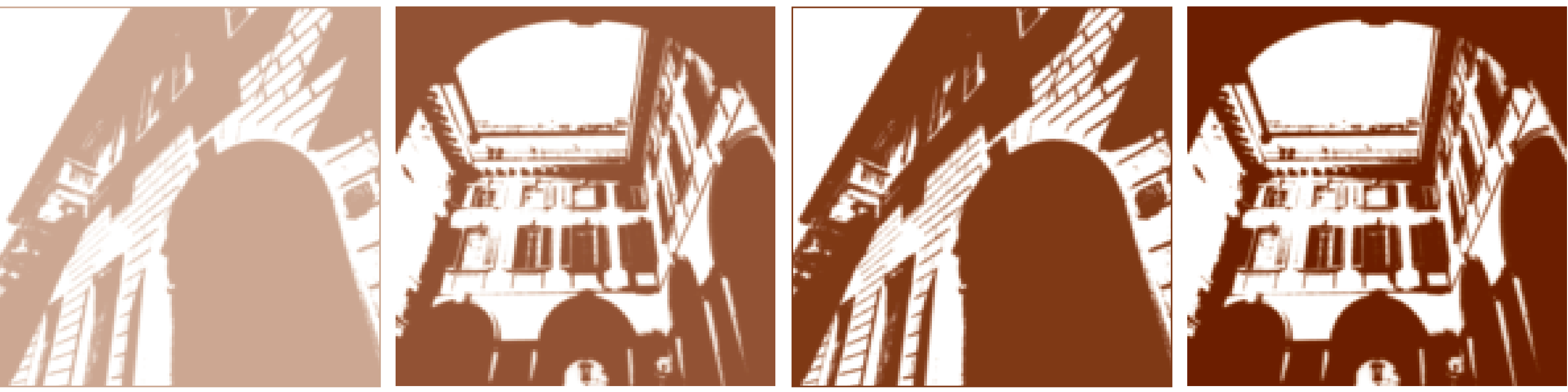
ITALMOBILIARE

Half-year financial report at June 30, 2012



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Half-year financial report

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

Half-year financial report at June 30, 2012

August 6, 2012

ITALMOBILIARE
Società per Azioni

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

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

Board of Directors
(Term ends on approval of financial statements at 12.31.2013)

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

Board of Statutory Auditors
(Term ends on approval of financial statements at 12.31.2013)

Acting auditors	
Francesco Di Carlo	Chairman
Angelo Casò	
Leonardo Cossu	
Substitute auditors	
Luciana Ravicini	
Enrico Locatelli	
Paolo Ludovici	

Manager in charge of financial reporting

Giorgio Moroni

Independent Auditors

KPMG S.p.A.

1 Member of the Executive Committee
2 Executive director responsible for supervising the internal control system
3 Member of the Remuneration Committee
4 Member of the Internal Control Committee
5 Member of the Committee for Transactions with Related Parties
6 Independent director (pursuant to the Voluntary Code of Conduct and Law no. 58, February 24, 1998)
7 Independent director (pursuant to Law no. 58, February 24, 1998)
8 Lead independent director
9 Member of the Compliance Committee
10 Secretary to the Executive Committee

Company officers and delegation of powers

The current Board of Directors was elected by the Shareholders' Meeting of May 25, 2011, to hold office for the three-year period 2011-2013, that is, until approval of the financial statements as at and for the year ended December 31, 2013.

On the same date, the Board of Directors appointed the company officers and attributed their powers.

The company By-laws provide that the Board of Directors to be vested with full powers for the management of the company's ordinary and extraordinary operations. Therefore, the Board may perform all acts and execute all disposals that it deems appropriate for the achievement of the corporate purpose, with the sole exception of those that, by law, are expressly reserved for the Shareholders.

The company By-laws grant the **legal representation** of the company to, separately, the Chairman and, if appointed, to the Deputy Chairman (or Deputy Chairmen) and to the Chief Executive Officer.

Within the Board of Directors, powers are delegated as follows:

- to the **Executive Committee,** consisting of five members, all the powers of the Board of Directors, with the exception of those that, under the Italian Civil Code and the company By-laws, may not be delegated. As specified at the time of the appointment, the resolutions adopted by the Executive Committee shall be reported to the Board of Directors at the following Board meeting;
- to the **Chairman – Chief Executive Officer**, Giampiero Pesenti, in addition to the powers envisaged by the company By-laws and by the Code of Conduct, *inter alia*, the powers to undertake any act of administration and disposal, including the buying and selling of equity investments, to undertake security and loan operations, to accept guarantees, to provide collateral in favor of third parties provided that they are directly or indirectly controlled subsidiaries or associates of Italmobiliare S.p.A., up to a limit of 150 million euro for each individual transaction; to undertake real estate transactions, exchanges and real estate divisions, regulation of easements or property rights generally, up to a maximum limit of 25 million euro for each individual transaction; to recruit staff at all levels, set their pay, suspend them, change their employment terms and dismiss them;
- to the **Deputy Chairman,** Italo Lucchini, solely the powers of corporate representation, pursuant to the company By-laws, to be exercised separately from those of the Chairman – Chief Executive Officer;
- to the **Chief Operating Officer**, Carlo Pesenti, *inter alia*, the duty of following the performance of investees generally and the powers to formulate proposals on company organization to the Chief Executive Officer. The Chief Operating Officer is also empowered, *inter alia*, to undertake any act concerning the management of the company, including undertaking security and loan transactions, accepting on behalf of the company obligations of any kind, including those backed by collateral in favor of third parties provided that they are direct or indirect subsidiaries of Italmobiliare S.p.A., buying and selling government securities, bonds, mortgage bonds, equity securities, interests in companies, undertaking lending and borrowing transactions and repurchase transactions on securities up to a maximum of 75 million euro for each transaction; negotiating lines of credit with banks up to a maximum of 75 million euro, for higher amounts and up to a maximum limit of 100 million euro with the joint signature of the Joint Chief Administrative and Financial Officer.

Other delegated powers have been allocated to the Joint Chief Administrative and Financial Officer and to the Secretary to the Board within their respective competences.

The Chief Operating Officer has conferred specific and limited delegated powers to company employees for day to day operations.

Remuneration Committee and Internal Control Committee

The corporate governance structure, as set out in the binding articles of the company By-laws and in the non-binding provisions of the Code of Conduct (the «Code»), reflects Italmobiliare S.p.A. compliance with generally accepted best practices.

The «Code» provides, *inter alia,* for the Board of Directors to appoint, from among its members, a «Remuneration Committee» and an «Internal Control Committee», whose role is to provide assistance and submit proposals to the Board itself.

During the meeting at which the company officers were granted the above mentioned powers, the Board of Directors also appointed the «Remuneration Committee», and the «Internal Control Committee», both consisting of three non-executive directors, of whom two are independent. All the members of the Internal Control Committee have adequate experience in accounting and finance (as required by the «Code» of at least one committee member).

During the first half of the year, the Remuneration Committee met twice, while the Internal Control Committee met once. All meetings of both committees were attended by all members.

Committee for Transactions with Related Parties

In compliance with the regulations governing transactions with related parties, the Board of Directors appointed a Committee for Transactions with Related Parties composed of 3 independent directors.

The Committee for Transactions with Related Parties held no meetings during the first half of the year.

Compliance Committee

The Compliance Committee, established pursuant to the «Organizational, management and control model» (the «Model») adopted by the Company in application of Legislative Decree n° 231/01, is responsible for on-going monitoring of the effectiveness and enforcement of the «Model» and for recommending updates.

In compliance with the provisions of the «Model» itself, the Compliance Committee consists of an independent director (subsequently appointed Chairman), the head of the company Internal Audit function and an external professional.

During the half year the Compliance Committee met 7 times to perform the functions attributed by the «Model».

Lead independent director

The «Code» provides, with reference to independent directors, that when the Chairman of the Board of Directors is the principal officer responsible for the management of the company, the Board of Directors should designate a «Lead independent director», to provide a reference for and to coordinate the contributions and requests of the non-executive directors, and in particular, those who are independent.

During the meeting at which the company officers were granted delegated powers, the Board of Directors confirmed independent director Mauro Bini as the «Lead independent director».

Executive director responsible for supervising the internal control system

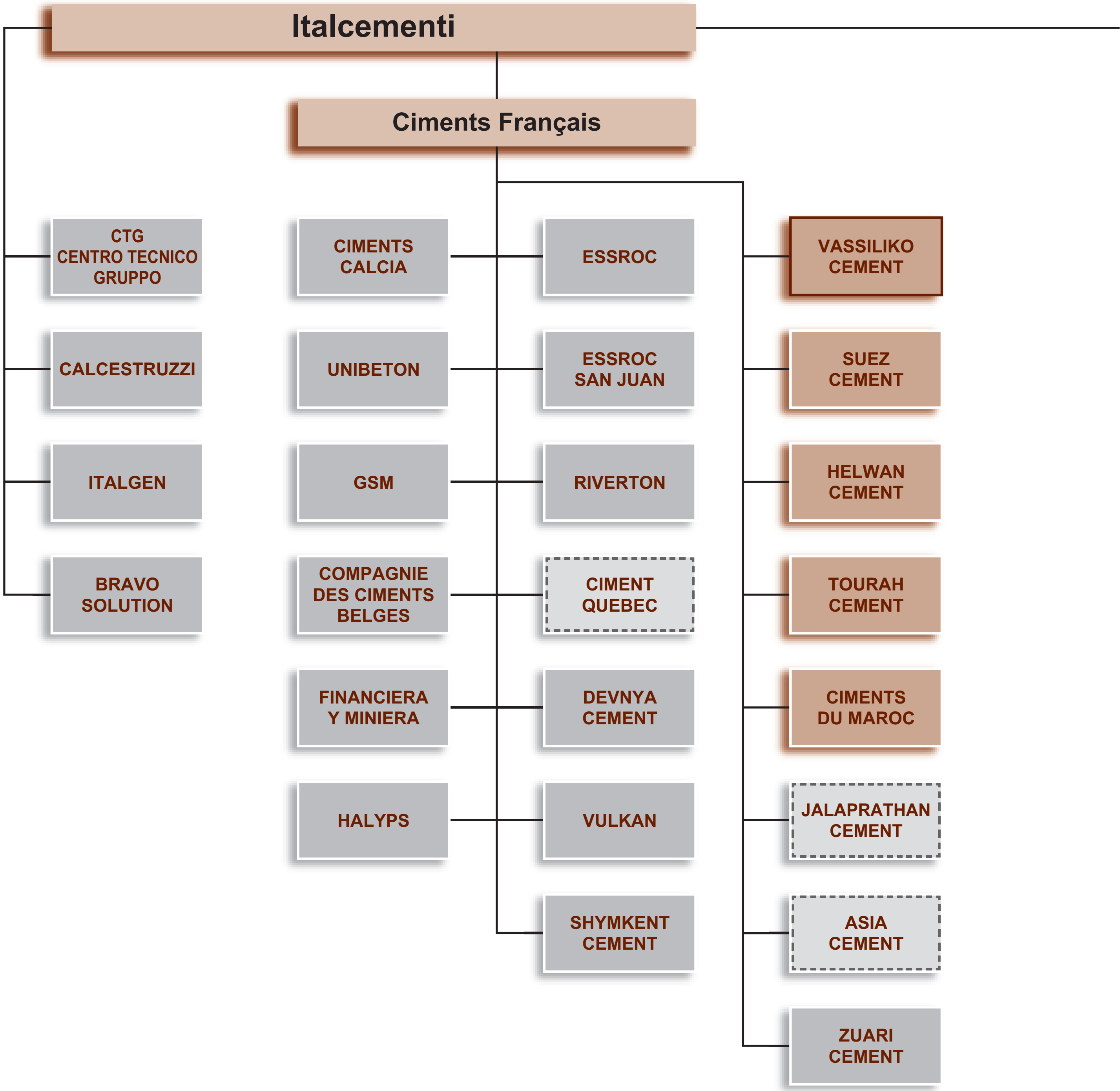
With regard to the system of controls, the «Code» provides for the Board of Directors to select, with the assistance of the Internal Control Committee, an executive director to supervise the internal control system.

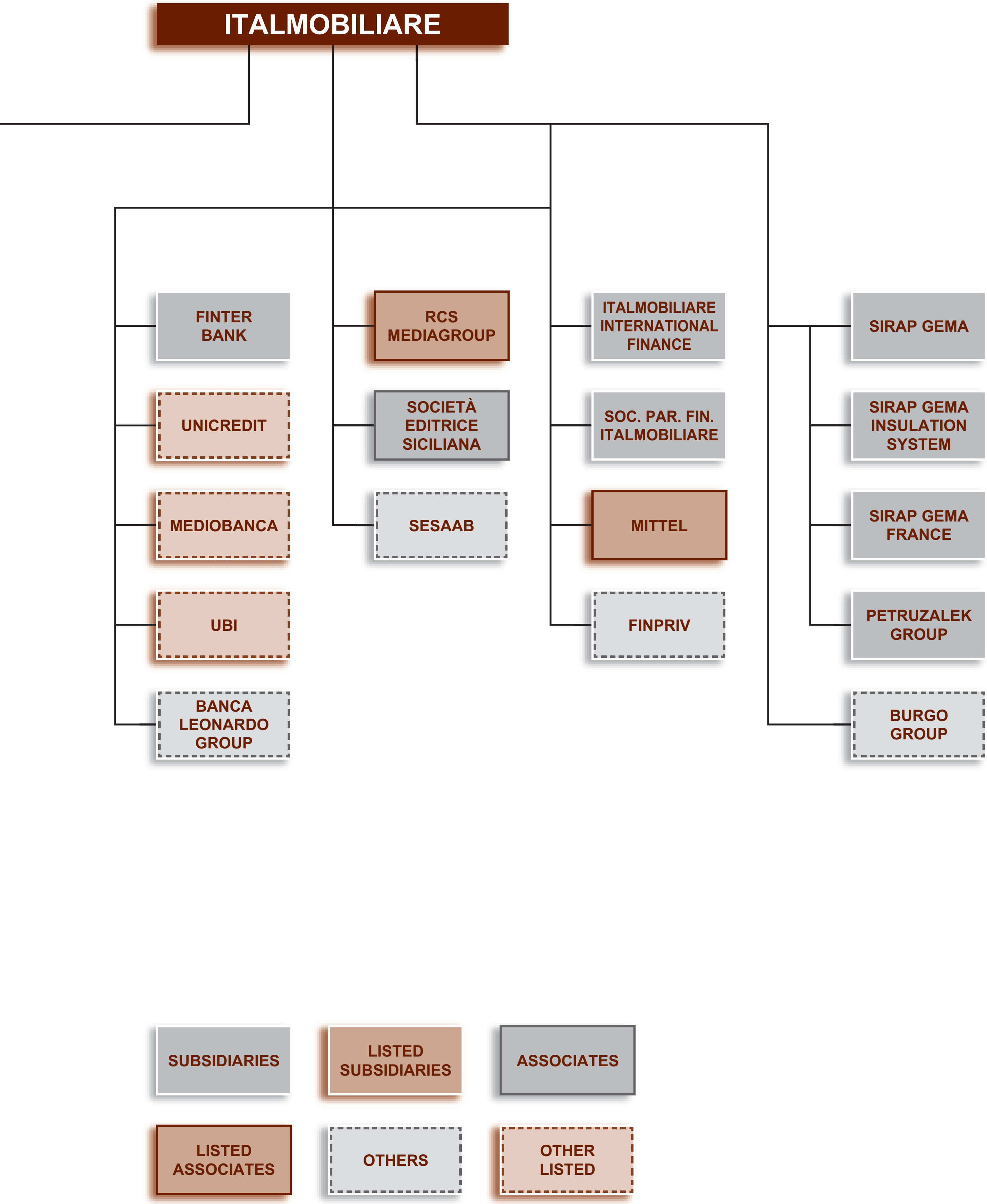
During the meeting at which the company officers were granted delegated powers, the Board of Directors, upon the recommendation of the Internal Control Committee, appointed the Chairman – Chief Executive Officer, Giampiero Pesenti, as the executive director responsible for supervising the internal control system.

Manager in charge of financial reporting

At the meeting held on May 25, 2011, the Board of Directors confirmed Giorgio Moroni as the Manager in charge of financial reporting pursuant to art. 154-bis of the Consolidated Finance Act and to art. 29 of the company By-laws.

Structure of the Group
(at June 30, 2012)





ITALMOBILIARE
FINTER BANK
UNICREDIT
MEDIOBANCA
UBI
BANCA LEONARDO GROUP
RCS MEDIAGROUP
SOCIETÀ EDITRICE SICILIANA
SESAAB
ITALMOBILIARE INTERNATIONAL FINANCE
SOC. PAR. FIN. ITALMOBILIARE
MITTEL
FINPRIV
SIRAP GEMA
SIRAP GEMA INSULATION SYSTEM
SIRAP GEMA FRANCE
PETRUZALEK GROUP
BURGO GROUP
SUBSIDIARIES
LISTED SUBSIDIARIES
ASSOCIATES
LISTED ASSOCIATES
OTHERS
OTHER LISTED

Group business and financial highlights

(in millions of euro)	H1 2012	H1 2011 (IFRS 5)	H1 2011 (published)
Revenue	2,446.6	2,564.6	2,598.1
Recurring EBITDA	333.8	365.1	365.5
EBITDA	348.6	383.0	383.4
EBIT	98.5	145.8	143.1
Profit (loss) for the period	(51.3)	164.0	164.0
Profit (loss) for the period attributable to owners of parent	(65.8)	25.3	25.3
Capital expenditure	197.4	255.4	257.5
Number of employees (heads)	20,702	21,610	22,057

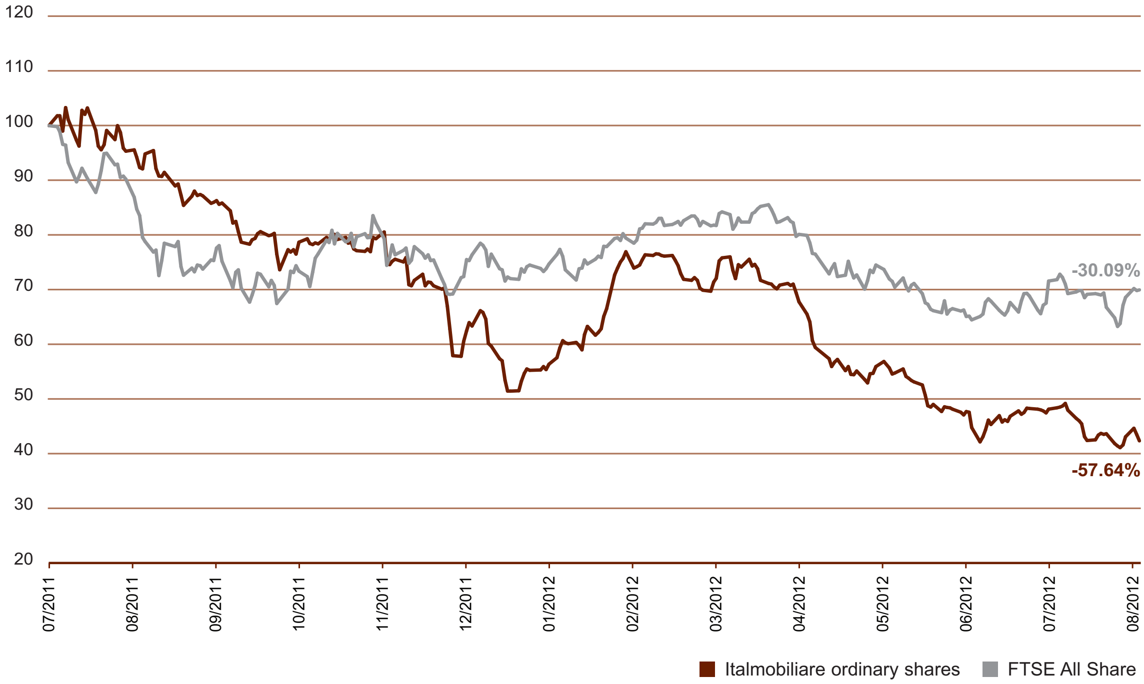
(in millions of euro)	June 30, 2012	December 31, 2011
Total equity	5,382.5	5,539.6
Equity attributable to owners of parent	2,021.8	2,108.4
Net financial debt	2,225.4	2,039.6
Net financial debt / Equity	41.35%	36.82%
Net financial debt / Recurring EBITDA	3.43	2.99
(Diluted) earnings per ordinary share	(1.749)	(3.926)
(Diluted) earnings per savings share	(1.749)	(3.926)
Equity attributable per share[1]	53.734	56.036

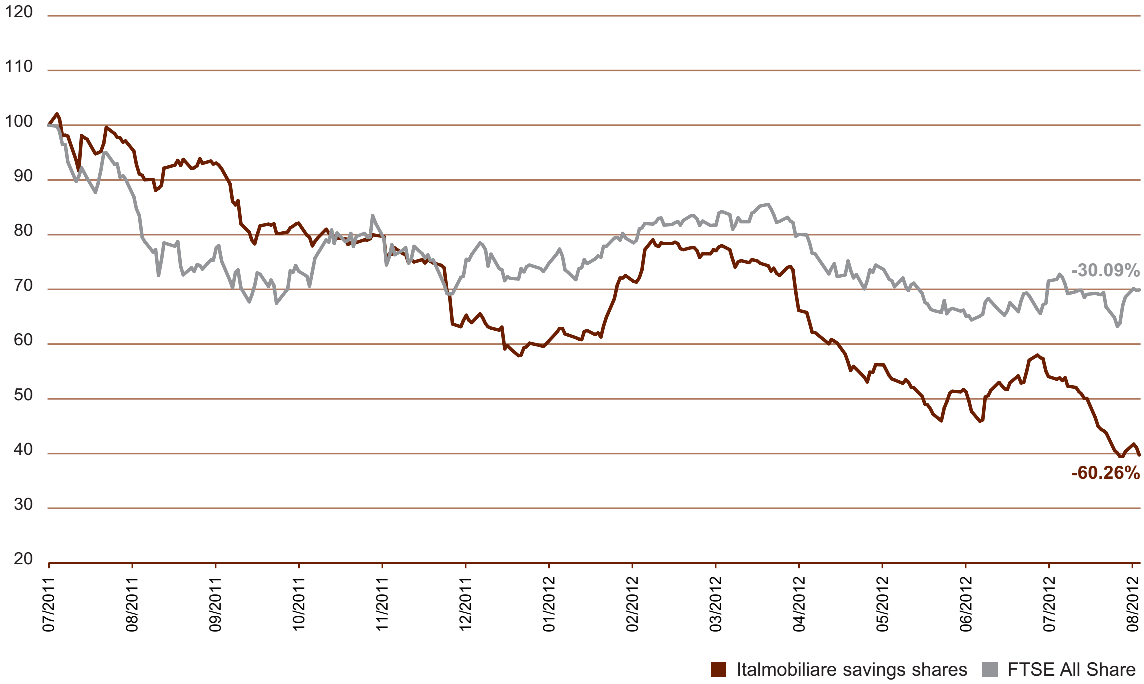
[1] net of treasury shares in portfolio

Italmobiliare S.p.A. on the Stock Exchange

Prices from 07.01.2011 to 08.01.2012

(euro)	high		low		07.01.2011	08.01.2012	performance
Ordinary shares	26.3290	07.07.2011	10.4732	07.25.2012	25.4884	10.7977	-57.64%
Savings shares	16.1479	07.04.2011	6.2431	07.25.2012	15.8248	6.2884	-60.26%
FTSE All Share	21,227.69	07.01.2011	13,427.41	07.24.2012	21,227.69	14,840.74	-30.09%





Directors' report on operations

Foreword

The half-year financial report at June 30, 2012, has been drawn up in compliance with article 154 ter, paragraphs 2, 3 and 4, of Legislative decree no. 58, February 24, 1998, and subsequent amendments.

