 2016		H1 2015	
(No. of shares in thousand)	**Ordinary shares**	**Savings shares**	**Ordinary shares**	**Savings shares**
No. of shares at January 1	22,182	16,343	22,182	16,343
Treasury shares at January 1	(853)	(28)	(871)	(28)
Weighted average number of treasury shares sold in period			12	
Total	**21,329**	**16,315**	**21,323**	**16,315**
Attributable loss relating to discontinued operations in thousand euro	(13,489)	(10,318)	(6,983)	(5,343)
Basic losses per share relating to discontinued operations	(0.632)	(0.632)	(0.328)	(0.328)

Diluted earnings per share relating to discontinued operations are set out below:

	H1 2016		H1 2015	
(thousands of shares)	**Ordinary shares**	**Savings shares**	**Ordinary shares**	**Savings shares**
Weighted average number of shares at December 31	21,329	16,315	21,322	16,315
Dilutive effect of stock options	58		4	
Total	**21,387**	**16,315**	**21,326**	**16,315**
Attributable loss for the period relating to discontinued operations for diluted earnings in thousand euro	(13,505)	(10,302)	(6,984)	(5,342)
Diluted losses per share in euro	(0.631)	(0.631)	(0.327)	(0.327)

28) Transactions with related parties

Transactions with related parties in the first half of 2016 are detailed in the table below:

(in thousands of euro) **Italmobiliare Group**	**Revenue (expense)**	**Trade receivables (payables)**	**Loan assets (Loans and borrowings)**	**Finance income (costs)**	**Other operating income (expense)**
Subsidiaries and associates not fully consolidated	8,144	22,262	43,016	67	
	(6,480)	(12,037)	(170)		
Subsidiaries of associates and joint ventures	24				
	(1,485)	(343)			(87)
Other related parties	68	127			83
	(1,239)	(1,143)			(10,300)
Total	**8,236**	**22,389**	**43,016**	**67**	**83**
	(9,204)	**(13,523)**	**(170)**		**(10,387)**

The re-stated comparatives for the first half of 2015 are set out below:

(in thousands of euro) **Italmobiliare Group**	**Revenue (expense)**	**Trade receivables (payables)**	**Loan assets (Loans and borrowings)**	**Finance income (costs)**	**Other operating income (expense)**
Subsidiaries and associates not fully consolidated	16,044	5,888	44,267		
	(8,759)	(3,137)	(205)		
Subsidiaries of associates and joint ventures	24	7		58	
	(1,069)	(209)			
Other related parties	58	40			3
	(284)	(101)			(600)
Total	**16,126**	**5,935**	**44,267**	**58**	**3**
	(10,112)	**(3,447)**	**(205)**		**(600)**
% impact on financial statement items					

At June 30, 2016 "Other expense of other related parties" of 10,300 thousand euro (600 thousand euro in the first half of 2015) consisted entirely of the payments by Italmobiliare S.p.A. to the Italcementi Cav. Lav. Carlo Pesenti foundation for 300 thousand euro and by Italcementi S.p.A. for 10,000 thousand euro.

Non-recurring transactions

The following tables itemize the most significant non-recurring transactions and their impact on the Group's equity, financial position and results of operations:

	2016					
	Equity		Loss for the period		Net financial debt	
(in thousands of euro)						
	amount	%	amount	%	amount	%
Carrying amounts	**3,974,496**		**(37,610)**		**(2,124,249)**	
Net gains from the sale of non-current assets						
Non-recurring personnel expense for re-organizations	(12)	0.00%	(12)	0.03%		
Other non-recurring income	5	0.00%	5	0.01%	48	0.00%
Total	**(7)**	**0.00%**	**(7)**	**0.02%**	**48**	**0.00%**
Figurative amount without non-recurring transactions	**3,974,503**		**(37,603)**		**(2,124,297)**	

	2015					
	Equity		Loss for the period		Net financial debt	
(in thousands of euro)						
	amount	%	amount	%	amount	%
Carrying amounts	**4,348,326**		**(20,381)**		**(2,188,415)**	
Net gains from the sale of non-current assets	10	0.00%	10	0.03%		
Non-recurring personnel expense for re-organizations	(73)	0.00%	(73)	0.19%		
Other non-recurring expense	(27,448)	0.69%	(27,448)	72.98%	(300)	0.01%
Total	**(27,511)**	**0.69%**	**(27,511)**	**73.15%**	**(300)**	**0.01%**
Figurative amount without non-recurring transactions	**4,375,837**		**7,130**		**(2,188,115)**	

Events after the reporting date

Events after the reporting date are illustrated in the specific sections of the Directors' report.

Statement pursuant to art. 154-bis.5 of the Italian Consolidated Finance Act (TUF) regarding the condensed interim consolidated financial statements pursuant to art. 81-ter of the Consob Regulation no. 11971 of May 14, 1999 and subsequent modifications and integrations

1. The undersigned Carlo Pesenti, Chief Executive Officer and Giorgio Moroni, Manager in charge of financial reporting of Italmobiliare S.p.A, also taking into consideration art. 154-bis, paragraphs 3 and 4, of the Legislative Decree no. 58 of February 24, 1998, hereby state:

   - the adequacy in relation to the company characteristics and
   - the actual application

   of the administrative and accounting procedures adopted for the preparation of the **condensed interim consolidated financial statements**, as at and for the period from January 1, 2016 to June 30, 2016.

2. The assessment of the adequacy of the administrative and accounting procedures adopted for the preparation of condensed interim consolidated financial statements at June 30, 2016 is based on a model identified by Italmobiliare according to the CoSO framework (illustrated in the *CoSO Report*) and also takes into account the document "*Internal Control over Financial Reporting – Guidance for Smaller Public Companies*", both issued by the Committee of Sponsoring Organizations of the Treadway Commission representing a generally accepted international framework.

3. It is also stated that:

   3.1 the condensed interim consolidated financial statements at June 30, 2016:

   a) were prepared in compliance with applicable international financial reporting standards recognised by the European Community pursuant to European Parliament and Council Regulation no. 1606/2002 of July 19, 2002;

   b) correspond to the accounting books and entries;

   c) are suitable to provide a true and fair view of the financial position, results of operations and cash flows of Italmobiliare S.p.A. and the companies included in the consolidation area.

   3.2 The directors' report includes a reliable analysis of the significant events occurred in the first six months of the year and their impact on the condensed interim consolidated financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The directors' report also includes a reliable analysis of the information on significant transactions with related parties.

August 4, 2016

Signed on the original

Carlo Pesenti, Chief Executive Officer
Giorgio Moroni, Manager in charge of financial reporting

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(Translation from the Italian original which remains the definitive version)

Report on review of condensed interim consolidated financial statements

To the shareholders of
Italmobiliare S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Italmobiliare Group, comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes thereto, as at and for the six months ended 30 June 2016. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Italmobiliare Group as at and for the six months ended 30 June 2016 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Milan, 5 August 2016

KPMG S.p.A.

(signed on the original)

Luisa Polignano
Director of Audit

September 2016
Project of LSVmultimedia
Olginate - Lecco