As contemplated by the above-mentioned paragraph 3, the condensed interim financial statements have been drawn up in consolidated form.

The accounting policies applied in the preparation of the condensed interim consolidated financial statements are consistent with those used in the preparation of the Group financial statements as at and for the year to December 31, 2011, with the exception of the standard and interpretations endorsed by the European Union and applicable as from January 1, 2012. Specifically, these are the amendments to IFRS 7 “Financial instruments: disclosures – transfers of financial assets”, which did not have material effects on the Group half-year accounts.

With regard to the scope of consolidation, in the first half of 2012 the Group sold the remaining 51% interest held in Afyon Cimento (Turkey) and its entire equity investment in Fuping Cement (China) to West China Cement; simultaneously, the Group acquired a share of approximately 6.25% in West China Cement. The sold operations were treated in compliance with IFRS 5 with the presentation of the profit or loss and the cash flows relating to the discontinued operations as separate items on the income statement and the statement of cash flows, both for the period under review and the corresponding period of 2011.

Information on operations

The growth recorded by the world economy in the early months of the year thanks to the temporary improvement in international financial conditions deteriorated in the second quarter of 2012, owing to fears over the outlook for the sovereign debt crisis in the Eurozone and uncertainty over the US budget policy. Additional factors slowing the world economy were the weakness of the jobs market and the property market in the main advanced economies and the need to straighten out state finances.

Even the fastest growing emerging countries were affected by the slowdown, due to the impact of the restrictive economic policy measures adopted last year and the effects of the downturn in foreign demand; meanwhile, the economic mood in North America was moderately upbeat, and in any case more positive than in the Eurozone.

Overall, cyclical positions tended to diverge even further, both in the industrialized area and among the emerging areas, an additional element confirming the widespread uncertainty of current economic conditions.

After the improvements of the first quarter, in the second quarter of 2012 the financial markets experienced growing volatility in treasury instruments and in equities, especially in Europe due to the political situation in Greece and fears about Spanish banks. The mood of concern eased temporarily and market prices for treasury debentures and equities recovered some ground after the European Council summit at the end of June, which took important decisions regarding the strengthening of European banking supervision and financial aid for the Spanish banking system and pledged to safeguard financial stability.

During the first half yields fell on long-term government instruments with a high rating, after a first quarter steady with the levels at the end of 2011, reflecting the downturn in global economy growth expectations and investor preference for lower-risk assets. In Italy treasury yields were down in the first quarter but made an important resurgence during the second quarter of 2012.

Share prices in the main European countries began falling at the end of March, especially on the European markets and in Japan. On average, share prices fell in all the main sectors of the Italian stock market, with particularly large declines among bank and insurance stocks.

After a positive first quarter, the euro showed a general depreciation against the main currencies, in particular the US dollar, the Japanese yen and the pound sterling. Depreciation against the Swiss franc was more contained, while the euro strengthened against other minor European currencies.

In this context, in the first half of 2012 the Italmobiliare Group posted a total **loss for the period** of 51.3 million euro and a **loss attributable to owners of the parent** of 65.8 million euro, compared respectively with a total profit of 164.0 million euro (including 105.2 million euro for the capital gain on the sale of Set Group) and profit attributable to owners of the parent of 25.3 million euro in the first half of 2011.

Contribution to profit for the period attributable to owners of the parent

(in millions of euro)	H1 2012	% of total	H1 2011	% of total
Construction materials	(13.7)	*20.8*	48.3	*190.6*
Packaging and insulation	(1.9)	*2.9*	(3.6)	*(14.1)*
Banking	(5.1)	*7.7*	(7.6)	*(30.0)*
Finance	(29.9)	*45.5*	8.6	*34.1*
Property and other	(0.1)	*0.2*	0.2	*0.7*
Inter-segment eliminations	(15.1)	22.9	(20.6)	*(81.3)*
Profit (loss) for the period attributable to owners of the parent	**(65.8)**	***100.0***	**25.3**	***100.0***

The other main results for the six months ended June 30, 2012, were:

- **Revenue**: 2,446.6 million euro from 2,564.6 million euro for the six months ended June 30, 2011 (-4.6%);
- **Recurring EBITDA**: 333.8 million euro from 365.1 million euro for the six months ended June 30, 2011 (-8.6%);
- **EBITDA**: 348.6 million euro from 383.0 million euro for the six months ended June 30, 2011 (-9.0%);
- **EBIT**: 98.5 million euro from 145.8 million euro for the six months ended June 30, 2011 (-32.5%);
- **Finance income and costs** (including exchange rate differences and derivatives): net costs of 51.1 million euro from 39.4 million euro for the six months ended June 30, 2011 (+29.7%);
- **Impairment losses on financial assets:** 22.2 million euro compared with reversals of impairment losses of 1.2 million euro for the six months ended June 30, 2011 (% not significant);
- **Share of profit (loss) of equity-accounted investees:** a loss of 20.7 million euro from profit of 4.6 million euro for the six months ended June 30, 2011 (% not significant);
- **Profit before tax**: profit of 4.5 million euro from 112.2 million euro for the six months ended June 30, 2011 (-96.0%);
- **Profit (loss) relating to continuing operations:** loss of 59.7 million euro from profit of 58.8 million euro for the six months ended June 30, 2011 (% not significant).

At the end of June 2012 **total equity** amounted to 5,382.5 million euro, compared with 5,539.6 million euro at December 31, 2011.

Net financial debt at June 30, 2012, stood at 2,225.4 million euro, compared with 2,039.6 million euro at December 31, 2011.

After the changes in equity and debt, the **gearing** ratio (net financial debt/equity) rose from 36.82% at the end of December 2011 to 41.35% at the end of June 2012.

The performance of the individual segments that make up the Italmobiliare Group was as follows:

- the **construction materials** segment, consisting of the Italcementi group (Italmobiliare's main industrial investment), reported a reduction in sales volumes in the first half, substantially in line with the reduction in the first quarter of the year, with continuity in the mature countries due to adverse weather conditions and a negative economic trend. Revenue, at 2,299.8 million euro, fell by 4.9% from the first half of 2011; at constant size and exchange rates, the decrease was 6.1%. Operating results compared with the first half of

2011 were penalized by the trend in sales volumes, the impact of inflation on variable costs and lower income on CO_2 emission rights. The downturn in results was mitigated however by continuous action to cut fixed costs and recover efficiency in industrial operations in the various countries. Recurring EBITDA, at 328.7 million euro, decreased by 11.6%, while EBIT, fell by 37.4% to 100.6 million euro. After net finance costs of 49.2 million euro (+32.5%) and profit from equity-accounted investees of 3.9 million euro (-39.7%), profit before tax stood at 55.4 million euro (-59.8%). After income tax expense of 63.0 million euro and a capital gain of 8.4 million euro on the sale of Afyon and Fuping, the segment reported a profit for the period of 0.8 million euro (187.8 million euro in the first half of 2011, including 105.6 million euro of capital gains on the sale of Set Group);

- in **food packaging and thermal insulation**, where the Sirap Gema group operates, the market situation was difficult in terms of demand on the group's core markets. A slight upturn was reported in food packaging revenue (+1.1%) from the first half of 2011 thanks to demand in East European countries, while thermal insulation revenue was slightly down (-2.7%) as a result of stagnation in the building industry, especially on the domestic market. Total segment revenue amounted to 116.1 million euro, in line with the year-earlier period (115.8 million euro). Thanks to the containment of fixed costs and a lower proportion of commodity costs, EBITDA made significant progress to 6.5 million euro (4.4 million euro in the first half of 2011, when non-recurring expense of approximately 1 million euro was posted). After amortization and depreciation of 5.2 million euro, EBIT was positive at 1.4 million euro (negative EBIT of 1.3 million euro for the six months ended June 30, 2011). The loss of 1.9 million euro posted for the period (loss of 3.6 million euro in the year-earlier period) included net finance costs of 2.5 million euro, an increase of 10.7% from the first half of 2011, and a tax charge of 0.8 million euro (0.1 million euro for the six months ended June 30, 2011);

- in the **financial segment**, consisting of the parent Italmobiliare and the wholly owned financial companies, performance was affected by the adverse impact of high market volatility on the price of bank stocks and by the losses reported by associates. In this context the segment had a loss for the period of 29.9 million euro, a sharp reduction from the profit of 8.6 million euro reported for the six months ended June 30, 2011. The segment's loss arose chiefly from impairment losses on bank stocks (22.2 million euro) and the loss of the associates (24.6 million euro), compensated only in part by net gains on cash investments. The financial segment is owned 100% by the Group and its profit or loss is therefore reflected in full in the profit or loss attributable to owners of the parent;

- in the **banking segment** (Finter Bank Zürich and Crédit Mobilier de Monaco) operating income for the first half of 2012 was 15.5 million euro, a slight decrease from 15.8 million euro for the six months ended June 30, 2011, mainly due to the reduction in commission income and a small reduction in third-party assets under management. After allowances for impairment of approximately 3.5 million euro, the segment posted a loss for the period of 5.1 million euro (-7.6 million euro for the six months ended June 30, 2011);

- the **property segment, services and other** is not of great importance within the global context of the Group and its results are therefore not of material significance.

Italmobiliare Net Asset Value (NAV) at June 30, 2012, was 981.1 million euro (1,206.3 million euro at March 31, 2012 and 1,138.5 million euro at December 31, 2011), as shown below:

(in millions of euro)	June 2012	% of total	December 2011	% of total
Construction	458.7	*47.7*	542.6	*47.7*
Banks	228.4	*26.0*	296.1	*26.0*
Publishing	61.3	*7.2*	81.6	*7.2*
Cash and cash equivalents	114.9	*9.2*	105.2	*9.2*
Other	117.8	*9.9*	113.0	*9.9*
Total net asset value	**981.1**	***100.0***	**1,138.5**	***100.0***

NAV was computed considering:

- the market value of investments in listed companies at the end of the quarter,
- the value of the non-listed companies, where measurable, on the basis of market multiples or specific valuations or, alternatively, on the basis of equity determined in accordance with IFRS, if available, otherwise in accordance with local GAAP,
- the increased value of any real estate assets,

and taking account of the fiscal effect.

Consolidated figures for the six months ended June 30, 2012

(in millions of euro)		**H1 2012**	**H1 2011 (IFRS 5)**	**% change**	**H1 2011 published**
Revenue		**2,446.6**	**2,564.6**	***(4.6)***	**2,598.1**
Recurring EBITDA		**333.8**	**365.1**	***(8.6)***	**365.5**
% of revenue		*13.6*	*14.2*		*14.1*
Other income (expense)		14.8	17.9	*(17.4)*	17.9
EBITDA		**348.6**	**383.0**	***(9.0)***	**383.4**
% of revenue		*14.2*	*14.9*		*14.8*
Amortization and depreciation		(234.0)	(237.7)	*(1.6)*	(240.9)
Impairment (losses)		(16.1)	0.5	*n.s.*	0.6
EBIT		**98.5**	**145.8**	***(32.5)***	**143.1**
% of revenue		*4.0*	*5.7*		*5.5*
Net finance costs		(51.1)	(39.4)	*29.7*	(40.3)
Impairment (losses) on financial assets		(22.2)	1.2	*n.s.*	1.2
Share of profit (loss) of equity-accounted invetees		(20.7)	4.6	*n.s.*	4.6
Profit before tax		**4.5**	**112.2**	***(96.0)***	**108.6**
% of revenue		*0.2*	*4.4*		*4.2*
Income tax expense		(64.2)	(53.4)	*20.1*	(53.3)
Profit (loss) relating to continuing operations		**(59.7)**	**58.8**	***n.s.***	**55.3**
Profit relating to discontinued operations		8.4	105.2	*n.s.*	108.7
Profit (loss) for the period		**(51.3)**	**164.0**	***n.s.***	**164.0**
attributable to:	**Owners of the parent**	**(65.8)**	**25.3**	***n.s.***	**25.3**
	Non-controlling interests	14.5	138.7	*(89.6)*	138.7
Cash flow from operating activities		28.6	69.1	*(58.6)*	66.0
Capital expenditure		197.4	255.4	*(22.7)*	257.5
Number of employees at period end		20,702	21,610	*(4.2)*	22,057

n.s.: not significant

(in millions of euro)	**June 30 2012**	**December 31 2011**
Total equity	5,382.5	5,539.6
Equity attributable to owners of the parent	2,021.8	2,108.4
Net financial debt	2,225.4	2,039.6

Recurring EBITDA is the difference between revenue and expense excluding: other non-recurring income and expense, amortization and depreciation, impairment, finance income and costs, share of profit (loss) of equity-accounted investees and income tax expense.

EBITDA is the sum of recurring EBITDA plus other (non-recurring) income and expense.

EBIT is the sum of EBITDA plus amortization and depreciation and impairment.

Quarterly trend

(in millions of euro)		H1 2012	Q2 2012	Q1 2012 (IFRS 5)
Revenue		**2,446.6**	**1,309.4**	**1,137.2**
% change vs. 2011		*(4.6)*	*(3.3)*	*(6.0)*
Recurring EBITDA		**333.8**	**197.9**	**135.9**
% change vs. 2011		*(8.6)*	*(14.8)*	*2.3*
% of revenue		*13.6*	*15.1*	*12.0*
EBITDA		**348.6**	**204.2**	**144.4**
% change vs. 2011		*(9.0)*	*(12.3)*	*(3.8)*
% of revenue		*14.2*	*15.6*	*12.7*
Amortization and depreciation		(234.0)	(117.7)	(116.3)
Impairment (losses)		(16.1)	(15.9)	(0.3)
EBIT		**98.5**	**70.6**	**27.8**
% change vs. 2011		*(32.5)*	*(36.1)*	*(21.2)*
% of revenue		*4.0*	*5.4*	*2.4*
Net finance costs		(51.1)	(23.1)	(28.1)
Impairment (losses) on financial assets		(22.2)	(16.2)	(6.0)
Share of profit (loss) of equity-accounted investees		(20.7)	(20.1)	(0.5)
Profit (loss) before tax		**4.5**	**11.2**	**(6.8)**
% of revenue		*0.2*	*0.9*	*(0.6)*
Income tax expense		(64.2)	(37.6)	(26.5)
Loss relating to continuing operations		**(59.7)**	**(26.4)**	**(33.3)**
Profit (loss) relating to discontinued operations		8.4	13.3	(4.9)
Profit (loss) for the period		**(51.3)**	**(13.1)**	**(38.2)**
attributable to:	**Owners of the parent**	**(65.8)**	**(42.3)**	**(23.5)**
	Non-controlling interests	14.5	29.2	(14.7)

The seasonal trends that characterize the Group core businesses normally generate stronger performance in the second quarter of the year compared with the first. This was confirmed in 2012, whereas compared with the second quarter of 2011 revenue was slightly lower in the construction materials segment, mainly as a result of the downturn in industrial activities in the European countries, offset in part by the healthy progress in North America and Asia. Compared with the second quarter of 2011, revenue also fell in the financial segment, affected by particularly intense pressure on the financial markets in the second quarter of the year.

Operating results in the second quarter were better in absolute terms than in the first quarter of 2012, but down compared with the year-earlier second quarter, due to the fall in revenue and the increase in variable costs, particularly energy costs, in the Group's industrial businesses. This trend was mitigated in part by the reduction in fixed costs achieved through the rigorous efficiency programs implemented in all segments.

The second quarter was adversely affected by impairment losses on financial assets of 16.2 million euro, relating in the main to impairment losses on bank stocks, and the loss of 20.1 million euro for equity-accounted investees.

Specifically, there was a second-quarter loss of 24.2 million euro at the associate RCS MediaGroup S.p.A., which includes the share attributable to the Italmobiliare Group in the first quarter of 2012 of -2.0 million euro, and the adjustment of -22.2 million euro for the Italmobiliare share of the impairment losses posted by RCS in the second quarter of 2012. This impairment loss was reflected in the Group condensed interim consolidated financial statements on the basis of the figures approved by the RCS MediaGroup Board of Directors on July 31, 2012.

After income tax for the quarter of 37.6 million euro and capital gains on the sale of Italcementi group equity investments, the quarter showed a loss of 13.1 million euro (+42.3 million euro in the second quarter of 2011). After profit attributable to non-controlling interests of 29.2 million euro (43.9 million euro in the second quarter of 2011), the loss attributable to owners of the parent was 42.3 million euro (-1.6 million euro in the second quarter of 2011); this compared with a total loss for the first quarter of 2012 of 38.2 million euro, of which 23.5 million euro attributable to owners of the parent.

Revenue and operating results

Contribution to consolidated revenue

(net of intragroup eliminations)

(in millions of euro)	H1 2012		H1 2011 (IFRS 5)		Change	
Operating segment		%		%	%	%[1]
Construction materials	2,294.9	*93.8*	2,414.2	*94.1*	*(4.9)*	*(6.1)*
Packaging and insulation	116.0	*4.7*	115.8	*4.5*	*0.2*	*0.7*
Finance	18.8	*0.8*	17.0	*0.7*	*10.2*	*10.2*
Banking	16.6	*0.7*	17.0	*0.7*	*(2.6)*	*(7.8)*
Property, services, other	0.3	-	0.6	-	*(45.5)*	*(45.5)*
Total	**2,446.6**	***100.0***	**2,564.6**	***100.0***	***(4.6)***	***(5.7)***
Geographical area						
European Union	1,347.4	*55.1*	1,497.5	*58.4*	*(10.0)*	*(9.5)*
Other European countries	27.0	*1.0*	25.2	*1.0*	*7.0*	*2.8*
North America	204.3	*8.3*	171.7	*6.7*	*19.0*	*11.7*
Asia and Middle East	290.3	*11.9*	270.7	*10.5*	*7.2*	*7.2*
Africa	454.3	*18.6*	489.6	*19.1*	*(7.2)*	*(10.8)*
Trading	87.6	*3.6*	63.6	*2.5*	*37.6*	*32.7*
Other countries	35.7	*1.5*	46.3	*1.8*	*(22.8)*	*(27.4)*
Total	**2,446.6**	***100.0***	**2,564.6**	***100.0***	***(4.6)***	***(5.7)***

[1] at constant size and exchange rates

Revenue and operating results by segment and geographical area

(in millions of euro)	Revenue		Recurring EBITDA		EBITDA		EBIT	
	H1 2012	% change vs.H1 2011	H1 2012	% change vs.H1 2011	H1 2012	% change vs.H1 2011	H1 2012	% change vs.H1 2011
Operating segment								
Construction materials	2,299.8	*(4.9)*	328.7	*(11.6)*	344.0	*(11.8)*	100.6	*(37.4)*
Packaging and insulation	116.1	*0.2*	6.8	*53.2*	6.5	*45.5*	1.4	*n.s.*
Finance	37.6	*(9.0)*	17.8	*20.0*	17.5	*20.4*	17.3	*19.5*
Banking	17.0	*(3.1)*	(3.6)	*(30.3)*	(3.5)	*(32.5)*	(5.0)	*(31.6)*
Property, services, other	0.8	*(28.2)*	(0.1)	*n.s.*	(0.1)	*n.s.*	(0.1)	*n.s.*
Inter-segment eliminations	(24.7)	*(17.0)*	(15.8)	*(24.8)*	(15.8)	*(24.8)*	(15.7)	*(25.0)*
Total	**2,446.6**	***(4.6)***	**333.8**	***(8.6)***	**348.6**	***(9.0)***	**98.5**	***(32.5)***
Geographical area								
European Union	1,398.6	*(9.6)*	145.7	*(13.9)*	159.6	*(14.8)*	26.1	*(58.5)*
Other European countries	27.5	*6.5*	(3.3)	*(36.6)*	(3.2)	*(38.7)*	(4.8)	*(36.2)*
North America	204.6	*19.0*	6.7	*n.s.*	6.8	*n.s.*	(26.6)	*(36.8)*
Asia and Middle East	290.3	*7.2*	44.3	*(21.7)*	44.3	*(22.0)*	18.8	*(42.8)*
Africa	476.3	*(3.7)*	145.1	*(12.0)*	145.5	*(11.6)*	94.0	*(18.6)*
Trading	111.6	*22.3*	4.9	*(18.9)*	4.9	*(18.5)*	3.6	*(20.1)*
Other countries	176.6	*(22.0)*	(9.6)	*(43.7)*	(9.3)	*(44.7)*	(12.6)	*(37.5)*
Inter-area eliminations	(238.9)	*(9.0)*	-	-	-	-	-	-
Total	**2,446.6**	***(4.6)***	**333.8**	***(8.6)***	**348.6**	***(9.0)***	**98.5**	***(32.5)***

n.s. not significant

The 4.6% reduction in **revenue** from the first half of 2011 arose from:

- the contraction in business of 5.7%;
- the positive exchange rate effect of 1.5%, largely the appreciation against the euro of the Egyptian pound, the US dollar, the Thai baht and the Swiss franc;
- the negative change in the scope of consolidation, of 0.4%.

The business downturn stemmed from the construction materials and banking segments, while healthy growth was reported in the financial segment. The negative contribution of property, services, other was marginal.

The negative consolidation effect related to the construction materials segment, with the sale of Axim operations in a number of countries, at the end of 2011.

Revenue by geographical area, net of inter-segment eliminations, reflected a slowdown in the European Union and in Egypt due to the decrease in sales volumes in the construction materials segment, while sales volumes rose in India and North America thanks to the recovery in the residential sector and in the East European countries thanks to the positive contribution of the food packaging and thermal insulation segment. In absolute terms, the European Union countries as a whole were the largest contributor to revenue.

Recurring EBITDA at 333.8 million euro was down 31.3 million euro from the first half of 2011 (365.1 million euro). The decrease arose in the construction materials and banking segments, while there was a decisive improvement in the financial segment, which reported growth of 20.0%, and in food packaging and thermal insulation, which reported non-recurring expense in the first half of 2011.

After net non-recurring income of 14.8 million euro (+17.9 million euro for the six months ended June 30, 2011), relating mainly to the construction materials segment as a result of the capital gains on the sale of some equity investments and restructuring expense, **EBITDA** fell by 34.4 million euro (to 348.6 million euro from 383.0 million euro in the first half of 2011).

EBIT was 98.5 million euro, a decrease of 32.5% from the year-earlier period.

Overall operating results for the first half declined in the construction materials segment, largely due to the contraction in sales volumes and the negative dynamic in variable costs especially in the first quarter of the year, and in the banking segment where commission income decreased. Operating results improved compared with the first half of 2011 in the food packaging and thermal insulation segment, thanks to the lower impact of polymer raw material costs and in the financial segment, thanks to net gains on cash investments.

Finance costs and other components

Net finance costs amounted to 51.1 million euro, an increase of 29.7% from the first half of 2011 (39.4 million euro) reflecting lower income on equity investments (3.9 million euro compared with 25.5 million euro in the year-earlier period, mainly for the capital gains on the sale of Goltas and Bursa shares). Borrowing costs amounted to 44.2 million euro, a small increase (+1.6%) from the first half of 2011, while exchange rate differences, net of hedging, showed a gain of 0.8 million euro (a loss of 9.7 million euro in the first half of 2011).

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

Impairment losses on financial assets amounted to 22.2 million euro, compared with a gain of 1.2 million euro for the six months ended June 30, 2011; they arose from the impairment losses in the financial segment, mainly on bank stocks.

The **share of profit (loss) of equity-accounted investees** reflected a loss of 20.7 million euro (+4.6 million euro in 2011). The figure reflects the losses posted by the associates in the financial segment (-24.6 million euro) offset in part by the profit posted by the investees in the construction materials segment of 3.9 million euro.

As noted in the analysis of the 2012 second-quarter figures, a significant component in the loss of equity-accounted investees was the loss of the associate RCS Mediagroup S.p.A., of 25.4 million euro; this includes both the share attributable to the Italmobiliare Group for the fourth quarter of 2011 and first quarter of 2012 (-3.2 million euro) and the adjustment for the impairment losses posted by RCS in the second quarter of 2012 (-22.2 million euro). The overall impairment losses posted by RCS MediaGroup in the consolidated financial statements at June 30, 2012, approved by the Board of Directors on July 31, 2012, amounted to 307.3 million euro.

Profit for the period

Profit before tax for the half year was 4.5 million euro (112.2 million euro in the first half of 2011).

After income tax expense of 64.2 million euro, up 20.1% from the first half of 2011 (53.4 million euro), there was a **loss relating to continuing operations** of 59.7 million euro compared with a profit of 58.8 million euro in the first half of 2011.

The profit relating to discontinued operations, which included the capital gain of 13.4 million euro on the sales of Afyon and Fuping and the loss for the period of 5.0 million euro, reduced the **loss for the period** to 51.3 million euro (profit of 164.0 million euro in the year-earlier period, of which 105.2 million euro relating to the capital gain on the sale of Set Group); after profit attributable to non-controlling interests of 14.5 million euro (138.7 million euro for the six months ended June 30, 2011), the **loss attributable to owners of the parent** was 65.8 million euro (profit of 25.3 million euro for the six months ended June 30, 2011).

Total comprehensive income

Starting from the profit for the period, the components of comprehensive income for the first half of 2012 reflected income of 13.1 million euro (expense of 252.2 million euro in 2011) arising from the following positive components:

- translation gains of 44.4 million euro,
- share of other components of comprehensive income of associates of 3.1 million euro,

and the following negative components:

- fair value losses on available-for-sale financial assets of 25.8 million euro,
- fair value losses on derivatives of 9.5 million euro

and the related positive tax effect of 0.9 million euro.

Taking into account the loss for the period of 51.3 million euro described above, and the above components, the Group had total comprehensive expense in the first half of 2012 of 38.2 million euro (expense of 83.4 million euro attributable to owners of the parent and income of 45.2 million euro attributable to non-controlling interests) compared with total comprehensive expense of 88.2 million euro in the first half of 2011 (-41.5 million euro attributable to owners of the parent and -46.7 million euro attributable to non-controlling interests).

The statement of comprehensive income is provided among the consolidated financial statements at page 60.

Condensed statement of financial position

(in millions of euro)	June 30, 2012	December 31, 2011
Property, plant and equipment and investment property	4,420.1	4,575.5
Intangible assets	2,106.5	2,098.4
Other non-current assets	1,004.4	1,062.7
Non-current assets	**7,531.0**	**7,736.6**
Current assets	**3,620.5**	**3,765.8**
Non-current assets held for sale	2.3	3.4
Total assets	**11,153.8**	**11,505.8**
Equity attributable to owners of the parent	2,021.8	2,108.4
Non-controlling interests	3,360.7	3,431.2
Total equity	**5,382.5**	**5,539.6**
Non-current liabilities	2,942.3	3,047.4
Current liabilities	2,828.7	2,918.4
Total liabilities	**5,771.0**	**5,965.8**
Liabilities associated with non-current assets held for sale	**0.3**	**0.4**
Total equity and liabilities	**11,153.8**	**11,505.8**

Equity

Total equity at June 30, 2012, was 5,382.5 million euro, a decrease of 157.1 million euro from December 31, 2011, of which 86.6 million euro attributable to owners of the parent and 70.5 million euro to non-controlling interests. The overall reduction arose,

from the following positive factor:
- from the change in the translation reserve for 47.1 million euro due to the appreciation of the other currencies against the euro;

and the following negative factors:
- from the loss for the period of 51.3 million euro;
- from dividends paid of 85.6 million euro;
- from the change in the fair value reserve on equity investments and derivatives of 34.6 million euro;
- from the change in the scope of consolidation and other minor reserves of 32.7 million euro.

At June 30, 2012 Italmobiliare S.p.A. held 871,411 ordinary treasury shares representing 3.928% of ordinary share capital and 28,500 savings treasury shares (0.174% of savings share capital), unchanged from December 31, 2011.

Net financial debt

At June 30, 2012, **net financial debt** stood at 2,225.4 million euro, an increase of 185.8 million euro from December 31, 2011 (2,039.6 million euro).

The key factors were the significant capital expenditure in the first half (197.4 million euro) and dividends paid (85.5 million euro), offset only in part by cash flows from operating activities (28.6 million euro), gains on sale of non-current assets (44.3 million euro) and cash flows on discontinued operations (44.6 million euro).

Breakdown of net financial debt

(in millions of euro)	June 30, 2012	December 31, 2011
Cash, cash equivalents and current financial assets	(1,398.2)	(1,693.2)
Short-term financing	1,526.4	1,567.5
M/L financial assets	(168.7)	(167.4)
M/L financial liabilities	2,265.9	2,332.7
Net financial debt	**2,225.4**	**2,039.6**

Financial ratios

(absolute values in millions of euro)	June 30, 2012	December 31, 2011
Net financial debt	2,225.4	2,039.6
Consolidated equity	5,382.5	5,539.6
Gearing	**41.35%**	**36.82%**
Net financial debt	2,225.4	2,039.6
EBITDA before other income (expense)[1]	649.3	681.0
Leverage	**3.43**	**2.99**

[1] 12-month rolling basis

Summary of cash flows

(in millions of euro)		H1 2012		H1 2011 (IFRS 5)
Net financial debt at beginning of period		**(2,039.6)**		**(2,095.5)**
Cash flow from operating activities		28.6		69.2
Capital expenditure:				
PPE, investment property and intangible assets	*(183.0)*		*(221.4)*	
Non-current financial assets	*(14.4)*		*(34.0)*	
Capital expenditure		**(197.4)**		**(255.4)**
Gains on sale of non-current assets		44.3		112.3
Dividends paid		(85.5)		(138.3)
Calcestruzzi group net financial debt at January 1, 2011		-		(217.7)
Cash flow relating to discontinued operations		44.6		275.8
Other		(20.4)		72.2
Change in net financial debt		(185.8)		(81.9)
Net financial debt at end of period		**(2,225.4)**		**(2,177.4)**

Capital expenditure

(in millions of euro)	Investments in financial assets		Investments in PPE and investment property		Investments in intangible assets	
	H1 2012	H1 2011	H1 2012	H1 2011	H1 2012	H1 2011
Operating segment						
Construction materials	0.4	4.4	128.8	138.8	5.6	9.7
Packaging and insulation	1.2	-	3.8	5.1	0.4	0.7
Finance	13.6	29.4	0.1	-	-	-
Banking	-	-	0.2	0.7	-	0.2
Property, services, other		-	-	-	-	-
Inter-segment eliminations		-	-	-	-	-
Total	**15.2**	**33.8**	**132.9**	**144.6**	**6.0**	**10.6**
Change in payables for capital expenditure	(0.8)	0.2	44.1	66.2	-	-
Total capital expenditure	**14.4**	**34.0**	**177.0**	**210.8**	**6.0**	**10.6**
Geographical area						
European Union	15.2	33.8	83.9	75.3	3.2	8.3
Other European countries	-	-	0.1	0.4	-	0.2
North America	-	-	9.2	8.3	-	0.1
Asia and Middle East	-	-	23.6	20.2	-	-
Africa	-	-	14.1	39.0	-	-
Trading	-	-	1.6	0.8	0.4	-
Other countries	-	-	0.4	0.6	2.4	2.0
Total	**15.2**	**33.8**	**132.9**	**144.6**	**6.0**	**10.6**
Change in payables for capital expenditure	(0.8)	0.2	44.1	66.2	-	-
Total capital expenditure	**14.4**	**34.0**	**177.0**	**210.8**	**6.0**	**10.6**

Investments in property, plant and equipment, investment property and intangible assets, relating largely to the construction materials segment and, to a far lesser extent, to the food packaging and thermal insulation segment, totaled 183.0 million euro, a decrease of 38.4 million euro from the year-earlier period (221.4 million euro).

Investments in non-current financial assets, at 14.4 million euro (34.0 million euro in the first half of 2011), referred principally to the financial segment for the UniCredit share capital increase.

Construction materials segment

This segment, which is the core industrial business of the Italmobiliare Group, includes the operations headed by the Italcementi group in the cement, ready mixed concrete and aggregates industry.

(in millions of euro)		H1 2012	H1 2011 (IFRS 5)	% change	H1 2011 published
Revenue		**2,299.8**	**2,418.5**	***(4.9)***	**2,452.0**
Recurring EBITDA		**328.7**	**371.7**	***(11.6)***	**372.1**
% of revenue		*14.3*	*15.4*		*15.2*
Other income (expense)		15.3	18.2	*(15.8)*	18.2
EBITDA		**344.0**	**389.9**	***(11.8)***	**390.3**
% of revenue		*15.0*	*16.1*		*15.9*
Amortization and depreciation		(227.2)	(229.7)	*(1.1)*	(232.9)
Impairment (losses)		(16.2)	0.5	*n.s.*	0.5
EBIT		**100.6**	**160.7**	***(37.4)***	**158.0**
% of revenue		*4.4*	*6.6*		*6.4*
Net finance costs		(49.2)	(37.1)	*32.5*	(38.0)
Impairment (losses) on financial assets		-	7.5	*n.s.*	7.5
Share of profit (loss) of equity-accounted investees		3.9	6.5	*(39.7)*	6.5
Profit (loss) before tax		**55.4**	**137.7**	***(59.8)***	**134.0**
% of revenue		*2.4*	*5.7*		*5.5*
Income tax expense		(63.0)	(55.5)	*13.6*	(55.3)
Profit (loss) relating to continuing operations		**(7.6)**	**82.2**	***n.s.***	**78.7**
Profit relating to discontinued operations		8.4	105.6	n.s.	109.1
Profit loss for the period		**0.8**	**187.8**	***(99.6)***	**187.8**
attributable to:	**Owners of the parent ***	**(37.4)**	**115.0**	***n.s.***	**115.0**
	Non-controlling interests	38.2	72.8	*(47.5)*	72.8
Cash flow from operating activities		41.3	81.6	*(49.4)*	78.5
Capital expenditure		178.8	217.9	*(17.9)*	219.9
Number of employees at period end		19,167	20,088	*(4.6)*	20,535

n.s. not significant
* Italcementi S.p.A.

(in millions of euro)	June 30 2012	December 31 2011
Total equity	4,802.0	4,894.9
Equity attributable to owners of the parent *	3,435.2	3,494.9
Net financial debt	2,283.5	2,093.0

* Italcementi S.p.A.

The differences in trends in construction materials in the countries where the Italcementi group operates continued to widen. Among the mature countries, the industry upturn the USA is gaining strength, if at a slower rate than in previous cyclical recoveries, while in the southern Eurozone countries, industry performance was penalized by economic uncertainty and the credit squeeze. In the emerging countries too, the dominant characteristic was the gradual differentiation of industry conditions from one region to another. Overall, however, construction activity was more closely aligned with expectations, and better in some cases, than in the mature countries. This positive trend was a particular feature in Egypt, despite that country's complex political and institutional situation.

Quarterly trend

(in millions of euro)	H1 2012	Q2 2012	Q1 2012
Revenue	**2,299.8**	**1,236.5**	**1,063.4**
% change vs. 2011	*(4.9)*	*(3.4)*	*(6.7)*
Recurring EBITDA	**328.7**	**199.9**	**128.8**
% change vs. 2011	*(11.6)*	*(16.8)*	*(2.0)*
% of revenue	*14.3*	*16.2*	*12.1*
EBITDA	**344.0**	**206.4**	**137.6**
% change vs. 2011	*(11.8)*	*(14.3)*	*(7.7)*
% of revenue	*15.0*	*16.7*	*12.9*
EBIT	**100.6**	**76.1**	**24.5**
% change vs. 2011	*(37.4)*	*(37.8)*	*(35.9)*
% of revenue	*4.4*	*6.2*	*2.3*
Profit (loss) relating to continuing operations	**(7.6)**	**22.0**	**(29.7)**
Profit (loss) for the period	**0.8**	**35.4**	**(34.6)**
Profit (loss) for the period attributable to owners of the parent	**(37.4)**	**11.6**	**(49.0)**
Net financial debt (at period end)	2,283.5	2,283.5	2,179.1

The group core businesses are subject to seasonal trends, which usually generate stronger performance in the second quarter of the year than in the first quarter. This was confirmed in the quarter under review.

Compared with 2011, revenue in the second quarter decreased in part as a result of less favorable weather conditions in 2012 and the persistent economic uncertainty in the mature countries. This reduction, the upward trend in sales prices notwithstanding, reflected the negative volume effect and impacted operating results together with the decrease in income from operations on CO_2 emission rights.

The negative dynamic in variable costs eased and was more than counterbalanced by the containment of fixed costs and other operating expense.

The positive exchange rate effect outweighed the negative consolidation effect arising largely from the sale of Axim operations in a number of countries in December 2011.

Second-quarter **sales volumes** reflected a general decline, particularly in Central Western Europe.

Revenue in the second quarter of 2012 amounted to 1,236.5 million euro, a decrease of 3.4% (-5.6% at constant size and exchange rates) from the second quarter of 2011, largely as a result of the slowdown in Central Western Europe, offset in part by healthy performance in North America, Asia and Trading. Looking at the individual markets, the largest increases in absolute terms were in North America, India and Trading, while the most important reductions were in the France/Belgium area, Italy, Spain and Morocco.

Recurring EBITDA, at 199.9 million euro, was down 16.8% from the year-earlier second quarter, while the reduction in **EBIT** to 76.1 million euro was 37.8%.

Performance in the construction materials segment in the first half

Sales and internal transfers

	H1 2012[1]	% change vs. H1 2011 historical	% change vs. H1 2011 at constant size
Cement and clinker *(millions of metric tons)*	23.5	*(7.5)*	*(7.5)*
Aggregates [2] *(millions of metric tons)*	17.2	*(13.6)*	*(13.6)*
Ready mixed concrete *(millions of m^3)*	6.6	*(11.3)*	*(12.1)*

[1] figures refer to companies consolidated on a line-by-line basis and, pro-quota, to companies consolidated on a proportionate basis
[2] excluding outgoes on work-in-progress account

In the first half of 2012, the group reported a decrease in sales volumes substantially in line with the decrease in the first quarter of the year; in the mature countries this continuity was due to the combined effect of adverse weather conditions and a negative economic trend. Specifically, in the second quarter the slowdown in Central Western Europe eased slightly, but progress slowed in North America (where weather in the first quarter was favorable). In the emerging countries, Asia reported healthy growth, but, conversely, the slowdown in sales volumes in Emerging Europe, North Africa and Middle East intensified.

In **cement and clinker**, Central Western Europe reported a large and generalized decline. A much more contained reduction was seen in Emerging Europe, North Africa and Middle East; the reduction in sales volumes in Egypt was counterbalanced in part by good progress in Bulgaria. Conversely, sales volumes grew in Trading, North America and Asia, largely thanks to India.

In **aggregates**, the downturn arose largely in Central Western Europe (especially Spain and France-Belgium), with strong growth in North America.

In **ready mixed concrete**, the reduction from the first half of 2011 was attributable to a general negative situation in Central Western Europe. Although the amounts involved were limited, progress was reported in North America and a small improvement in Emerging Europe, North Africa and Middle East.

Revenue, at 2,299.8 million euro, was down 4.9% from the first half of 2011 due to slower business performance (-6.1%), a positive exchange rate effect of 1.6% and a negative consolidation effect of 0.4%. This reflected decreases in sales volumes in both the first and the second quarters, offset in part by an overall increase in sales prices.

At constant size and exchange rates, revenue rose in India, North America, Bulgaria and Trading, but fell mainly in France-Belgium, Egypt, Italy and Spain. The positive exchange rate effect stemmed mainly from the appreciation against the euro of the Egyptian pound, the US dollar and the Thai baht. The negative consolidation effect was largely due to the sale of Axim operations in the various countries at the end of 2011.

Recurring EBITDA, at 328.7 million euro, was down 11.6% from the first half of 2011. After net non-recurring income of 15.3 million euro, generated by the capital gains on the sale of the Pontassieve cement plant and Silos Granari della Sicilia S.r.l. and by restructuring expense, **EBITDA** was 344.0 million euro, a decrease of 11.8% from the first half of 2011. **EBIT**, at 100.6 million euro, fell by 37.4% from the year-earlier period.

Key factors in performance in operating results were the decrease in sales volumes and the negative trend in variable costs, especially in the first quarter.

Over the full six months, income from CO_2 emission rights was lower than in the year-earlier period.

The sales prices trend was positive overall and, thanks to the incisive action taken to boost efficiency, a significant reduction was made in fixed costs and other operating expense. Among the individual countries, the most significant progress in recurring EBITDA was in North America, while the largest reductions were in France-Belgium, Egypt and Spain.

Finance costs net of finance income amounted to 49.2 million euro, up by 32.5% from the first half of 2011 (37.1 million euro). Since net interest expense on net financial debt was stable, the difference arose largely from the reduction in net income on equity investments (3.9 million euro compared with 25.5 million euro in the first half of 2011, relating mainly to the capital gains on the sale of Goltas and Bursa shares), net of exchange rate gains of 10.2 million euro.

The share of profit (loss) of equity-accounted investees was 3.9 million euro (6.5 million euro in the first half of 2011).

Profit (loss) before tax reflected profit of 55.4 million euro (137.7 million euro in the first half of 2011). Income tax expense was 63.0 million euro, an increase from the year-earlier period (55.5 million euro).

Profit (loss) relating to continuing operations showed a loss of 7.6 million euro compared with profit of 82.2 million euro in the first half of 2011.

Profit for the period was 0.8 million euro (profit of 187.8 million euro in the first half of 2011), with a loss **attributable to owners of the parent** of 37.4 million euro (profit of 115.0 million euro in the year-earlier period) and profit attributable to non-controlling interests of 38.2 million euro (72.8 million euro in the year-earlier period).

Capital expenditure in the first half of 2012 was 178.8 million euro (217.9 million euro in the first half of 2011). Investments in property, plant and equipment, investment property and intangible assets were down on the first half of 2011 (213.3 million euro), amounting to 178.5 million euro, and referred mainly to France-Belgium, Italy, India, North America and Bulgaria. Expenditure for revamps of the group's industrial facilities and operating efficiency improvements accounted for a large proportion of the total, at 41%.

Net financial debt at June 30, 2012, stood at 2,283.5 million euro, up 190.5 million euro from the figure at December 31, 2011 (2,093.0 million euro). With cash flow from operating activities of 41.3 million euro, the increase in net financial debt was influenced by capital expenditure of 178.8 million euro and dividends paid for 100.0 million euro. A positive contribution came from gains on the sale of non-current assets (27.8 million euro) and from cash flows relating to discontinued operations (44.6 million euro).

Total **equity** at June 30, 2012, at 4,802.0 million euro, was down 92.9 million euro from December 31, 2011 (4,894.9 million euro), of which 59.7 million euro relating to owners of the parent and 33.2 million euro to non-controlling interests. The main negative factors contributing to the overall reduction were dividends paid (100.0 million euro), the sale of Afyon, for the share attributable to non-controlling interests (12.4 million euro), Ciments Français share buy-backs (11.7 million euro). The most significant increase came from translation gains (45.9 million euro). An analysis of the changes is provided in the "Statement of changes in equity".

Significant events in the period

In March the revamping program began at the **Devnya Cement** cement plant, one of the most important foreign investments made in Bulgaria in the last 20 years. The new facility, which implements cutting-edge technology, will begin operations in 2014, delivering significant efficiency gains and cutting environmental impact. For this project approximately 160 million euro will be invested over the next three years.

In April, in the presence of the Minister of the Environment, the new Italcementi **i.lab** Research & Innovation Center was opened, from a project designed by US architect Richard Meier. Situated in the Kilometro Rosso technology and science park in Bergamo, the building covers a 23,000 m^2 area and houses engineers, technical specialists and researchers from CTG (Group Technical Center) and the Italcementi Innovation Division, who are working on the development of new construction materials. Built in line with the Italcementi vision of innovation, sustainability and architectural excellence, i.lab is a synthesis of the most advanced solutions in terms of quality of materials and green construction technology.

At the end of May, after an evaluation that began in April, the **Standard and Poor's** ratings agency amended the Italcementi long-term rating from BBB- to BB+, and the short-term rating from A-3 to B; the outlook is stable. An identical review was adopted for the subsidiary Ciments Français.

On May 31, after receiving the approval of the antitrust authorities, Ciments Français S.A. closed the sale to Cimsa Cimento Sanayi ve Ticaret A.S. of the outstanding 51% of the capital of **Afyon Cimento Sanayii Turk A.S..** The share transfer was for an overall price of 57,530,000 Turkish lire, equivalent to approximately 25 million euro.

On June 26, the agreement was finalized between the Italcementi Group and **West China Cement** (WCC) under which the investment in Fuping Cement, including the 35% equity interest in Shifeng Cement, was sold to WCC; simultaneously, through a reserved share capital increase at WCC, the Italcementi Group became the third-largest shareholder of the company, with a stake of 6.25%. The Italcementi Group has a member on the board of directors of WCC, a holding listed in Hong Kong, which controls a cement production capacity of approximately 24 million metric tons in 15 sites, including Fuping and Shifeng, in the regions of Shaanxi and Xinjiang. The transaction also permitted the deconsolidation of the Fuping net financial position, approximately 26 million euro.

At the end of June, as part of its production re-organization plan, Italcementi S.p.A. sold the Pontassieve cement plant to a third party. By the end of the year, other operations are planned to recover efficiency and bring the industrial network into line with the new conditions on a market that has returned to the levels of the early 1970s.

Performance by geographical area

(in millions of euro)	Revenue		Recurring EBITDA		EBITDA		EBIT	
	H1 2012	% change vs.H1 2011	H1 2012	% change vs.H1 2011	H1 2012	% change vs.H1 2011	H1 2012	% change vs.H1 2011
Geographical area								
Central Western Europe	1,252.5	*(10.7)*	126.4	*(16.8)*	141.0	*(17.2)*	16.9	*(72.2)*
North America	204.6	*19.0*	6.7	*n.s.*	6.8	*n.s.*	(26.6)	*36.8*
Emerging Europe, North Africa and Middle East	533.1	*(2.3)*	158.6	*(14.7)*	158.9	*(14.4)*	101.5	*(19.3)*
Asia	258.7	*8.2*	41.6	*(20.4)*	41.6	*(20.5)*	17.9	*(40.5)*
Cement and clinker trading	111.6	*22.3*	4.9	*(18.9)*	4.9	*(18.5)*	3.6	*(20.0)*
Others	176.6	*(22.0)*	(8.9)	*41.1*	(8.6)	*42.0*	(12.0)	*33.8*
Eliminations	(237.3)	*n.s.*	(0.7)	*n.s.*	(0.6)	*n.s.*	(0.6)	*n.s.*
Total	**2,299.8**	***(4.9)***	**328.7**	***(11.6)***	**344.0**	***(11.8)***	**100.6**	***(37.4)***

n.s. not significant

In Central Western Europe the revenue downturn was largely due to the sharp fall in sales volumes. Overall, operating results were down, penalized above all by the decrease in sales volumes in the three core businesses and by the rise in the cost of fuel, offset only in part by the favorable trend in sales prices and action to contain fixed costs. The sales price dynamic was positive, especially in Italy.

In the USA, recurring EBITDA in the first half made a strong improvement on 2011 driven by revenue growth as a result of volumes and prices, and containment of operating expense thanks to the measures introduced to cut fixed costs as from the end of 2011.

In the emerging countries the fall in operating results was closely linked to the contraction in revenue in Egypt (sales volumes and sales prices), counterbalanced in part by an increase in productivity.

In Asia despite higher revenue, operating results were down, largely as a result of the rise in energy costs.

E-business

Despite stagnant domestic and international economic conditions, in the first half of 2012 the BravoSolution group reported healthy revenue growth, accompanied by steady earnings. Consolidated revenue for the period was 29.5 million euro (+14.2%); EBITDA was 2.0 million euro (2.1 million euro in the first half of 2011), while EBIT was substantially steady (0.2 million euro in the first half of 2011).

Disputes and pending proceedings

The developments in the disputes illustrated in previous reports are set out below.

Regarding the suit filed by **Sibconcord** against **Ciments Français** for default on the 2008 agreement for the sale of the Turkish operations (Set Group), in Russia the Supreme Court annulled the previous three rulings in favor of Sibconcord, and referred the case back to the court of first instance. Also, with regard to the suit filed in Turkey by Sibcem for the annulment of the arbitration award, contemplated by the contractual agreements and already made in favor of Ciments Français, the Court of Appeal overturned the ruling of first instance issued by the Court of Kadikoy, which upheld the appeal, and ordered the case to be referred for a decision to the Court of Istanbul as the competent body. The parties are waiting for the case to be heard by the new court.

With regard to the **antitrust** proceedings begun in **India** in 2010, the Indian antitrust authority issued a ruling excluding Zuari Cement Limited from responsibility.

Outlook

In the construction segment, the growth of the US market and healthy trend in the group's emerging countries helped mitigate the decline in demand in the Eurozone.

In this context, the group intensified the rationalization and efficiency-boosting measures previously introduced or underway, in an incisive response to the negative trends in economic conditions. The effects of these measures, together with a positive dynamic in prices on a number of markets, should enable the group, in the absence of currently unforeseen events, to reach full-year operating margins substantially in line with those of 2011.

Food packaging and thermal insulation segment

The Group is present in the food packaging and thermal insulation segment through Sirap Gema S.p.A. and its subsidiaries. In 2012 the consolidation of the recently acquired Dorner Pack GmbH is not of material significance in the comparison with the year-earlier period.

(in millions of euro)		H1 2012	H1 2011	Change %
Revenue		**116.1**	**115.8**	***0.2***
Recurring EBITDA		**6.8**	**4.4**	***53.2***
% of revenue		*5.9*	*3.8*	
Other income (expense)		(0.3)	-	*n.s.*
EBITDA		**6.5**	**4.4**	***45.5***
% of revenue		*5.6*	*3.8*	
Amortization and depreciation		(5.2)	(5.8)	*(10.7)*
Impairment (losses)		0.1	0.1	*n.s.*
EBIT		**1.4**	**(1.3)**	***n.s.***
% of revenue		*1.2*	*(1.1)*	
Net finance costs		(2.5)	(2.2)	*10.7*
Loss before tax		**(1.1)**	**(3.5)**	***(69.1)***
% of revenue		*(0.9)*	*(3.0)*	
Income tax expense		(0.8)	(0.1)	*n.s.*
Loss for the period		**(1.9)**	**(3.6)**	***(47.7)***
attributable to:	**Owners of the parent**	**(1.9)**	**(3.6)**	***(47.1)***
	Non-controlling interests	n.s.	n.s.	*n.s.*
Capital expenditure		4.2	5.8	*(27.3)*
Number of employees at period end		1,346	1,322	*1.8*

n.s. not significant

(in millions of euro)	June 30 2012	December 31 2011
Total equity	38.6	40.0
Equity attributable to owners of the parent	38.2	39.6
Net financial debt	130.8	128.6

In the first half of 2012 the complex and uncertain economic situation made market conditions even more difficult in all the main countries where the group operates: demand remained weak overall, although conditions varied depending on the problems in the individual markets.

Group revenue (116.1 million euro) was substantially in line with the first half of 2011 and reflects the overall steadiness of the group on its core markets.

EBITDA was 6.5 million euro, showing a significant improvement from the year-earlier figure (4.4 million euro) thanks to an improvement in margins, the positive effects of the re-organization measures introduced in 2011 and the stabilization of average polymer costs at lower levels than in the year-earlier period.

EBIT, after amortization and depreciation of 5.2 million euro (5.8 million euro in the first half of 2011), was positive at 1.4 million euro (-1.3 million euro in the year-earlier period).

Net finance costs amounted to 2.5 million euro and were up on the year-earlier period (2.2 million) due to the combined effect of higher borrowing costs and greater average exposure, mitigated in part by positive exchange rate differences of 0.1 million euro (-0.1 million euro in the first half of 2011).

Income tax expense (0.8 million euro) was notably higher than in the year-earlier period (0.1 million euro) due to the change in taxable income and decrease in deferred tax assets.

The group posted a **loss for the period** of 1.9 million euro (-3.6 million euro in 2011).

Net financial debt was 130.8 million euro, a slight increase from December 31, 2011 (128.6 million euro) mainly as a result of the Dorner Pack transaction.

Capital expenditure totaled 4.2 million euro (5.8 million euro in the first half of 2011) and was largely in food packaging.

The number of **employees** at the end of June 2012 was 1,346, including 24 people at the Dorner Pack GmbH company and 42 people on state-subsidized lay-off (closure of the Corciano factory near Perugia).

At constant size with June 30, 2011, the headcount at June 30, 2012 shows a reduction of 70 people (24 at Dorner Pack, 42 on state-subsidized lay-off at Corciano and 4 surplus workers at the Mantua site).

Significant events in the period

The re-organization of the "rigid" division led at the end of 2011 to the closure of the Corciano factory (Perugia) and the re-allocation of production operations to the Castelbelforte site (Mantua). For further improvements in operating efficiency, marketing and logistics support operations were transferred to the central Sirap Gema S.p.A. site in Verolanuova, and the corresponding functions in Castelbelforte were discontinued. On April 23, an agreement was signed with the unions for the gradual transfer of surplus workers to a mobility scheme, up to a maximum of 12 people; so far 8 people have been involved.

On January 1, 2012, the Sirap Gema group gave its formal approval to an Environmental Policy document designed to give visibility to its commitment to environmental protection and related activities in the countries where it operates. Special guidelines were published to make employees aware of the group's commitment to complying with local laws and applying the best ecological standards in the interests of sustainable responsible growth.

On April 23 the Petruzalek company acquired an interest representing the entire share capital of the Austrian company Interpack GmbH, which in turn is the sole owner of the Austrian company Dorner Pack GmbH. The purchase price was 2.5 million euro; the company assembles and markets food packaging machinery and, in Austria in particular, complements the product offer of the Petruzalek group.

Quarterly trend

(in millions of euro)	H1 2012	Q2 2012	Q1 2012
Revenue	**116.1**	**62.1**	**53.9**
% change vs. 2011	*0.2*	*0.8*	*(0.5)*
Recurring EBITDA	**6.8**	**4.2**	**2.6**
% change vs. 2011	*53.2*	*0.5*	*n.s.*
% of revenue	*5.9*	*6.8*	*4.8*
EBITDA	**6.5**	**3.9**	**2.6**
% change vs. 2011	*45.5*	*(7.5)*	*n.s.*
% of revenue	*5.6*	*6.2*	*4.8*
EBIT	**1.4**	**1.5**	**(0.1)**
% change vs. 2011	*n.s.*	*10.4*	*(97.1)*
% of revenue	*1.2*	*2.4*	*(0.1)*
Loss for the period	**(1.9)**	**(0.4)**	**(1.4)**
Loss for the period attributable to owners of the parent	**(1.9)**	**(0.5)**	**(1.4)**
Net financial debt at period end	130.8	130.8	127.6

n.s. not significant

Performance in the second quarter of 2012 reflected a significant improvement in all the main business indicators thanks to the traditionally favorable seasonal trend, offset in part by polymer prices which tended to rise in the second quarter compared with the first.

Performance by operating segment and geographical area

(in millions of euro)	Revenue		Recurring EBITDA		EBITDA		EBIT	
	H1 2012	% change vs.H1 2011	H1 2012	% change vs.H1 2011	H1 2012	% change vs.H1 2011	H1 2012	% change vs.H1 2011
Food packaging								
- Italy	43.0	*(3.2)*	1.8	*n.s.*	1.5	*n.s.*	(1.3)	*(48.3)*
- France	12.0	*(3.7)*	1.3	*2.2*	1.3	*2.2*	0.8	*(12.7)*
- Other EU countries	29.1	*(1.9)*	1.6	*n.s.*	1.6	*n.s.*	0.8	*n.s.*
- Other non EU countries	11.1	*26.6*	0.5	*n.s.*	0.5	*n.s.*	0.4	*n.s.*
Eliminations	(6.8)	-	-		-		-	
Total	**88.4**	***1.1***	**5.2**	***n.s.***	**4.9**	***89.1***	**0.7**	***n.s.***
Thermal insulation - Italy	27.9	*(2.7)*	1.6	*(15.2)*	1.6	*(15.2)*	0.7	*(7.1)*
Eliminations	(0.2)		-		-			
Total	**116.1**	***0.2***	**6.8**	***53.2***	**6.5**	***45.5***	**1.4**	***n.s.***

n.s. not significant

Food packaging

In Western Europe product demand in the food packaging segment in the first half of 2012 remained weak, as in 2011, due to the difficult economic situation, which had a negative impact on fresh food spending and consequently on demand for packaging.

Revenue in the segment (88.4 million euro) nevertheless made a small improvement from the year-earlier period (+1.1%) and EBIT made very positive progress to 0.7 million euro (-2.1 million euro in the first half of 2011).

On the Italian market, compared with the year-earlier period, revenue was down (-3.2%) in the rigid container segment, partly as a result of the closure of the Corciano production site at the end of 2011; in foamed containers, on the other hand, demand remained steady, with revenue showing a small improvement thanks to growth in sales volumes; all operating margins progressed, supported by the restructuring measures taken in 2011 and the lower average cost of the main raw material.

In France, revenue for the period (12 million euro) was down 3.7% from the first half of 2011; the gradual shift in the mix toward lighter but better performing trays was confirmed (barrier trays to store food in a modified atmosphere), and helped contain the impact of the reduction in sales prices as a result of fierce competition.

In Poland, operations benefited from a relatively upbeat economy. At Inline Poland revenue reached 10.9 million euro, showing a good increase assisted by higher volumes, and despite the negative exchange rate effect, with stable and satisfactory margins.

On the other Central East European markets, despite the difficult economic situation the Petruzalek group reported an overall sales improvement to 29.1 million euro (+5.4%), thanks to the resumption in sales of packaging machines in some countries, with a significant improvement in margins after the cost-cutting measures introduced in 2011.

Capital expenditure for the period was 3.9 million euro (5.3 million euro in the first half of 2011) and included replacement operations and efficiency improvements.

Thermal insulation

Despite the difficulties in the first half caused by the stagnation in building construction, the segment's sales were assisted by demand arising from energy saving laws requiring use of thick panels; export operations continued to strengthen (mainly to Switzerland, Austria and Germany) thanks in part to the expansion of the distribution network for better coverage of markets of particular interest.

First-half revenue was 27.9 million euro, reflecting the impact of a particularly negative seasonal performance in January and February, but with the decrease from the first half of 2011 (28.7 million euro) kept to 2.7%; EBIT (0.7 million euro) was down 7.1% from the year-earlier period.

The company continued to pay close attention to risk on all customer receivables, maintaining careful customer loan, credit management and insurance procedures.

Capital expenditure in the first half was limited to 0.3 million euro (0.5 million euro in 2011).

Disputes and pending proceedings

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

Subsequently, the Commission served Sirap-Gema S.p.A., also on behalf of its subsidiaries, with a number of requests for information concerning data and circumstances, to continue the investigation that began with the inspection.

Sirap Gema S.p.A. and its subsidiaries have provided all the information requested by the Commission, with the assistance of their legal advisors.

As far as Sirap-Gema S.p.A. is aware, the Commission's investigation is still underway.

Significant events after June 30, 2012

No significant events took place.

Outlook

In general, the economic situation on the Sirap group core markets is still weak and no signs can be seen at the moment indicating a recovery in the short term. Thanks to the extraordinary re-organization measures taken in 2011 (some still being completed) and in the absence of currently unforeseeable extraordinary events, operating margins are expected to improve with respect to 2011.

Financial segment

The financial segment includes the parent Italmobiliare and the wholly owned financial companies: Société de Participation Financière Italmobiliare S.A. (Luxembourg) and Italmobiliare International Finance Limited (Ireland).

(in millions of euro)	H1 2012	H1 2011	% change
Revenue	**37.6**	**41.3**	***(9.0)***
Recurring EBITDA	**17.8**	**14.8**	***20.0***
Other income (expense)	(0.3)	(0.3)	-
EBITDA	**17.5**	**14.5**	***20.4***
Amortization and depreciation	(0.2)	-	*n.s.*
EBIT	**17.3**	**14.5**	***19.5***
Net finance costs	(0.1)	(0.1)	*n.s.*
Impairment losses on financial assets	(22.2)	(6.3)	*n.s.*
Share of profit (loss) of equity-accounted investees	(24.6)	(1.9)	*n.s.*
Profit (loss) before tax	**(29.6)**	**6.2**	***n.s.***
Income tax (expense)	(0.3)	2.4	*n.s.*
Profit (loss) for the period	**(29.9)**	**8.6**	***n.s.***
Number of employees at period end	59	55	7.3

n.s. not significant

(in millions of euro)	June 30 2012	December 31 2011
Equity	1,004.4	1,060.8
Net financial position	114.9	105.2

In the first half of the year, the financial markets experienced a rise in volatility in treasury securities and equities; volatility was particularly strong in the European countries, affected by the developments in the sovereign debt crisis in the Eurozone, by investor concerns over the political situation in Greece and by the difficulties of the Spanish banking system. The European Council summit at the end of June temporarily eased market pressures, with benefits for the European stock markets, albeit of a temporary nature.

This situation affected results in the financial segment; specifically, the impairment losses on bank stocks and the losses reported by some equity-accounted investees led to a loss for the period, despite progress in operating results compared with the first half of 2011.

Quarterly trend

(in millions of euro)	H1 2012	Q2 2012	Q1 2012
Revenue	**37.6**	**21.3**	**16.3**
% change vs. 2011	*(9.0)*	*(18.9)*	*8.0*
Recurring EBITDA	**17.8**	**12.0**	**5.9**
% change vs. 2011	*20.0*	*7.7*	*56.0*
% of revenue	*47.4*	*56.2*	*35.9*
EBITDA	**17.5**	**12.0**	**5.6**
% change vs. 2011	*20.4*	*7.7*	*60.9*
% of revenue	*46.6*	*56.2*	*34.1*
EBIT	**17.3**	**11.9**	**5.5**
% change vs. 2011	*19.5*	*7.2*	*59.5*
% of revenue	*46.1*	*55.7*	*33.5*
Impairment losses on financial assets	(22.2)	(16.2)	(6.0)
Share of profit (loss) of equity-accounted investees	(24.6)	(25.0)	0.4
Loss for the period	**(29.9)**	**(29.5)**	**(0.4)**
Net financial position (at period end)	**114.9**	**114.9**	**96.0**

Having eased in the first quarter of the year, the pressures on the financial markets in the Eurozone intensified as from April, continuing to squeeze yields on securities of countries regarded as safer, while the pressures on the sovereign debt markets in the Eurozone pushed down bank share prices.

Second-quarter operating results improved with respect to the first quarter of 2012 and the year-earlier period.

The second-quarter loss of 29.5 million euro (profit of 6.0 million euro in the year-earlier period) reflected the impact of large impairment losses for 16.2 million euro, relating in the main to the impairment loss on UniCredit shares (15.2 million euro), and the loss of the equity-accounted investees for 25.0 million euro.

Specifically, a second-quarter loss was reported by the associate RCS MediaGroup S.p.A. of 24.2 million euro, which includes both the share attributable to the Italmobiliare Group for the first quarter of 2012 for -2.0 million euro, and the adjustment for the impairment losses recognized by RCS in the second quarter of 2012 amounting to -22.2 million euro.

The overall impairment losses recognized by RCS MediaGroup in the condensed interim consolidated financial statements at June 30, 2012 and approved by the Board of Directors on July 31, 2012, amounted to 307.3 million euro.

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 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 on investments of cash", which includes interest income on bank coupons and deposits, impairment losses on securities and trading equities, capital gains/losses on the sale of trading securities, income/expense on trading derivatives;
- "Net borrowing costs", which consists essentially of interest expense on financing, bank commissions and costs;
- "Other income and expense", which includes employee expense and operating expense for the financial structure, net of amounts recovered from other Group companies, and movements on provisions for risks.

(in millions of euro)	**H1 2012**	**H1 2011**	**% change**
Net gains (losses) on investments	(29.3)	17.4	*n.s.*
Net gains on investments of cash	14.0	2.7	*n.s.*
Net borrowing costs	(5.8)	(3.5)	*68.1*
Total finance income (costs)	**(21.1)**	**16.6**	***n.s.***
Other income (expense)	(8.5)	(10.4)	*(17.6)*
Income tax (expense)	(0.3)	2.4	*n.s.*
Profit (loss) for the period	**(29.9)**	**8.6**	***n.s.***

n.s. not significant

Net gains (losses) on investments were affected by the losses of the second quarter to reflect a net loss of 29.3 million euro (a gain of 17.4 million euro at June 30, 2011), largely as a result of the impairment losses on equities, especially bank stocks of 22.2 million euro, and the losses of equity-accounted investees of 24.6 million euro, of which 25.4 million euro relating to the loss of RCS MediaGroup mitigated only in part by dividends received of 16.3 million euro (down by 34.4% from the first half of 2011).

There was a strong improvement in **net gains on investments of cash,** which totaled 14.0 million euro for the six months ended June 30, 2012, compared with 2.7 million euro for the six months ended June 30, 2011. Despite the high volatility on the bond market, the segment reported interest income of 6.0 million euro (+42.7% from the first half of 2011) and capital gains and measurement gains on trading securities of 8.1 million euro (a loss of 1.5 million euro for the six months ended June 30, 2011).

Net borrowing costs increased by 2.3 million euro from the first half of 2011, due mainly to the higher cost of borrowing.

Other expense net of other income narrowed by 17.6%, thanks to the containment of operating expense, which amounted to 8.2 million euro compared with 10.1 million euro in the year-earlier period.

After a slightly negative tax component of 0.3 million euro (a positive component of 2.4 million euro for the six months ended June 30, 2011), the segment posted a **loss for the period** of 29.9 million euro (profit of 8.6 million euro in the first half of 2011).

The companies in the financial segment hold substantial equity investments, the majority classified as “available-for-sale”. The fair value changes in these investments, excluding consolidated investments carried at cost adjusted for impairment in the separate financial statements, are recognized in equity under the “Fair value reserve”, or in the income statement when it is ascertained that the corresponding financial assets have been impaired, consistently with Italmobiliare Group accounting policies. At June 30, 2012 the consolidated fair value reserve in the financial segment reflected a negative balance of 100.3 million euro, compared with -75.1 million euro at December 31, 2011. The significant reduction stemmed from the negative performance of bank stocks, an area where the Group financial segment is particularly exposed.

As fully illustrated in the notes to the Italmobiliare Group condensed interim consolidated financial statements, due to the economic effects of the financial crisis, which drove a reduction in share prices and a strong rise in share price volatility, the Group has changed the criteria used to establish the materiality and duration thresholds for impairment losses on investments classified as available-for-sale financial assets, making a distinction between bank stocks and non-bank stocks. The reader is referred to the note for further details.

Significant events in the period

With regard to the share capital increase approved by UniCredit at the end of 2011 and executed during January 2012, Italmobiliare S.p.A. exercised 2,876,645 rights to subscribe 5,753,290 shares for a total outlay of 11.2 million euro, financed in full through the sale of the remaining rights at its disposal. After this increase Italmobiliare S.p.A. directly holds 0.272% of Unicredit ordinary capital.

During the first half, as part of its activities to optimize sources of funds, Italmobiliare arranged equity-backed loans. Specifically, it transferred 1,760,000 Italcementi ordinary shares representing 0.994% of shares in portfolio, together with the voting rights.

Information on some companies in the segment

Italmobiliare S.p.A.

The financial statements at June 30, 2012, drawn up in accordance with the IFRS for the Group consolidated financial statements reflect the following figures:

(in millions of euro)	H1 2012	H1 2011	% change
Revenue	21.2	30.9	*(31.6)*
EBIT	5.7	15.0	*(62.2)*
Profit (loss) for the period	(16.2)	15.1	*n.s.*

	June 30 2012	December 31, 2011
Equity	844.9	886.3
Net financial debt	262.8	270.5

n.s. not significant

The negative performance of the stock markets and the pressures on liquidity, which led to a contraction in the dividend distribution policy of Italmobiliare's main investees, affected the results of the company. Despite the reduction in operating expense, the significant decline in half-year results was determined by a reduction in revenue due to the decrease in dividends received (-40.0% from the first half of 2011) and by impairment losses on securities in portfolio (21.6 million euro) relating mainly to bank stocks for 21.5 million euro.

Consequently, after income tax expense of 0.2 million euro (a positive effect of 2.5 million euro in the first half of 2011), the loss for the period was 16.2 million euro (profit of 15.1 million euro for the six months ended June 30, 2011).

Société de Participation Financière S.A.

Since 2011 this company has directly held the foreign equity investments of the financial and banking segments. Its financial statements at June 30, 2012, drawn up in accordance with the IFRS, reflect the following figures:

(in millions of euro)	H1 2012	H1 2011	% change
Revenue	4.9	6.4	*(24.1)*
EBIT	3.1	(1.1)	*n.s.*
Profit (loss) for the period	2.4	(6.4)	*n.s.*

	June 30 2012	December 31, 2011
Equity	425.2	422.4
Net financial position	43.6	49.9

n.s. not significant

First-half revenue was down from the year-earlier period, decreasing from 6.4 million euro to 4.9 million euro for the six months ended June 30, 2012, largely because of the reduction in dividends collected in the period. The profit for the period was 2.4 million euro (a loss of 6.4 million euro for the six months ended June 30, 2011), with the prior period penalized by large impairment losses and impairment losses on equity investments.

Italmobiliare International Finance Limited

This company is active mainly on the international securities markets and also provides financial support for Group companies, if necessary. The financial statements at June 30, 2012, drawn up in accordance with the IFRS, reflect the following figures:

(in millions of euro)	H1 2012	H1 2011	% change
Revenue	12.0	7.0	*71.7*
EBIT	8.6	4.6	*88.0*
Profit for the period	8.5	4.5	*n.s.*

	June 30, 2012	December 31, 2011
Equity	341.5	332.9
Net financial position	334.0	325.9

n.s. not significant

Positive cash operations generated a revenue increase of 71.7% largely thanks to interest income for 4.4 million euro, reversals of impairment losses and capital gains on trading securities of 7.6 million euro, a significant improvement from the six months ended June 30, 2011 (respectively 2.4 million euro and 4.6 million euro). Profit for the period was 8.5 million euro, up from 4.5 million euro in the year-earlier period.

Investments in listed companies held by the financial segment

The table below sets out the investments in listed companies held by the financial segment.

	Quantity	% [1]	Holder
Available-for-sale investments			
Subsidiaries			
Italcementi ordinary	106,914,000	60.363	Italmobiliare S.p.A.
Italcementi savings	3,011,500	2.856	Italmobiliare S.p.A.
Ciments Français	899,615	2.513	Italmobiliare S.p.A.
Associates			
Mittel	8,790,702	10.000	Italmobiliare S.p.A.
Rcs MediaGroup ordinary	54,691,627	7.465	Italmobiliare S.p.A.
Other companies			
UniCredit ordinary	15,732,683	0.272	Italmobiliare S.p.A.
Mediobanca	22,568,992	2.621	Italmobiliare S.p.A.
Ubi Banca	1,100,292	0.122	Italmobiliare S.p.A.
Ubi Banca	1,718,500	0.269	Soparfi S.A.
Trading investments in other companies [2]			
Ubi Banca	644,260	0.071	Soparfi S.A.
Eni ordinary	40,500	n.s.	Soparfi S.A.

[1] The % refers to the total number of instruments issued in the corresponding category
[2] Trading investments are included in the net financial position
n.s. not significant

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

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

(in thousands of euro)	June 30, 2012		December 31, 2011	
	Italmobiliare	Financial segment[1]	Italmobiliare	Financial segment[1]
Cash, cash equivalents and current financial assets	15,513	328,652	21,780	345,107
Short-term financial payables	(125,959)	(92,916)	(119,371)	(101,965)
Short-term net financial position	**(110,446)**	**235,736**	**(97,591)**	**243,142**
M/L financial assets	5,779	37,279	6,628	41,628
M/L financial liabilities	(158,112)	(158,112)	(179,531)	(179,531)
M/L net financial debt	**(152,333)**	**(120,833)**	**(172,903)**	**(137,903)**
Net financial position (debt)	**(262,779)**	**114,903**	**(270,494)**	**105,239**

1 comprising: Italmobiliare S.p.A. - Société de Partecipation Financière S.A. - Italmobiliare International Finance Ltd.

The net financial debt of Italmobiliare S.p.A. amounts to 262.8 million euro (270.5 million euro at December 31, 2011), an improvement of 7.7 million euro, while the consolidated financial position of the financial segment, including the parent Italmobiliare, was 114.9 million euro (105.2 million euro at December 31, 2011), an increase of 9.7 million euro.

The changes in the net financial position of Italmobiliare and the financial segment are detailed below.

(in millions of euro)	Italmobiliare	Financial segment
Equity investments sold and capital reimbursed	18.0	18.1
Equity investments acquired	(13.3)	(13.3)
Investments in non-current assets	-	(8.8)
Dividends collected	15.5	15.5
Net finance income (costs)	(4.2)	6.0
Current operations and extraordinary items	(8.3)	(7.8)
Total	**7.7**	**9.7**

The financial segment had cash, cash equivalents and current financial assets of 328.7 million euro at June 30, 2012, consisting largely of bonds for 71%, of which 57.46% at fixed rates, with an average A+ rating. Bonds with a rating of at least A+ accounted for 51.1% of the total. The portfolio is diversified on both a geographical and a segment basis, and maximum exposure with respect to a single issuer (excluding treasury instruments) is 2.4% (A rating) of the total bond portfolio at June 30, 2011.

Significant events after June 30, 2012

No significant events took place.

Outlook

The market scenario is characterized by world economic growth affected by simultaneous processes to improve the debt exposure of banks and national states. The fragility of the scenario is intensified by the uncertainty over the future of the euro.

The support provided for the markets by the main central banks tends to keep interest rates at virtually zero nominal levels and, net of inflation, significantly negative.

Despite the uncertain macro scenario, these factors, together with corporate margins that remain positive, are reflected in a premium on the world equities markets and high-yield bonds, which are generally able to remunerate investment risk.

Given the complexity of the current period, it is inevitable that the markets' cyclical upturns and downturns are structurally shorter than historic patterns.

In this context, while we shall continue to take an active investment management approach, it is difficult to draw up reliable projections for the 2012 full-year results of the financial segment.

Banking segment

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

(in millions of euro)	H1 2012	H1 2011	% change
Revenue	**17.1**	**17.6**	***(3.1)***
Recurring EBITDA	**(3.6)**	**(5.2)**	***(30.3)***
EBITDA	**(3.5)**	**(5.2)**	***(32.5)***
Amortization and depreciation	(1.5)	(2.1)	*(29.4)*
EBIT	**(5.0)**	**(7.3)**	***(31.6)***
Loss before tax	**(5.0)**	**(7.3)**	***(31.6)***
Income tax expense	(0.1)	(0.3)	*(79.6)*
Loss for the period	**(5.1)**	**(7.6)**	***(33.4)***
Number of employees at period end	116	130	*(10.8)*

(in millions of euro)	June 30, 2012	December 31, 2011
Equity	82.4	86.8
Equity attributable to owners of the parent	82.0	86.3
Net financial position	72.3	72.4

Quarterly trend

(in millions of euro)	H1 2012	Q2 2012	Q1 2012
Revenue	**17.1**	**8.9**	**8.2**
% change vs. 2011	*(3.1)*	*3.1*	*(9.0)*
Recurring EBITDA	**(3.6)**	**(2.8)**	**(0.8)**
% change vs. 2011	*(30.3)*	*(49.8)*	*n.s.*
% of revenue	*(21.1)*	*(32.0)*	*(9.3)*
EBITDA	**(3.5)**	**(2.7)**	**(0.8)**
% change vs. 2011	*(32.5)*	*(51.7)*	*n.s.*
% of revenue	*(20.4)*	*(30.8)*	*(9.2)*
EBIT	**(5.0)**	**(3.5)**	**(1.5)**
% change vs. 2011	*(31.6)*	*(48.4)*	*n.s.*
% of revenue	*(29.4)*	*(39.5)*	*(18.5)*
Loss for the period	**(5.1)**	**(3.5)**	**(1.5)**
Net financial position at period end	**72.3**	**72.3**	**76.8**

n.s. not significant

Despite the reduction in operating expense and revenue increase in the second quarter of 2012 with respect to the first quarter, margins were down mainly because of the allowances set aside by the Swiss bank for credit risks (3.3 million euro). Operating results for the quarter net of these allowances would have been positive.

Results for the second quarter of 2012 improved with respect to the year-earlier period.

Results in accordance with the banking model

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

- "Net interest income", which reflects the balance on interest income and dividends received, net of interest expense and dividends paid;
- "Operating income" which includes commission income and expense on lending transactions, on securities trading, other financial services and income on trading transactions. Operating income also includes insurance operations conducted through the subsidiary Finter Life;
- "Gross operating profit (loss)" which also includes employee expense and overheads for the banking organization;
- "Profit (loss) from operations" which includes amortization and depreciation, impairment losses and provisions.

(in millions of euro)	H1 2011	H1 2011	% change
Net interest income	3.0	3.4	*(11.3)*
Operating income	15.5	15.8	*(2.4)*
Gross operating profit (loss)	-	(1.0)	*n.s.*
Loss from operations	(5.0)	(7.4)	*(31.5)*
Loss for the period	**(5.1)**	**(7.6)**	***(33.4)***

n.s. not significant

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

Finter Bank Zürich A.G.

For a better understanding of the Finter Bank Zürich group, the table below sets out group results denominated in millions of Swiss francs, i.e., without the exchange-rate effect.

(millions of CHF)	H1 2012	H1 2011	% change
Net interest income	3.0	3.7	*(19.3)*
Operating income	17.9	19.5	*(8.1)*
Gross operating profit (loss)	(0.3)	(1.4)	*(81.8)*
Profit (loss) from operations	(6.3)	(9.6)	*(34.2)*
Profit (loss) for the period	**(6.2)**	**(9.8)**	***(36.5)***

In the first half of 2012 after a reduction of 0.7 million Swiss francs in net interest income from the year-earlier period, operating income was down to 17.9 million Swiss francs (19.5 million Swiss francs in the first half of 2011), largely because of lower commission income (12.5 million Swiss francs compared with 15.6 million Swiss francs) as a result of the reduction in the number of client transactions in response to uncertainty on the financial markets and a small decrease in third-party assets under management. Net trading revenue rose in the first half to 2.2 million Swiss francs from 1.3 million Swiss francs in the year-earlier period.

In the first half of 2012 the margin reduction was accompanied by a decrease in service expense (-18.8%) and employee expense (-8.9%), enabling the group to limit its gross operating loss to 0.3 million Swiss francs, compared with a loss of 1.4 million Swiss francs for the six months ended June 30, 2011.

After amortization and depreciation (1.8 million Swiss francs), allowances for impairment (4.2 million Swiss francs) and a positive income tax posting of 0.1 million Swiss francs, the bank posted a consolidated loss for the period of 6.2 million Swiss francs compared with a loss of 9.8 million Swiss francs in the year-earlier period.

Group consolidated equity decreased from 98.5 million Swiss francs at December 31, 2011, to 92.3 million Swiss francs at June 30, 2012.

Third-party assets under management at the end of the first half of 2012 amounted to 3.4 billion Swiss francs (excluding assets invested in own funds), a small decrease from the end of 2011 (3.7 billion Swiss francs) caused by client asset outflows.

Measures to cut operating expense and improve bank efficiency continued to be key elements of the management policies of the new management team, to achieve better results at a particularly difficult time for this segment in Switzerland.

Crédit Mobilier de Monaco S.A.

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

In the first six months of 2012 the improvement in net interest income (+11.7% from the six months ended June 30, 2011) generated an increase in gross operating profit from 174 thousand euro for the six months ended June 30, 2011, to 205 thousand euro for the six months ended June 30, 2012. After impairment losses and a 39.3% increase in income tax from the first half of 2011 the bank posted a profit for the period of 94 thousand euro (111 thousand euro for the six months ended June 30, 2011).

Significant events in the period

No significant events took place.

Significant events after June 30, 2012

No significant events took place.

Property segment, services, 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.

For the six months ended June 30, 2012, segment revenue was 837 thousand euro, a decrease from the first half of 2011 (1,165 thousand euro). After operating expense and amortization and depreciation of 938 thousand euro, the segment posted a loss for the period of 113 thousand euro, down from profit of 240 thousand euro in the first half of 2011.

For the reasons illustrated above, the 2012 full-year result is expected to be down on the 2011 result, subject to currently unforeseeable events.

Human resources

The number of employees working in the Group at June 30, 2012, was 20,702, compared with 21,610 at June 30, 2011.

(headcount[1])	June 30 2012		June 30 2011	
Operating segment		**%**		**%**
Construction materials	19,167	*92.6*	20,088	*93.0*
Packaging and insulation	1,346	*6.5*	1,322	*6.1*
Finance	59	*0.3*	55	*0.2*
Banking	116	*0.5*	130	*0.6*
Property, services, other	14	*0.1*	15	*0.1*
Total	**20,702**	***100.0***	**21,610**	***100.0***

Transactions with related parties

With reference to the Group consolidated situation, transactions with related parties were with:

- subsidiaries not consolidated on a line-by-line basis;
- joint ventures and subsidiaries of such joint ventures;
- associates and subsidiaries of such associates;
- 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.

A summary of transactions with related parties at June 30, 2012, is provided in the notes.

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

Transactions with subsidiaries, joint ventures, associates and 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 services) and of a financial nature.

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

Transactions with other related parties

Transactions with other related parties in the first half of 2012 consisted of:

- administrative, financial, contractual and fiscal consultancy services, as well as support for 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 180,300 euro;
- legal consultancy, judicial and extrajudicial assistance provided to the Italmobiliare Group by the Grimaldi law firm, of which Italmobiliare director Luca Minoli is a partner, for considerations totaling 68,500 euro;

In the first half of 2012 the Italmobiliare Group made an endowment of 600,000 euro to the Italcementi Cav. Lav. Carlo Pesenti foundation. Italcementi S.p.A. charged the foundation an amount of approximately 105,000 euro for the supply of administrative-corporate services and other services.

Disputes and pending proceedings

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

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

Compliance with the CONSOB regulation on markets

With reference to the *Conditions for the listing of certain companies,* laid out in the regulation on markets as adopted by CONSOB with Resolution no. 16191 of October 29, 2007, and on the basis of the «2011 Audit Plan», 29 subsidiaries headquartered in 11 non European Union countries are included in the scope of «material significance», as defined by art. 36, par 2.

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

Outlook

Available economic indicators point to a further weakening in world economic growth and greater market uncertainty in the short term. Specifically, economic prospects in the Eurozone will be closely linked to developments in the sovereign debt crisis, in credit conditions and in the climate of confidence in some member states.

The attainment of new progress in the management of the crisis and the implementation of the decisions taken at the European summit at the end of June could help ease tension on the financial markets and restore normal credit conditions, providing support for the recovery in Italy and the rest of Europe.

This scenario and its possible repercussions on the real economy will continue to exert an unpredictable influence on the financial markets, with uncertain effects on the results of the Group's financial and banking segments.

The industrial segments are constantly focused on achieving industrial and commercial efficiency improvements through programs to rationalize and re-organize their production operations and mitigate the slackening in demand on some markets. These measures should keep operating margins in line with 2011.

Milan, August 6, 2012

for the Board of Directors
The Chairman

Condensed interim consolidated financial statements at June 30, 2012

Financial statements

Statement of financial position

(in thousands of euro)	Notes	06.30.2012	12.31.2011	Change
Non-current assets				
Property, plant and equipment	1	4,391,912	4,546,850	(154,938)
Investment property		28,186	28,596	(410)
Goodwill	2	1,997,232	1,986,488	10,744
Intangible assets		109,239	111,914	(2,675)
Investments in equity-accounted investees	3	291,085	324,662	(33,577)
Other equity investments	4	325,765	338,886	(13,121)
Trade and other receivables		222,053	224,219	(2,166)
Deferred tax assets		162,911	172,466	(9,555)
Receivables due from employees		2,540	2,476	64
Total non-current assets		**7,530,923**	**7,736,557**	**(205,634)**
Current assets				
Inventories		778,168	775,622	2,546
Trade receivables	5	1,043,639	925,843	117,796
Other current assets including derivatives		432,854	411,129	21,725
Tax assets		68,631	71,972	(3,341)
Investments, bonds and financial assets	6	658,503	759,715	(101,212)
Cash and cash equivalents	7	638,703	821,478	(182,775)
Total current assets		**3,620,498**	**3,765,759**	**(145,261)**
Non-current discontinued operations	25	**2,338**	**3,445**	**(1,107)**
Total assets		**11,153,759**	**11,505,761**	**(352,002)**
Equity				
Share capital	8	100,167	100,167	
Share premium	8	177,191	177,191	
Reserves	9	(23,057)	4,438	(27,495)
Treasury shares	10	(21,226)	(21,226)	
Retained earnings	9	1,788,707	1,847,828	(59,121)
Equity attributable to owners of the parent		**2,021,782**	**2,108,398**	**(86,616)**
Non-controlling interests		3,360,709	3,431,166	(70,457)
Total equity		**5,382,491**	**5,539,564**	**(157,073)**
Non-current liabilities				
Financial liabilities	12	2,246,798	2,318,948	(72,150)
Employee benefits		204,929	210,548	(5,619)
Provisions	11	236,048	261,053	(25,005)
Other non-current liabilities		24,598	29,830	(5,232)
Deferred tax liabilities		229,883	226,991	2,892
Total non-current liabilities		**2,942,256**	**3,047,370**	**(105,114)**
Current liabilities				
Loans and borrowings	12	472,781	349,436	123,345
Financial liabilities	12	442,962	538,579	(95,617)
Trade payables	13	710,078	690,831	19,247
Provisions	11	2,075	2,123	(48)
Tax liabilities		21,036	44,753	(23,717)
Other liabilities	14	1,179,770	1,292,733	(112,963)
Total current liabilities		**2,828,702**	**2,918,455**	**(89,753)**
Total liabilities		**5,770,958**	**5,965,825**	**(194,867)**
Liabilities directly linked to discontinued operations	25	**310**	**372**	**(62)**
Total equity and liabilities		**11,153,759**	**11,505,761**	**(352,002)**

Pursuant to Consob Resolution no. 155519 of July 27, 2006, the effects of transactions with related parties on the financial statements are disclosed in the related annexes

Income statement

(in thousands of euro)	Notes	H1 2012	%	H1 2011 (IFRS 5)	%	Change	%	H1 2011 (published)	%
Revenue	15	**2,446,632**	**100.0**	**2,564,647**	**100.0**	**(118,015)**	**-4.6**	**2,598,109**	**100.0**
Other revenue		26,300		23,362		2,938		23,365	
Change in inventories		21,725		(13,922)		35,647		(13,417)	
Internal work capitalized		13,557		13,918		(361)		13,918	
Raw materials and supplies	16	(1,031,601)		(1,053,895)		22,294		(1,080,327)	
Services	17	(583,995)		(604,508)		20,513		(607,778)	
Employee expense	18	(513,656)		(518,098)		4,442		(521,184)	
Other operating expense	19	(45,176)		(46,448)		1,272		(47,173)	
Recurring EBITDA		**333,786**	**13.6**	**365,056**	**14.2**	**(31,270)**	**-8.6**	**365,513**	**14.1**
Gains from the sale of non-current assets	20	25,751		19,582		6,169		19,581	
Non-recurring employee expense for re-organizations	20	(10,315)		(1,422)		(8,893)		(1,422)	
Other non-recurring income (expense)	20	(640)		(256)		(384)		(256)	
EBITDA		**348,582**	**14.2**	**382,960**	**14.9**	**(34,378)**	**-9.0**	**383,416**	**14.8**
Amortization and depreciation	1	(234,003)		(237,701)		3,698		(240,914)	
Impairment (losses)	1	(16,093)		577		(16,670)		577	
EBIT		**98,486**	**4.0**	**145,836**	**5.7**	**(47,350)**	**-32.5**	**143,079**	**5.5**
Finance income	21	20,387		43,384		(22,997)		43,709	
Finance costs	21	(69,664)		(70,458)		794		(71,617)	
Exchange rate differences and net derivatives	21	(1,876)		(12,368)		10,492		(12,411)	
(Impairment losses)/Reversal of impairment losses	22	(22,181)		1,239		(23,420)		1,239	
Share of profit (loss) of equity-accounted investees	3	(20,701)		4,605		(25,306)		4,605	
Profit before tax		**4,451**	**0.2**	**112,238**	**4.4**	**(107,787)**	**-96.0**	**108,604**	**4.2**
Income tax expense	23	(64,189)		(53,425)		(10,764)		(53,279)	
Profit relating to continuing operations		**(59,738)**	**-2.4**	**58,813**	**2.3**	**(118,551)**	**-201.6**	**55,325**	**2.1**
Profit relating to discontinued operations	24	8,419		105,215		(96,796)		108,703	
Profit for the period		**(51,319)**	**-2.1**	**164,028**	**6.4**	**(215,347)**	**-131.3**	**164,028**	**6.3**
Attributable to:									
Owners of the parent		(65,790)	-2.7	25,348	1.0	(91,138)	n.s.	25,348	1.0
Non-controlling interests		14,471	0.6	138,680	5.4	(124,209)	-89.6	138,680	5.3
Earnings per share									
- Basic									
ordinary shares	27	(1.749) €		0.657 €				0.657 €	
savings shares	27	(1.749) €		0.696 €				0.696 €	
- Diluted									
ordinary shares	27	(1.749) €		0.657 €				0.657 €	
savings shares	27	(1.749) €		0.696 €				0.696 €	

Statement of comprehensive income

(in thousands of euro)	Notes	H1 2012	% of revenue	H1 2011 (IFRS 5)	% of revenue	Change	%	H1 2011 (published)	% of revenue
Profit (loss) for the period		**(51,319)**	**-2.1**	**164,028**	**6.4**	**(215,347)**	**n.s.**	**164,028**	**6.3**
Fair value gains (losses) on:									
Available-for-sale financial assets		(25,825)		(43,901)		18,076		(43,901)	
Derivatives		(9,511)		7,890		(17,401)		7,890	
Translation differences		44,420		(203,684)		248,104		(216,433)	
Tax on other comprehensive income		904		266		638		266	
Share of other comprehensive income of equity-accounted investees		3,168		(5,007)		8,175			
Other comprehensive income (expense)	26	**13,156**		**(244,436)**		**257,592**		**(252,178)**	
Other comprehensive expense related to discontinued operations				(7,742)		**7,742**			
Total comprehensive expense		**(38,163)**	**-1.6**	**(88,150)**	**-3.4**	**49,987**	**-56.7**	**(88,150)**	**-3.4**
Attributable to:									
Owners of the parent		(83,391)		(41,474)		(41,917)		(41,474)	
Non-controlling interests		45,228		(46,676)		91,904		(46,676)	

Consolidated statement of changes in equity

(in thousands of euro)	Attributable to owners of the parent										Non-controlling interests	Total equity
		Reserves										
	Share capital	Share premium	General bank risk reserve	Fair value reserve	Hedging reserve	Other reserves	Treasury shares	Translation reserve	Retained earnings	Total capital and reserves		
Balances at December 31, 2010	**100,167**	**177,191**	**19,714**	**68,790**	**-3,979**	**52,943**	**-21,226**	**24,567**	**1,941,268**	**2,359,435**	**3,573,350**	**5,932,785**
Profit (loss) for the period									25,348	25,348	138,680	164,028
Total other comprehensive income			707	-19,979	2,940			-50,490		-66,822	-185,356	-252,178
Total comprehensive income			**707**	**-19,979**	**2,940**			**-50,490**	**25,348**	**-41,474**	**-46,676**	**-88,150**
Stock options						1,053				1,053	993	2,046
Dividends									-21,289	-21,289	-118,014	-139,303
% change in control and scope of consolidation			-7,042			8		707	37,542	31,215	-1,627	29,588
Balances at June 30, 2011	**100,167**	**177,191**	**13,379**	**48,811**	**-1,039**	**54,004**	**-21,226**	**-25,216**	**1,982,869**	**2,328,940**	**3,408,026**	**5,736,966**
Profit (loss) for the period									-173,055	-173,055	-51,597	-224,652
Total other comprehensive income			-143	-100,675	3,032	-1,361		41,859		-57,288	144,768	87,480
Total comprehensive income			**-143**	**-100,675**	**3,032**	**-1,361**		**41,859**	**-173,055**	**-230,343**	**93,171**	**-137,172**
Stock options						-146				-146	-1,172	-1,318
Dividends											-8,860	-8,860
% change in control and scope of consolidation			-11,467			43		-143	21,514	9,947	-59,999	-50,052
Balances at December 31, 2011	**100,167**	**177,191**	**1,769**	**-51,864**	**1,993**	**52,540**	**-21,226**	**16,500**	**1,831,328**	**2,108,398**	**3,431,166**	**5,539,564**
Profit (loss) for the period									-65,790	-65,790	14,471	-51,319
Total other comprehensive income			18	-25,240	-3,294	599		10,316		-17,601	30,757	13,156
Total comprehensive income			**18**	**-25,240**	**-3,294**	**599**		**10,316**	**-65,790**	**-83,391**	**45,228**	**-38,163**
Stock options						413				413	-49	364
Dividends											-85,629	-85,629
% change in control and scope of consolidation						9		18	-3,665	-3,638	-30,007	-33,645
Balances at June 30, 2012	**100,167**	**177,191**	**1,787**	**-77,104**	**-1,301**	**53,561**	**-21,226**	**26,834**	**1,761,873**	**2,021,782**	**3,360,709**	**5,382,491**

Statement of cash flows

(in thousands of euro)	Notes	H1 2012	H1 2011 (IFRS 5)	H1 2011 (published)
A) Cash flow from operating activities:				
Profit before tax		4,451	112,238	108,604
Adjustments for:				
Amortization, depreciation and impairment		272,828	235,487	238,700
Reversal of share of profit (loss) of associates		31,103	7,866	7,866
Net capital (gains) losses on sale of non-current assets		(29,662)	(43,794)	(43,794)
Change in employee benefits and other provisions		(14,279)	(8,405)	(8,679)
Stock options		362	1,971	1,971
Reversal of net finance costs		49,372	45,896	46,730
Cash flow from operating activities before tax, finance income/costs and change in working capital		**314,175**	**351,259**	**351,398**
Change in working capital:				
Inventories		(7,606)	(29,845)	(31,797)
Trade receivables		(119,197)	(141,828)	(143,516)
Trade payables		26,188	48,660	49,108
Other receivables/payables accruals and deferments		(39,372)	(37,997)	(37,250)
		174,188	**190,249**	**187,943**
Cash flow from operating activities before tax and finance income/costs				
Net finance costs paid		(60,893)	(48,430)	(49,264)
Dividends received		1,231	4,776	4,776
Taxes paid		(87,889)	(81,555)	(81,548)
Proceeds from derivatives		1,972	4,109	4,109
		(145,579)	**(121,100)**	**(121,927)**
Total A)		**28,609**	**69,149**	**66,016**
B) Cash flow from investing activities:				
Capital expenditure:				
PPE and investment property		(177,016)	(210,786)	(212,873)
Intangible assets		(5,979)	(10,644)	(10,644)
Financial assets (equity investments) net of cash acquisitions (*)		(14,243)	(33,752)	(33,752)
Total investments		**(197,238)**	**(255,182)**	**(257,269)**
Proceeds from sale of non-current assets and loan repayments		53,526	105,413	105,435
Total sales		**53,526**	**105,413**	**105,435**
Total B)		**(143,712)**	**(149,769)**	**(151,834)**
C) Cash flow from financing activities:				
Increase in non-current financial liabilities		(86,162)	(23,120)	(13,545)
Change in financial receivables		94,089	8,644	8,644
Change in investments		8,736	5,157	5,157
Percentage change in interests in consolidated companies		(11,704)	56,481	56,481
Dividends paid		(85,519)	(138,290)	(138,469)
Other changes in equity		(451)	(495)	(495)
Total C)		**(81,011)**	**(91,623)**	**(82,227)**
D) Translation differences and other changes				
Translation differences and other changes		6,566	(48,696)	(55,802)
Cash flows relating to discontinued operations		6,773	261,859	264,767
Total D)		**13,339**	**213,163**	**208,965**
E) Cash flows for the period (A+B+C+D)		**(182,775)**	**40,920**	**40,920**
F) Cash and cash equivalents at beginning of period		**821,478**	**739,217**	**739,217**
Cash and cash equivalents at end of period (E+F)	**7**	**638,703**	**780,137**	**780,137**

Cash flows from investing activities and sales of non-current assets are detailed in the specific section of the notes.

Notes to the condensed interim consolidated financial statements

The Italmobiliare S.p.A. condensed interim consolidated financial statements at June 30, 2012, were approved by the Board of Directors on August 6, 2012. At the meeting the Board authorized publication of a press release dated August 6, 2012, containing key information from the financial statements.

Declaration 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, 2012, adopted by the EC Commission; specifically, these condensed interim consolidated financial statements have been drawn up in compliance with International Accounting Standard 34 governing interim financial reporting.
The condensed interim consolidated financial statements at June 30, 2012, do not present all the information and notes published in the annual report and should therefore be read in conjunction with the Italmobiliare S.p.A. consolidated financial statements at December 31, 2011, to which the policies and interpretations endorsed by the European Union as from January 1, 2012, are added:

- amendments to IFRS 7 “Financial instruments”: additional disclosures – transfers of financial assets.

These amendments had no material effects on the period under review.

The accounting policies used to draw up the condensed interim consolidated financial statements at June 30, 2012, are consistent with those used to draw up the Group annual report at December 31, 2011.

Subjective evaluations and use of estimates

In drawing up these condensed interim consolidated financial statements, the subjective evaluations used in applying the Group accounting policies and the main sources of uncertainty regarding estimates are the same as those applied in drawing up the consolidated financial statements for the year to December 31, 2011, with the exceptions indicated below.

In view of the exceptional effects of the financial crisis, which has led to a significant and general reduction in share prices, as well as a considerable increase in share price volatility, especially for bank stocks, as indicated in the quarterly report at March 31, 2012, the Group has conducted a detailed analysis of share price dynamics over the past ten years, on a segment-by-segment basis. This has enabled it to reformulate more precisely the materiality and duration thresholds beyond which a reduction in the value of equity investments classified as available-for-sale financial assets is deemed objective evidence of impairment.

The exceptional circumstances created by the sharp rise in volatility on the financial markets in general and among stocks in the bank segment in particular, stemming in part from the anomalous divergence in spreads on treasury instruments as a result of the sovereign debt difficulties of some European countries, indicated the need for a review of the method used to identify impairment losses, with particular reference to the two thresholds mentioned above.

As a result of the review, the thresholds applicable to individual capital instruments have been diversified according to the specific risk of the segment to which they belong.

This diversification was supported with a quantitative analysis based on the Value at Risk (VaR) method, which determines the maximum loss an instrument or portfolio of instruments may reflect in a specific period, given by a certain “probabilistic” confidence level.

As a result of these analyses, the materiality threshold for bank stocks has been re-established at 60%, while the threshold for non-bank stocks has been confirmed at 35%.

On the basis of the qualitative and quantitative analyses described above, the criterion used to define the duration threshold for loss of value has also been amended for stocks in the bank segment, from 24 to 36 months. The limit of 24 months remains valid for non-bank companies.

As a result of the review, the impairment losses on bank stocks recognized in the income statement in the first half of 2012 were approximately 78.6 million euro gross of the tax effect less than the amount that would have been recognized had the previous 35% materiality threshold been applied.

The review described above was necessary to respond to the current economic situation; in the future, should the exceptional conditions and segment-specific risk conditions no longer apply, the materiality and duration thresholds will need to be re-examined.

Exchange rates used to translate the financial statements of foreign operations

Exchange rates for 1 euro:

	Average rate			Closing rate		
Currencies	**H1 2012**	**Full year 2011**	**H1 2011**	**June 30, 2012**	**December 31, 2011**	**June 30, 2011**
Thai baht	40.37592	42.43201	42.68928	39.87300	40.99100	44.38000
Czech crown	25.16464	24.59142	24.34687	25.64000	25.78700	24.34500
Libyan dinar	1.63018	1.71332	0.38938	1.58256	1.62823	0.39724
Serbian dinar	110.89100	101.96300	1.73400	116.05000	106.17700	1.77989
Kuwaiti dinar	0.36136	0.38460	101.86800	0.35279	0.36056	101.17500
Moroccan dirham	11.11715	11.26142	11.27818	11.07080	11.11290	11.32420
Canadian dollar	1.30399	1.37598	1.37079	1.28710	1.32150	1.39510
US dollar	1.29682	1.39213	1.40410	1.25900	1.29390	1.44530
Hungarian florin	295.39100	279.35900	269.36200	287.77000	314.58000	266.11000
Swiss franc	1.20477	1.23297	1.26968	1.20300	1.21560	1.20710
Ukraine hrivna	10.40620	11.10830	11.18380	10.17480	10.36920	11.53530
Croatian kuna	7.54154	7.43873	7.39694	7.51780	7.53700	7.40180
Albanian lek	139.23644	140.32192	140.62522	138.14400	139.03600	141.25000
Moldavian leu	15.39342	16.32856	16.60791	15.19150	15.15860	16.77550
Bulgarian lev	1.95583	1.95583	1.95583	1.95583	1.95583	1.95583
Egyptian pound	7.83224	8.27659	8.30555	7.62765	7.80328	8.62746
Bosnian mark	1.95583	1.95583	1.95583	1.95583	1.95583	1.95583
New Turkish lira	2.32698	2.32564	2.19572	2.25900	2.45920	2.34920
New Romanian leu	4.39028	4.23816	4.17841	4.45130	4.32330	4.24350
Mauritanian ouguiya	379.32638	391.22452	390.67819	371.62500	374.09200	396.77100
Mexican peso	147.18089	17.28784	16.69035	16.87550	18.05120	16.97650
Chinese renminbi	8.19170	8.99687	9.18010	8.01100	8.15880	9.34160
Saudi riyal	4.86342	5.22099	5.11287	4.72157	4.85236	5.26296
Qatar riyal	4.72175	5.06924	5.26569	4.58387	4.71164	5.42017
Russian ruble	39.68650	40.88300	40.14460	41.37000	41.76500	40.40000
Indian rupee	67.60096	64.90042	63.16779	70.12000	68.71300	64.56200
Sri Lanka rupee	161.45482	153.84847	154.81798	168.57500	147.38600	158.24900
Pound sterling	0.82247	0.86785	0.86839	0.80680	0.83530	0.90255
Kazakh tenge	192.14688	204.12404	205.01043	188.11300	191.88500	211.03700
Polish zloty	4.24417	4.12052	3.95267	4.24880	4.45800	3.99030

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

Discontinued operations

During the first half of 2012 the Group sold the following operations:

- on May 31, 2012, the residual 51% of the capital of Afyon-Turkey to third parties;
- on June 26, 2012, the entire equity investment in Fuping Cement-China to West China Cement against a reserved capital increase for an interest of approximately 6.25%.

The operations in question have therefore been accounted for in compliance with IFRS 5 “Non-current assets held for sale and discontinued operations”, presenting separate items in the income statement and the statement of cash flows reflecting the earnings and the cash flows arising from the sale.
Also in compliance with IFRS 5, the amounts in the income statement and the statement of cash flows for the first half of 2011 have been restated accordingly.

To ensure clarity, the comparative information for the first half of 2011 on the face of the income statement, the statement of comprehensive income and the statement of cash flows is presented both restated as required by IFRS 5, and as published in the condensed interim consolidated financial statements at June 30, 2011.

The statement of financial position reflects discontinued operations relating to the Perugia site which closed on November 30, 2011, liquidation of which is planned by the end of 2012.

Scope of consolidation

Changes in the scope of consolidation

The main changes in the scope of consolidation at June 30, 2012, with respect to June 30, 2011,are:

- the withdrawal of Silos Granari della Sicilia Srl (Italy), after sale to a third party on January 18, 2012;
- the sale to a third party of Afyon (Turkey) on May 31, 2012;
- the sale to a third party of Fuping Cement (China) on June 26, 2012;
- the sale to a third party of the entire 20% equity investment in Sider Navi S.p.A. (accounted for with the equity method);
- line-by-line consolidation of the Interpack Gmbh and Dorner Pack Gmbh (Austria) companies as from April 23, 2012.

Seasonal nature of interim business

The Group’s industrial segments are subject to seasonal trends and this must be taken into account when examining and assessing performance in interim periods. Specifically, operations are affected by meteorological conditions, which usually are less favorable in the winter months (in Europe and North America), although obviously they vary from year to year. Consequently, performance in the first half of the year is not necessarily a reliable indicator 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: construction materials segment, other industrial segments (packaging and insulation), financial segment, banking segment, property, services, 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 make decisions regarding allocation of resources and assessment of results. In addition to the segment reporting required by IFRS 8, information is also disclosed on the basis of the following geographical areas: European Union, Other European countries, North America, Asia and Middle East, Africa, Trading and others.

Operating segment disclosure

The table below sets out segment revenue and results for the six months ended June 30, 2012:

(in thousands of euro)	Revenue	Intragroup sales	Contribution revenue	Recurring EBITDA	EBITDA	EBIT	Finance income (costs)	Impairment (losses) on financial assets	Share of profit (loss) of asso-ciates	Profit before tax	Income tax expense
Construction materials	2,299,844	(4,889)	2,294,955	328,660	343,981	100,644			3,945		
Packaging and insulation	116,053		116,053	6,808	6,467	1,402					
Finance	37,595	(18,835)	18,760	17,811	17,511	17,317		(22,181)	(24,646)		
Banking	17,050	(472)	16,578	(3,599)	(3,486)	(5,015)					
Property, services, other	837	(551)	286	(85)	(84)	(101)					
Unallocated postings and adjustments	(24,747)	24,747		(15,809)	(15,807)	(15,761)	(51,153)			26,634	(64,189)
Total	**2,446,632**		**2,446,632**	**333,786**	**348,582**	**98,486**	**(51,153)**	**(22,181)**	**(20,701)**	**26,634**	**(64,189)**

The table below sets out segment revenue and results for the six months ended June 30, 2011:

(in thousands of euro)	Revenue	Intragroup sales	Contribu-tive revenue	Recurring EBITDA	EBITDA	EBIT	Finance income (costs)	Impair-ment (losses) on financial assets	Share of profit (loss) of asso-ciates	Profit before tax	Income tax expense
Construction materials	2,418,547	4,309	2,414,238	371,684	389,887	160,732		7,524	6,543		
Packaging and insulation	115,840	1	115,839	4,444	4,444	(1,269)					
Finance	41,328	24,309	17,019	14,848	14,548	14,488		(6,285)	(1,938)		
Banking	17,593	567	17,026	(5,163)	(5,162)	(7,327)					
Property, services, other	1,165	640	525	252	252	222					
Unallocated postings and adjustments	(29,826)	(29,826)		(21,009)	(21,009)	(21,010)	(39,442)			112,238	(53,425)
Total	**2,564,647**		**2,564,647**	**365,056**	**382,960**	**145,836**	**(39,442)**	**1,239**	**4,605**	**112,238**	**(53,425)**

The following table sets out other segment data at June 30, 2012:

(in thousands of euro)	June 30, 2012 Total assets	June 30, 2012 Total liabilities	June 30, 2012 PPE, investment property and intangible assets	Non-current financial assets	Amortization and depreciation	Impairment (losses)
Construction materials	9,521,183	4,719,230	134,386	403	(227,160)	(16,177)
Packaging and insulation	250,872	212,258	4,223	1,217	(5,150)	85
Finance	1,395,251	390,858	128	13,565	(194)	
Banking	696,076	613,669	163		(1,529)	
Property, services, other	3,458	1,407	25		(17)	
Intersegment eliminations	(713,081)	(166,154)			47	(1)
Total	**11,153,759**	**5,771,268**	**138,925**	**15,185**	**(234,003)**	**(16,093)**

The following table sets out other segment data at December 31, 2011, and June 30, 2011:

(in thousands of euro)	December 31, 2011 Total assets	December 31, 2011 Total liabilities	June 30, 2011 PPE, investment property and intangible assets	Non-current financial assets	Amortization and depreciation	Impairment (losses)
Construction materials	9,730,831	4,835,940	148,586	4,381	229,680	525
Packaging and insulation	248,689	208,704	5,812		5,765	52
Finance	1,490,638	429,820	27	29,409	60	
Banking	755,994	669,210	834		2,166	
Property, services, other	6,140	1,364	11		30	
Intersegment eliminations	(726,531)	(178,841)				
Total	**11,505,761**	**5,966,197**	**155,270**	**33,790**	**237,701**	**577**

Additional disclosure by geographical area

	Revenue		PPE, investment property and intangible assets		Non-current financial assets		Total assets		Total liabilities	
(in thousands of euro)	**06/30/12**	**06/30/11**	**06/30/12**	**06/30/11**	**06/30/12**	**06/30/11**	**06/30/12**	**12/31/11**	**06/30/12**	**12/31/11**
European Union	1,347,401	1,497,455	87,027	83,516	15,083	33,754	7,997,444	8,304,314	3,143,375	3,182,435
Other European countries	26,991	25,223	108	603			697,355	790,953	617,641	677,898
North America	204,323	171,716	9,232	8,420			1,289,659	1,270,260	777,417	743,181
Asia + Middle East	290,262	270,682	23,574	20,219			1,085,494	1,172,541	346,931	385,645
Africa	454,335	489,634	14,132	38,977	108		2,391,748	2,426,177	484,651	530,086
Trading and others	123,320	109,937	4,852	3,535	(6)	36	2,253,864	2,141,240	2,900,448	3,051,018
Interarea elims							(4,561,805)	(4,599,724)	(2,499,195)	(2,604,066)
Total	**2,446,632**	**2,564,647**	**138,925**	**155,270**	**15,185**	**33,790**	**11,153,759**	**11,505,761**	**5,771,268**	**5,966,197**

Assets

Non-current assets

1) Property, plant and equipment

Property, plant and equipment amounted to 4,391,912 thousand euro. Additions for capital expenditure were 132,946 thousand euro, concentrated mainly in Italy for 34,693 thousand euro, France for 29,825 thousand euro, India for 15,084 thousand euro, North America for 9,210 thousand euro, Egypt for 7,606 thousand euro and Morocco for 6,516 thousand euro. The re-organization plan for the Italian production network, which envisages the closure of two full-cycle production plants in the second half of the year, led to impairment losses of 15.6 million euro.

Depreciation charges for the period amounted to 225,261 thousand euro (228,898 thousand euro in the first half of 2011).
Non-current assets pledged as security for bank loans were carried at a net amount of 202.0 million euro at June 30, 2012 (195.8 million euro at December 31, 2011).

(in millions of euro)	June 30, 2012			
		less than 1 year	1 to 5 years	more than 5 years
Commitments for purchases of property, plant and equipment	208.6	206.6	1.8	0.2

2) Goodwill

Goodwill reflected at June 30, 2012, amounted to 1,997,232 thousand euro, as follows:

- construction materials segment for 1,927,456 thousand euro, of which 34,328 thousand euro in Italmobiliare S.p.A.;
- packaging and insulation segment for 35,448 thousand euro, with an increase of 2.6 million euro as a result of the consolidation of the two Austrian companies acquired in the period (the amount initially recognized for the business combination is provisional).

Goodwill testing

Construction materials segment

At June 30, 2012, indications of impairment emerged for some group CGUs regarding the trend in expected cash flows for the current financial year and in WACC discount rates.
Although expected cash flows for 2012 are below budget, they do not modify the long-term projections in the business plan used at December 2011; similarly the WACC rates, computed using the Group methodology, are aligned with those used in December 2011.
Consequently no additional impairment loss was recognized at June 30, 2012, with respect to December 2011.

The net goodwill allocated to the CGUs, net of the positive exchange rate effect, changed with respect to December 31, 2011, as a result of the deconsolidation on the sales of Fuping for 7.4 million euro and Afyon for 4.1 million euro.

3) Investments in equity-accounted investees

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

	Curring amount		Share of profit (loss)	
(in thousands of euro)	June 30, 2012	December 31, 2011	H1 2012	H1 2011
Ciment Québec (Canada)	92,200	92,000		2,001
Vassiliko Cement Works (Cyprus)	60,200	61,200	(1,089)	(128)
Asment Cement (Morocco)	37,100	40,700	3,886	3,918
RCS Mediagroup (Italy)	22,607	49,222	(25,398)	(1,040)
Mittel (Italy)	35,625	36,515	1,366	216
S.E.S. (Italy)	23,336	22,181	(614)	(1,114)
Techno Gravel (Egypt)	5,200	5,100	290	361
Acquitaine de transformation (France)	4,200	4,100		
Others	10,617	13,644	858	391
Total	**291,085**	**324,662**	**(20,701)**	**4,605**

The share of the loss of RCS Mediagroup S.p.A. (25,398 thousand euro) includes the share attributable to Italmobiliare for the fourth quarter of 2011 and the first quarter of 2012 (amounting to -3,215 thousand euro) and the adjustment for the impairment losses recognized by RCS in the second quarter of 2012 (amounting to -22,183 thousand euro). The carrying amount of investee, 22,607 thousand euro, was impaired accordingly.

4) Other equity investments

Other equity investments at June 30, 2012, was as follows:

(in thousands of euro)	Number of shares	June 30, 2012
Investments in listed companies		
Mediobanca	22,568,992	76,753
Unicredito	15,732,683	44,405
UBI	2,818,792	7,046
Goltas (Turkey)		39,500
Total		**167,704**
Investments in non-listed companies		
Fin Priv		7,654
Burgo Group		40,537
Gruppo Banca Leonardo		10,642
Sesaab		9,800
Others		89,428
Total		**158,061**
At June 30, 2012		**325,765**

The fair value of listed companies is determined with reference to the official share price on the last accounting day. For non-listed investments, fair value is determined with a variety of valuation methods, depending on the characteristics and available data.

The carrying amount of other investments decreased by 13,121 thousand euro with respect to December 31, 2011 (338,886 thousand euro).

The change was due to the following events: the purchase of 6.25% of the capital of West China Cement, a company listed in Hong Kong whose value at June 30, 2012, was 43.7 million euro; the downward fair value adjustment on the investments in Mediobanca (-22,810 thousand euro) and in Unicredit (-19,613 thousand euro); the 1.9% reduction (from 24.0 to 22.1%) in the investment in Goltas Cimento (Turkey), after share sales on the stock market for 4.2 million euro (the value at June 30, 2012, was 39.5 million euro, 31.5 million euro at December 31, 2011).

Current assets

5) Trade receivables

(in thousands of euro)	June 30, 2012	December 31, 2011	Change
Gross amount	1,146,068	1,027,367	118,701
Allowance for impairment	(102,429)	(101,524)	(905)
Total	**1,043,639**	**925,843**	**117,796**

Trade receivables factored without recourse amounted to 136.6 million euro at June 30, 2012 (138.4 million euro at December 31, 2011), as follows: 135.3 million euro relating to Ciments Calcia and Unibeton (133.5 million euro at December 31, 2011) and 1.3 million euro relating to Calcestruzzi S.p.A. (4.9 million euro at December 31, 2011).

Risk equivalent to approximately 90% of the factored amount is transferred with the receivables.
After this transaction, the statement of financial position continued to reflect:

- additional subordinate deposits of 26.1 million euro reflected under other current assets (24.8 million euro at December 31, 2011);
- receivables, in the form of arranged guarantees of 11.3 million euro reflected under trade receivables with balancing entries of 9.1 million euro in financial liabilities and 2.2 million euro against miscellaneous receivables.

6) Investments, bonds and financial assets

The balance on this caption was as follows:

(in thousands of euro)	June 30, 2012	December 31, 2011	Change
Securities and bonds	262,436	253,260	9,176
Trading equities	6,557	20,147	(13,590)
Amounts due from banks	357,464	454,959	(97,495)
Other financial assets	32,046	31,349	697
Net amount	**658,503**	**759,715**	**(101,212)**

7) Cash and cash equivalents

(in thousands of euro)	June 30, 2012	December 31, 2011	Change
Cash and checks on hand	4,550	3,966	584
Bank and postal deposits	583,223	565,403	17,820
Short-term deposits	50,930	252,109	(201,179)
Net amount	**638,703**	**821,478**	**(182,775)**

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 the caption "Cash and cash equivalents at end of period" on the statement of cash flows.

Equity and liabilities

Share capital, reserves and retained earnings

8) Share capital

At June 30, 2012, the fully paid-up share capital of the parent amounted to 100,166,937 euro, represented by 38,525,745 shares with a par value of 2.6 euro each, as follows:

Number of shares	June 30, 2012	December 31, 2011	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

Fair value reserve for available-for-sale financial assets – share attributable to owners of the parent
The decrease, gross of deferred tax of 17,456 thousand euro, amounted to 25,240 thousand euro and arose mainly on the application of the official share prices at June 30, 2012, to listed companies available for sale (Mediobanca for -22,810 thousand euro and Fin Priv for –2,070 thousand euro) and, to a lesser degree, to the fair value measurement of other non-listed available-for-sale investments.

Translation reserve – share attributable to owners of the parent

This reserve reflects exchange rate differences on the translation of the financial statements of consolidated foreign operations. At June 30, 2012, it reflected a gain of 26,834 thousand euro and related to the following currencies:

(in millions of euro)	June 30, 2012	December 31, 2011	Change
Egypt (Pound)	(8.6)	(13.8)	5.2
USA and Canada (Dollar)	12.6	7.8	4.8
Thailand (Baht)	16.6	14.4	2.2
Morocco (Dirham)	1.3	0.6	0.7
India (Rupee)	(13.2)	(11.4)	(1.8)
Turkey (Lira)	-	(2.1)	2.1
Switzerland (Franc)	15.3	14.7	0.6
Other countries	2.8	6.3	(3.5)
Net amount	**26.8**	**16.5**	**10.3**

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

Dividends paid

Dividends declared and paid by the parent Italmobiliare S.p.A. in 2012 and 2011 are as follows:

	2012 (euro per share)	2011 (euro per share)	2012 (thousands of euro)	2011 (thousands of euro)
Ordinary shares		0.532		11,337
Savings shares		0.610		9,952
Total dividends				**21,289**

10) Treasury shares

At June 30, 2012, the carrying amount of treasury shares in portfolio, deducted against equity, was 21,226 thousand euro, unchanged from December 31, 2011. Treasury shares were as follows:

	No. ordinary shares	Carrying amount (thousands of euro)	No. savings shares	Carrying amount (thousands of euro)	Total carrying amount
At December 31, 2011	**871,411**	**20,830**	**28,500**	**396**	**21,226**
At June 30, 2012	**871,411**	**20,830**	**28,500**	**396**	**21,226**

Ordinary treasury shares held at June 30, 2012, service stock option plans for directors and managers.

Non-current and current liabilities

11) Provisions

Non-current and current provisions totaled 238,123 thousand euro at June 30, 2012 (263,176 thousand euro at December 31, 2011). They refer chiefly to quarry environmental restoration obligations, re-organizations of industrial operations and fiscal and legal disputes.
During the first half of 2012, the decrease in provisions was 25,053 thousand euro, including 13,600 thousand euro for the release of surplus provisions.

12) Financial liabilities

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

(in thousands of euro)	June 30, 2012	December 31, 2011	Change
Amounts due to banks	742,215	831,932	(89,717)
Bonds	1,335,649	1,318,260	17,389
Other financing entities	155,214	154,539	675
Finance lease payables	13,720	14,217	(497)
Non-current financial liabilities	**2,246,798**	**2,318,948**	**(72,150)**
Fair value of hedging derivatives	19,086	13,786	5,300
Total medium/long-term financial liabilities	**2,265,884**	**2,332,734**	**(66,850)**
Amounts due to banks	472,781	349,436	123,345
Current portion of loans and borrowings	362,117	374,665	(12,548)
Bonds	16,349	15,959	390
Other financing entities	639,419	748,842	(109,423)
Finance lease payables	4,025	5,675	(1,650)
Accrued interest expense	22,241	48,016	(25,775)
Amounts due to banks and current financial liabilities	**1,516,932**	**1,542,593**	**(25,661)**
Fair value of hedging derivatives	9,512	24,876	(15,364)
Total short-term financial liabilities	**1,526,444**	**1,567,469**	**(41,025)**
Total financial liabilities	**3,792,328**	**3,900,203**	**(107,875)**

On June 29, 2012, Italcementi Finance S.A. renewed its Euro Medium Term Notes (EMTN) program for a maximum amount of 2 billion euro. The issued instruments are listed on the Luxembourg stock exchange.

“Billets de tresorerie” classified under short-term financial liabilities at June 30, 2012, amounted to 10.0 million euro (70 million euro at December 31, 2011).

In May 2012, Italcementi S.p.A. arranged a 200 million euro floating-rate 5-year renewable line of credit, to replace a facility expiring next December. In line with the policy introduced, Italcementi Finance S.A. is part of the contract as alternative beneficiary of the facility, in which case Italcementi S.p.A. acts as guarantor.
No drawings had been made on the line at June 30, 2012.

Medium/long-term financial liabilities are analyzed below by currency:

(in thousands of euro)	June 30, 2012	December 31, 2011	Change
Euro	2,125,407	2,173,551	(48,144)
Indian rupee	80,600	77,700	2,900
Moroccan dirham	9,900	29,700	(19,800)
US and Canadian dollar	19,100	25,800	(6,700)
Polish zloty	2,496	2,596	(100)
Egyptian pound	1,800	1,600	200
Hungarian florin	251	267	(16)
Other	7,244	7,734	(490)
Total	**2,246,798**	**2,318,948**	**(72,150)**

Medium/long-term financial liabilities are analyzed below by maturity:

(in thousands of euro)	within 2 years	within 3 years	within 4 years	within 5 years	beyond	Total
Total financial liabilities at June 30, 2012	347,958	426,337	52,413	529,154	890,936	2,246,798

Collateral totaled 110.1 million euro at June 30, 2012, of which 99.4 million euro relating to the Indian subsidiaries.

Net financial position

Net financial debt at June 30, 2012, arose on the following line items:

(in thousands of euro)	Fin.statmt line item	Non NFP	NFP	Current assets	Current liabilities	Non-current assets	Non-current liabilities
Trade receivables and other non-current assets	222,053	53,303	168,750			168,750	
Other current assets including derivatives	432,854	331,613	101,241	101,241			
Financial assets and trading securities	658,503	271	658,232	658,232			
Cash and cash equivalents	638,703		638,703	638,703			
Non-current financial liabilities	(2,246,798)		(2,246,798)				(2,246,798)
Other non-current liabilities	(24,598)	(5,512)	(19,086)				(19,086)
Bank loans and borrowings	(472,781)		(472,781)		(472,781)		
Current financial liabilities	(442,962)		(442,962)		(442,962)		
Other liabilities	(1,179,770)	(569,069)	(610,701)		(610,701)		
Total	**(2,414,796)**	**(189,394)**	**(2,225,402)**	**1,398,176**	**(1,526,444)**	**168,750**	**(2,265,884)**

Net financial debt at June 30, 2012, stood at 2,225,402 thousand euro, as follows:

(in thousands of euro)	June 30, 2012	December 31, 2011	Change
Cash, cash equivalents and current financial assets	**1,398,176**	**1,693,184**	**(295,008)**
Cash and cash equivalents	638,703	821,478	(182,775)
Derivatives	11,143	8,279	2,864
Other current financial assets	748,330	863,427	(115,097)
Short-term financing	**(1,526,444)**	**(1,567,469)**	**41,025**
Bank loans and borrowings	(472,781)	(349,436)	(123,345)
Current financial liabilities	(1,044,151)	(1,193,157)	149,006
Derivatives	(9,512)	(24,876)	15,364
M/L financial assets	**168,750**	**167,400**	**1,350**
Non-current financial assets	73,386	72,144	1,242
Derivatives	95,364	95,256	108
M/L financing	**(2,265,884)**	**(2,332,734)**	**66,850**
Non-current financial liabilities	(2,246,798)	(2,318,948)	72,150
Derivatives	(19,086)	(13,786)	(5,300)
Net financial position	**(2,225,402)**	**(2,039,619)**	**(185,783)**

The net financial position at June 30, 2012, computed in accordance with Consob communication no. DEM 6064293/2006 of July 28, 2006 (i.e., excluding medium/long-term financial assets) reflected debt of 2,394,152 thousand euro (2,207,019 thousand euro at December 31, 2011).

Covenants

In addition to the customary clauses, some of the Group's financing contracts include covenants requiring compliance with financial ratios, determined mainly at the close of the reporting period. Non-compliance leads to termination and early repayment in the case of bilateral or syndicated lines of credit and borrowings, although the covenants also provide a stand-by period before coming into force. The lines of credit and financing contracts underwritten by Group companies do not contain rating triggers that would require early repayment. Some contracts involve assumption of negative pledges to the counterpart, although these are limited to specific instances that do not substantially compromise the Group's ability to finance or refinance its operations.

At June 30, 2012, the Group complied with all contractual undertakings; covenant-related financial ratios were within the contractual limits stipulated by the loans in question. The Group expects to comply with its covenants and will issue appropriate disclosure should its financial situation deteriorate

At June 30, 2012, lines of credit and loans subject to covenants accounted for approximately 10% of total drawings represented by gross debt excluding the fair value effects of derivatives.

Derivatives

The table below sets out the fair value of financial instruments reflected in the statement of financial position, subdivided by type of hedge:

	June 30, 2012		December 31, 2011	
(in thousands of euro)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Interest-rate derivatives cash flow hedges		(1,246)	379	(2,728)
Interest-rate derivatives fair value hedges		(64)		
Interest-rate derivatives for trading	2,643	(1,126)	829	(728)
Interest-rate derivatives	**2,643**	**(2,436)**	**1,208**	**(3,456)**
Exchange-rate derivatives cash flow hedges	3,123	(87)	4,237	(37)
Exchange-rate derivatives fair value hedges	4,310	(5,946)	1,377	(20,301)
Exchange-rate derivatives for trading		(56)		(128)
Exchange-rate derivatives	**7,433**	**(6,089)**	**5,614**	**(20,466)**
Total current instruments	**10,076**	**(8,525)**	**6,822**	**(23,922)**
Interest-rate derivatives cash flow hedges		(7,907)		(5,498)
Interest-rate derivatives fair value hedges	95,364	(11,179)	95,256	(8,288)
Interest-rate derivatives	**95,364**	**(19,086)**	**95,256**	**(13,786)**
Exchange-rate derivatives cash flow hedges				
Exchange-rate derivatives fair value hedges				
Exchange-rate derivatives				
Total long-term instruments	**95,364**	**(19,086)**	**95,256**	**(13,786)**
Bank derivatives - forwards	1,067	(987)	1,457	(954)
Bank derivatives - options				
Bank derivatives	**1,067**	**(987)**	**1,457**	**(954)**
Total	**106,507**	**(28,598)**	**103,535**	**(38,662)**

13) Trade payables

"Trade payables" were as follows:

(in thousands of euro)	**June 30, 2012**	**December 31, 2011**	**Change**
Suppliers	686,227	666,573	19,654
Other trade payables	23,851	24,258	(407)
Total	**710,078**	**690,831**	**19,247**

14) Other liabilities

(in thousands of euro)	June 30, 2012	December 31, 2011	Change
Amounts due to employees	107,685	116,693	(9,008)
Amounts due to social security authorities	57,161	60,978	(3,817)
Amounts due to tax authorities	98,749	83,101	15,648
Accrued expenses and deferred income	43,626	38,235	5,391
Derivatives	20,860	37,775	(16,915)
Amounts due in banking and insurance segment	602,176	655,532	(53,356)
Customer advances	58,335	73,971	(15,636)
Purchase commitments on minority interests	73,497	67,768	5,729
Other amounts due	117,681	158,680	(40,999)
Total	**1,179,770**	**1,292,733**	**(112,963)**

Contingent liabilities

At June 30, 2012, an examination of the main contingent liabilities relating to disputes and proceedings pending at December 31, 2011, found no need to set aside provisions.
The Group is unaware of other disputes, legal controversies or other exceptional matters that could have a material impact on its financial situation, earnings and operations.

Europe
With regard to the investigation begun by the European Commission into Italcementi S.p.A. and some of its European subsidiaries and into the parent Italmobiliare S.p.A., no further developments have taken place.

With regard to the proceeding begun in 2009 by the Belgian Competition General Division against a number of cement producers, including Compagnies des Ciments Belges (CCB), no further developments have taken place.

Turkey
Regarding the suit filed by Sibconcord against Ciments Français for default on the 2008 agreement for the sale of the Turkish operations (Set Group), in Russia the Supreme Court annulled the previous three rulings in favor of Sibconcord, and referred the case back to the court of first instance. Also, with regard to the suit filed in Turkey by Sibcem for the annulment of the arbitration award, contemplated by the contractual agreements and already made in favor of Ciments Français, the Court of Appeal annulled the ruling of first instance issued by the Court of Kadikoy, which upheld the appeal, and ordered the case to be referred for a decision to the Court of Istanbul as the competent body. The parties are waiting for the case to be heard by the new court.

India
With regard to the antitrust proceedings begun in India in 2010, the Indian antitrust authority issued a ruling excluding Zuari Cement Limited from liability.

With regard to the other proceedings begun by the Indian antitrust authority, no further developments have taken place.

With regard to the dispute with Larsen & Toubro, concerning works at the Yerraguntla cement plant, an arbitration proceeding began in January 2012 on which no significant developments have yet taken place.

Income statement

15) Revenue

Revenue from sales and services amounted to 2,446,632 thousand euro, as follows:

(in thousands of euro)	H1 2012	H1 2011	Change	% change
Industrial revenue				
Product sales	2,319,979	2,438,954	(118,975)	-4.9%
Services provided	74,272	73,392	880	1.2%
Other revenue	16,971	17,442	(471)	-2.7%
Total	**2,411,222**	**2,529,788**	**(118,566)**	**-4.7%**
Financial revenue				
Interest	3,833	4,993	(1,160)	-23.2%
Dividends	1,441	4,771	(3,330)	-69.8%
Gains and other revenue	14,128	8,606	5,522	64.2%
Total	**19,402**	**18,370**	**1,032**	**5.6%**
Bank revenue				
Interest	2,677	2,717	(40)	-1.5%
Commissions	11,305	12,180	(875)	-7.2%
Other revenue	1,919	1,115	804	72.1%
Total	**15,901**	**16,012**	**(111)**	**-0.7%**
Property and service revenue	**107**	**477**	**(370)**	**-77.6%**
Grand total	**2,446,632**	**2,564,647**	**(118,015)**	**-4.6%**

16) Raw materials and supplies

Raw materials and supplies amounted to 1,031,601 thousand euro, as follows:

(in thousands of euro)	H1 2012	H1 2011	Change	% change
Raw materials and semifinished products	277,921	314,578	(36,657)	-11.7%
Fuel	214,494	271,223	(56,729)	-20.9%
Materials and machinery	143,090	156,038	(12,948)	-8.3%
Finished goods	98,336	100,529	(2,193)	-2.2%
Electricity, water, gas	268,057	230,870	37,187	16.1%
Change in inventories of raw materials, consumables, other	29,703	(19,343)	49,046	n.s.
Total	**1,031,601**	**1,053,895**	**(22,294)**	**-2.1%**

17) Services

Services amounted to 583,995 thousand euro, as follows:

(in thousands of euro)	H1 2012	H1 2011	Change	% change
External services and maintenance	189,475	201,012	(11,537)	-5.7%
Transport	255,421	251,885	3,536	1.4%
Legal fees and consultancy	22,822	27,556	(4,734)	-17.2%
Rents	42,271	45,513	(3,242)	-7.1%
Insurance	20,964	21,089	(125)	-0.6%
Membership fees	5,057	5,315	(258)	-4.9%
Other expense	47,985	52,138	(4,153)	-8.0%
Total	**583,995**	**604,508**	**(20,513)**	**-3.4%**

"Other expense" includes post and telephone expense, cleaning and surveillance expense, and communication and marketing expense, relating mainly to the subsidiaries in the construction materials segment.

18) Employee expense

Employee expense was 513,656 thousand euro, as follows:

(in thousands of euro)	H1 2012	H1 2011	Change	% change
Wages and salaries	346,423	351,752	(5,329)	-1.5%
Social security and contributions to pension funds	114,064	116,729	(2,665)	-2.3%
Costs of stock option plans	364	1,971	(1,607)	-81.5%
Other	52,805	47,646	5,159	10.8%
Total	**513,656**	**518,098**	**(4,442)**	**-0.9%**

The number of employees is shown below:

(heads)	H1 2012	H1 2011	Change
Employees at period end	20,702	21,610	(908)
Average number of employees	20,893	21,711	(818)

19) Other operating expense

Other operating expense net of other operating income amounted to 45,176 thousand euro, as follows:

(in thousands of euro)	H1 2012	H1 2011	Change	% change
Other taxes	43,826	42,750	1,076	2.5%
Allowance for impairment	12,715	14,100	(1,385)	-9.8%
Interest expense and other expense for companies in the financial and banking segments	10,280	15,613	(5,333)	-34.2%
Provision for environmental restoration - quarries, other	25,676	38,959	(13,283)	-34.1%
Miscellaneous income	(47,321)	(64,974)	17,653	-27.2%
Total	**45,176**	**46,448**	**(1,272)**	**-2.7%**

"Miscellaneous income" included net gains of 18.1 million euro on CO_2 emissions rights trading (21.3 million euro in the first half of 2011) and income from the reimbursement of "new entry" CO_2 quotas assigned to Italcementi S.p.A. for the period 2008-2012; the latter amount was 4.3 million euro (18.5 million euro in the first half of 2011).

20) Non-recurring income (expense)

Non-recurring income net of non-recurring expense amounted to 14,796 thousand euro (17,904 thousand euro in the first half of 2011), as follows:

(in thousands of euro)	H1 2012	H1 2011	Change	% change
Net gains from the sale of non current assets	25,751	19,582	6,169	31.5%
Employee expense for re-organizations	(10,315)	(1,422)	(8,893)	n.s.
Other non-recurring income (expense)	(640)	(256)	(384)	n.s.
Total	**14,796**	**17,904**	**(3,108)**	**-17.4%**

In the first half of 2012 net gains from the sale of non current assets referred in the main to the net effect of the sale of Silos Granari della Sicilia for 8.4 million euro and the sale of the Pontassieve cement plant for 13.1 million euro.
Expense relating to the re-organization plans in the first half of 2012 mainly related to Italy, with net provisions of 7.7 million euro, and Spain for 2.6 million euro.

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

Finance costs, net of finance income, amounted to 51,153 thousand euro, as follows:

	H1 2012		H1 2011	
(in thousands of euro)	**Income**	**Costs**	**Income**	**Costs**
Interest income	6,724		10,893	
Interest expense		(50,164)		(53,943)
Sub total	**6,724**	**(50,164)**	**10,893**	**(53,943)**
Net interest in respect of net financial position		**(43,440)**		**(43,050)**
Dividends	1,072		937	
Gains (losses) on sale of investments	2,784		25,104	(509)
Other finance income	9,807		6,450	
Capitalized finance costs		575		245
Other finance costs		(20,075)		(16,251)
Sub total	**13,663**	**(19,500)**	**32,491**	**(16,515)**
Total finance income (costs)	**20,387**	**(69,664)**	**43,384**	**(70,458)**
Gains (losses) on interest-rate derivatives		(2,638)		(2,670)
Gains (losses) on exchange-rate derivatives	17,761		19,465	
Net exchange rate differences		(16,999)		(29,163)
Net exchange rate differences and derivatives		**(1,876)**		**(12,368)**
Total finance income (costs), exchange rate differences and net derivatives		**(51,153)**		**(39,442)**

In the first half of 2012 other income from investments included the net gains on the partial sale of Goltas securities for 2.6 million euro (24.0 million euro in the first half of 2011).

22) (Impairment losses)/Reversals of impairment losses on financial assets

The caption reflects a loss of 22,181 thousand euro, of which -21,136 thousand euro for the impairment loss on the equity investment in Unicredito, -884 thousand euro for the impairment loss on the equity investment in UBI, -119 thousand euro for the impairment loss on the equity investment in Atmos Venture and -42 thousand euro for the impairment loss on the equity investment in Atmos.

At June 30, 2011, the caption reflected an amount of +1,239 thousand euro, arising from +7,524 thousand euro for the reversal of the impairment loss recognized on the Calcestruzzi group at December 31, 2010, in the fair value reserve for available-for-sale financial assets, which was taken to income after the consolidation of the Calcestruzzi group as from January 1, 2011; and -6,204 thousand euro for the impairment loss on the equity investment in UBI.

23) Income tax expense

Income tax expense for the first half was 64,189 thousand euro, as follows:

(in thousands of euro)	H1 2012	H1 2011	Change	% change
Current tax	64,594	43,846	20,748	47.3%
Prior-year tax and other net non-recurring fiscal items	(3,389)	(148)	(3,241)	n.s.
Deferred tax	2,984	9,727	(6,743)	-69.3%
Total	**64,189**	**53,425**	**10,764**	**20.1%**

The higher proportion of income tax expense on profit before tax in the first half of 2012 compared with 2011 stemmed chiefly from the effects of lower untaxed capital gains, non-activation of deferred tax assets on tax losses mainly in Italy, and a reduction in profit for the period in countries with low tax rates.

24) Profit relating to discontinued operations

Afyon - Turkey
On May 31, 2012, the Group sold the Turkish Afyon company to a third party; the net sale price of 24.2 million euro generated a consolidated net gain of 0.3 million euro.

Fuping Cement - China
On June 26, 2012, the Group sold its entire investment in Fuping Cement to West China Cement, a holding listed in Hong Kong, against a reserved capital increase for a share of approximately 6.25%.
The market value of the West China Cement shares on the sale date was 44.0 million euro, and the transaction generated a consolidated net gain of 13.1 million euro.

The income statement and cash flow statement of the discontinued Afyon and Fuping operations are set out below:

(in millions of euro)	H1 2012		H1 2011	
Income statement	**Afyon**	**Fuping**	**Afyon**	**Fuping**
Revenue	1.6	8.4	10.5	23.0
Recurring EBITDA	(0.5)	(2.1)	(0.4)	0.9
EBITDA	(0.5)	(2.1)	(0.4)	0.9
EBIT	(0.9)	(3.3)	(1.2)	(1.5)
Profit (loss) before tax	(0.8)	(4.2)	(1.0)	(2.6)
Income tax expense				0
Loss for the period from discontinued operations	**(0.8)**	**(4.2)**	**(1.0)**	**(2.5)**
Consolidated net gain from the sale of discontinued operations	0.3	13.1		
Profit (loss) for the period relating to discontinued operations	**(0.5)**	**8.9**		
Attributable to:				
Owners of the parent	(0.3)	(3.5)	(0.4)	(2.1)
Non-controlling interests	(0.5)	(0.7)	(0.6)	(0.4)

In the income statement restated as required by IFRS 5 for the first half of 2011, the line "Profit (loss) relating to discontinued operations" was 105.2 million euro and included the sale of Set Group per 109.1 million euro.

(in millions of euro)	H1 2012			H1 2011	
Statement of cash flows	**Afyon**	**Fuping**	**Set Group**	**Afyon**	**Fuping**
Cash flow from operating activities	(1.2)	1.1		(1.4)	(1.7)
Cash flow from investing (divesting) activities	(0.1)	(0.7)		(0.9)	(1.2)
Cash flow from financing activities		11.5		(0.1)	9.5
Cash flow from sale	23.0	(1.4)	264.4		
Cash sold	(2.7)	(23.5)	(5.3)		
Translation differences	0.3	0.5		(0.9)	(0.5)
Cash flows from discontinued operations	**19.3**	**(12.5)**	**259.1**	**(3.3)**	**6.1**

At December 31, 2011, the contribution to the consolidated statement of financial position of 2012 discontinued operations was as follows:

(in millions of euro)		
	Afyon	**Fuping**
Non-current assets	22.7	69.2
Current assets	10.4	24.5
Equity	29.3	46.9
Non-current liabilities	1.2	-
Current liabilities	2.6	46.8

25) Discontinued assets and liabilities

Non-current discontinued assets (2,238 thousand euro) and liabilities directly linked to discontinued assets (310 thousand euro) referred to the closure of the operating site in Perugia, whose liquidation is planned by the end of 2012.

26) Other comprehensive income

(in thousands of euro)	Gross amount	Tax	Net amount
Fair value adjustments on:			
Available-for-sale financial assets	(25,825)	263	(25,562)
Derivatives	(9,511)	641	(8,870)
Translation differences	44,420		44,420
Share of other comprehensive income of equity-accounted investees	3,168		3,168
Other comprehensive income	**12,252**	**904**	**13,156**

27) Earnings per share

Earnings per share for the six months ended June 30, 2012 and 2011 is determined on the profit for the respective periods attributable to owners of the parent and is stated separately for ordinary shares and savings shares.

Basic earnings per share

The weighted average number of shares and attributable profit is shown below:

	June 30, 2012		June 30, 2011	
(no. shares in thousands)	**Ordinary shares**	**Savings shares**	**Ordinary shares**	**Savings shares**
No. shares at January 1	22,182	16,343	22,182	16,343
Treasury shares at January 1	(871)	(28)	(871)	(28)
Weighted average number of treasury shares sold during period				
Total	**21,311**	**16,315**	**21,311**	**16,315**
Attributable profit (loss) for the period in thousands of euro	(37,263)	(28,527)	13,997	11,351
Basic earnings per share in euro	(1.749)	(1.749)	0.657	0.696

Attributable profit for the period by share category was determined as follows:

	H1 2012		H1 2011	
(in thousands of euro)	**Ordinary shares**	**Savings shares**	**Ordinary shares**	**Savings shares**
Profit reserved for savings shareholders (0.078 euro per share)				636
Residual profit apportioned to all shares	(37,263)	(28,527)	13,997	10,715
Total	**(37,263)**	**(28,527)**	**13,997**	**11,351**

Diluted earnings per share

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

The weighted average number of shares and attributable profit is shown below:

	H1 2012		H1 2011	
(thousands of shares)	**Ordinary shares**	**Savings shares**	**Ordinary shares**	**Savings shares**
Weighted average number of shares at December 31	21,311	16,315	21,311	16,315
Dilutive effect of stock options			4	
Total	**21,311**	**16,315**	**21,315**	**16,315**
Attributable profit for the period for diluted earnings per share in thousands of euro	(37,263)	(28,527)	13,998	11,350
Diluted earnings per share in euro	(1.749)	(1.749)	0.657	0.696

Attributable profit for the period by share category was determined as follows:

(in thousands of euro)	H1 2012 Ordinary shares	H1 2012 Savings shares	H1 2011 Ordinary shares	H1 2011 Savings shares
Profit reserved for savings shareholders (0.078 euro per share)				636
Residual profit apportioned to all shares	(37,263)	(28,527)	13,998	10,714
Total	**(37,263)**	**(28,527)**	**13,998**	**11,350**

28) Transactions with related parties

The following table illustrates transactions with related parties at June 30, 2012:

(in thousands of euro) **Italmobiliare Group**	Revenue (costs)	Trade receivables (payables)	Finance receivables (payables)	Tax consolid. receivables (payables)	Finance income (costs)	Other operating income (expense)
Subsidiaries and associates not consolidated line-by-line	28,316	15,633	42,150		341	
	(17,230)	(7,430)	(417)		(4)	(544)
Other related parties	92	67				14
	(849)	(142)				
Total	**28,408**	**15,700**	**42,150**		**341**	**14**
	(18,079)	**(7,572)**	**(417)**		**(4)**	**(544)**
% impact on captions	1.2%	1.5%	2.7%		1.7%	0.01%
	0.9%	1.1%	0.01%		0.01%	1.2%

The corresponding figures at June 30, 2011, are set out below:

(in thousands of euro) **Italmobiliare Group**	Revenue (costs)	Trade receivables (payables)	Finance receivables (payables)	Tax consolid. receivables (payables)	Finance income (costs)	Other operating income (expense)
Subsidiaries and associates not consolidated line-by-line	31,572	23,662	27,467		182	14
	(16,703)	(4,139)	(2,315)	(20)	(6)	(478)
Other related parties	57	37				19
	(1,235)	(104)				
Total	**31,629**	**23,699**	**27,467**		**182**	**33**
	(17,938)	**(4,243)**	**(2,315)**	**(20)**	**(6)**	**(478)**
% impact on captions	1.2%	2.4%	3.8%		0.4%	0.1%
	0.8%	0.6%	0.1%	0.0%	0.0%	1.0%

Revenue from and purchases of goods and services with respect to subsidiaries and associates mainly refer to transactions with companies consolidated on a proportionate basis, notably Société des Carrieres du Tournaisis, Medcem S.r.l., Atlantica de Graneles and Les Calcaires Girondins S.a.a. and with companies measured with the equity method, including the Ciments Quebec Inc. group.

At June 30, 2012, other expense for “Other related parties” of 849 thousand euro (1,235 thousand euro at June 30, 2011) included the amounts paid by Italmobiliare S.p.A. and Italcementi S.p.A. to the Italcementi Cav. Lav. Carlo Pesenti foundation for 600 thousand euro (same amount for the six months ended June 30, 2011).

Non-recurring transactions

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

(in thousands of euro)	H1 2012 Equity		Profit (loss) for the period		Net financial debt	
	amount	%	amount	%	amount	%
Carryng amounts	**5,404,674**		**(51,319)**		**(2,225,402)**	
Net gains from the sale of non-current assets	25,751	0.48%	25,751	50.18%	34,848	1.57%
Non-recurring employee expense for re-organizations	(10,315)	0.19%	(10,315)	20.10%		
Other non-recurring income (expense)	(640)	0.01%	(640)	1.25%	(300)	0.01%
Income tax on non-recurring transactions	(5,194)	0.10%	(5,194)	10.12%		
Total	**9,602**	**0.18%**	**9,602**	**18.71%**	**34,548**	**1.55%**
Figurative amount without non-recurring transactions	**5,395,072**		**(60,921)**		**(2,259,950)**	

(in thousands of euro)	H1 2011 Equity		Profit (loss) for the period		Net financial debt	
	amount	%	amount	%	amount	%
Carryng amounts	**5,736,966**		**164,028**		**(2,177,408)**	
Net gains from the sale of non-current assets	19,582	0.34%	19,582	11.94%	30,805	1.41%
Non-recurring employee expense for re-organizations	(1,422)	0.02%	(1,422)	0.87%		
Other non-recurring income (expense)	(256)	0.00%	(256)	0.16%	(300)	0.01%
Income tax on non-recurring transactions	(1,532)	0.03%	(1,532)	0.93%		
Non-recurring tax						
Total	**16,372**	**0.29%**	**16,372**	**9.98%**	**30,505**	**1.40%**
Figurative amount without non-recurring transactions	**5,720,594**		**147,656**		**(2,207,913)**	

Events after June 30, 2012

No significant events have taken place since closure of the first half of the year whose effects require amendments to or additional comments on the Group's financial position and results of operations at June 30, 2012.

Milan, August 6, 2012

for the Board of Directors
The Chairman

ITALMOBILIARE
SOCIETA' PER AZIONI

(Translation from the original Italian text)

Certification pursuant to art. 154-bis subsection 5 of TUF regarding the condensed half-year financial statements prepared in consolidated format (according to art. 81-ter of the Consob Regulation no. 11971 of May 14, 1999 and subsequent modifications and integrations)

1. The undersigned Giampiero Pesenti, Chief Executive Officer and Giorgio Moroni, Manager in Charge of preparing the company's financial reports of Italmobiliare S.p.A, also taking into consideration art. 154-bis, paragraphs 3 and 4, of the Legislative Decree February 24th, 1998, no. 58, do hereby certify:

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

   of the administrative and accounting procedures adopted for the preparation of the **condensed half-year financial statements**, in the period from January 1st, 2012 to June 30th, 2012.

2. The assessment of the adequacy of the administrative and accounting procedures adopted for the preparation of condensed half-year financial statements as of June 30th, 2012 is based on a pattern 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 certified that:

   3.1 the condensed half-year financial statements as of June 30th , 2012:

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

   b) correspond to the accounting books and entries;

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

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

August 6th, 2012

Signed by: Giampiero Pesenti, Chief Executive Officer
Signed by: Giorgio Moroni, Manager in charge of financial reporting

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

Auditors' report on review of condensed interim consolidated financial statements

To the shareholders of
Italmobiliare S.p.A.

1 We have reviewed the condensed interim consolidated financial statements of the Italmobiliare Group as at and for the six months ended 30 June 2012, comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes thereto. 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 prepare this report based on our review.

2 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. The review consisted primarily of the collection of information about the captions of the condensed interim consolidated financial statements and the consistency of application of the accounting policies through discussions with company directors and analytical procedures applied to the financial data presented in such condensed interim consolidated financial statements. The review excluded such audit procedures as tests of controls and substantive procedures on assets and liabilities and is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. As a consequence, contrary to our report on the annual consolidated financial statements, we do not express an audit opinion on the condensed interim consolidated financial statements.

The condensed interim consolidated financial statements present the corresponding figures of the prior year annual consolidated financial statements and condensed interim consolidated financial statements. As disclosed in the note "Discontinued operations", in applying IFRS 5 Non-current assets held for sale and discontinued operations, the parent's directors restated some of the corresponding figures included in the prior year condensed interim consolidated financial statements. We reviewed such condensed interim consolidated financial statements and issued our report thereon on 8 August 2011. We have examined the methods used to restate the prior year corresponding figures and related disclosures for the purposes of preparing our report on the condensed interim consolidated financial statements at 30 June 2012. Reference should be made to the report dated 16 April 2012 for our opinion on the prior year consolidated financial statements.

3 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 2012 have not been prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Milan, 7 August 2012

KPMG S.p.A.

(signed on the original)

Luisa Polignano
Director of Audit

September 2012
Project of LSVmultimedia
Olginate - Lecco