ITALMOBILIARE

Half-year financial report as at and for the six months ended June 30, 2013

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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 as at and for the six months ended June 30, 2013

August 6, 2013

ITALMOBILIARE
Società per Azioni

Head 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	
Sebastiano Mazzoleni		
Luca Minoli		
Gianemilio Osculati	6	
Giorgio Perolari	1-3-4-5-6	
Clemente Rebecchini		
Paolo Domenico Sfameni	5-6-9	
Livio Strazzera	1-7	
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 preparing reporting

Giorgio Moroni

Independent Auditors

KPMG S.p.A.

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

Company officers and delegation of powers

The current Board of Directors was elected at 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 ending December 31, 2013.

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

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

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

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

- to the **Executive Committee,** consisting of five members, all the powers and the assignments of the Board of Directors, except for those that the law and the By-laws do not allow to be delegated. As specified at the time of its appointment, the resolutions of the Executive Committee shall be reported to the Board of Directors in their nearest meeting;
- to the **Chairman-Chief Executive Officer**, Giampiero Pesenti, among others, the powers to undertake any administrative act and measure, among which to acquire and dispose of equity investments, carry out credit and securities transactions, accept guarantees, grant collateral and guarantees in favor of third parties provided that these are direct or indirect subsidiaries or affiliates of Italmobiliare, or for a maximum amount of 150 million euro for each transaction; to enter into real estate sale purchase agreements, trade-in and divisions, to settle easements or real estate rights in general, within a maximum amount of 25 million euro for each transaction; to recruit staff members at all levels, defining their remuneration, suspending, terminating and modifying the employment relationship with the latter;
- to the **Deputy Chairman,** Italo Lucchini, the sole representative powers, in accordance with the By-laws, to be exercised severally with respect to the Chairman-Chief Executive Officer;
- to the **Chief Operating Officer**, Carlo Pesenti, among others, the powers to undertake any act regarding the management of the company, including securities and credit transactions, to undertake on behalf of the company bonds of any kind including bonds secured by collateral in favor of third parties as long as these are direct or indirect subsidiaries of Italmobiliare, to acquire and sell government securities, bonds, land, stocks, company shareholdings, to perform sale or purchase carryover and forward transactions on securities within a maximum amount of 75 million euro for each transaction; to negotiate the opening of lines of credit with banks for a maximum amount of 75 million euro, for larger amounts up to 100 million euro with the joint signature of the Co-Chief Operating Officer Administration and Finance.

Other powers were granted to the Co-Chief Operating Officer Administration and Finance and to the Secretary of the Board, within their respective areas of competence.

The Chief Operating Officer has assigned specific and limited powers to employees of the company for current management activities.

Remuneration Committee and Control & Risk Committee

The corporate governance structure adopted by the company as set up in the binding articles of the By-laws and in the non-binding provisions of the most recent review (December 2011) of the Code of Conduct promoted by the Corporate Governance Committee (the «Code»), reflects Italmobiliare's commitment to complying with national and international best practices for corporate governance.

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

The resolutions adopted by the committees are of an advisory nature and are non-binding.

During the first half of 2013 the Remuneration Committee held 2 meetings, while the Control & Risk Committee held 4 meetings. All the 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 formed from among its members a Committee for Transactions with Related Parties, composed of three independent directors.

The Committee for Transactions with Related Parties held no meetings in the first half of 2013.

Supervisory Body

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

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

During the first half of 2013 the Supervisory Body held 6 meetings to perform the functions assigned to it by the «Model».

Lead independent director

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

At the meeting that appointed the company officers, the Board of Directors confirmed Mauro Bini, an independent director, as «Lead independent director».

Director in charge of the internal control and risk management system

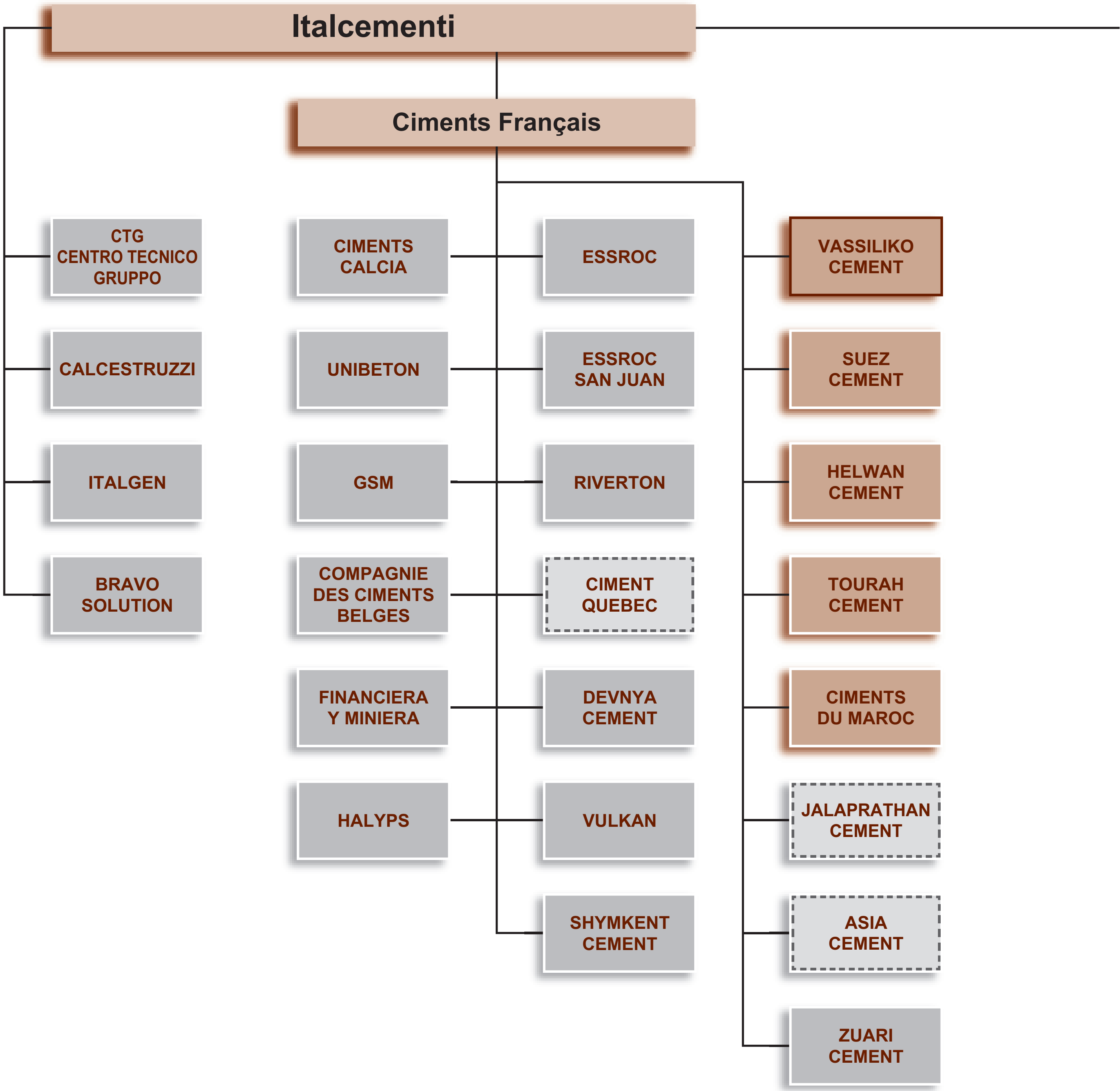
With reference to internal control and risk management, the Code provides that the Board of Directors name a director to take charge of the internal control and risk management system.

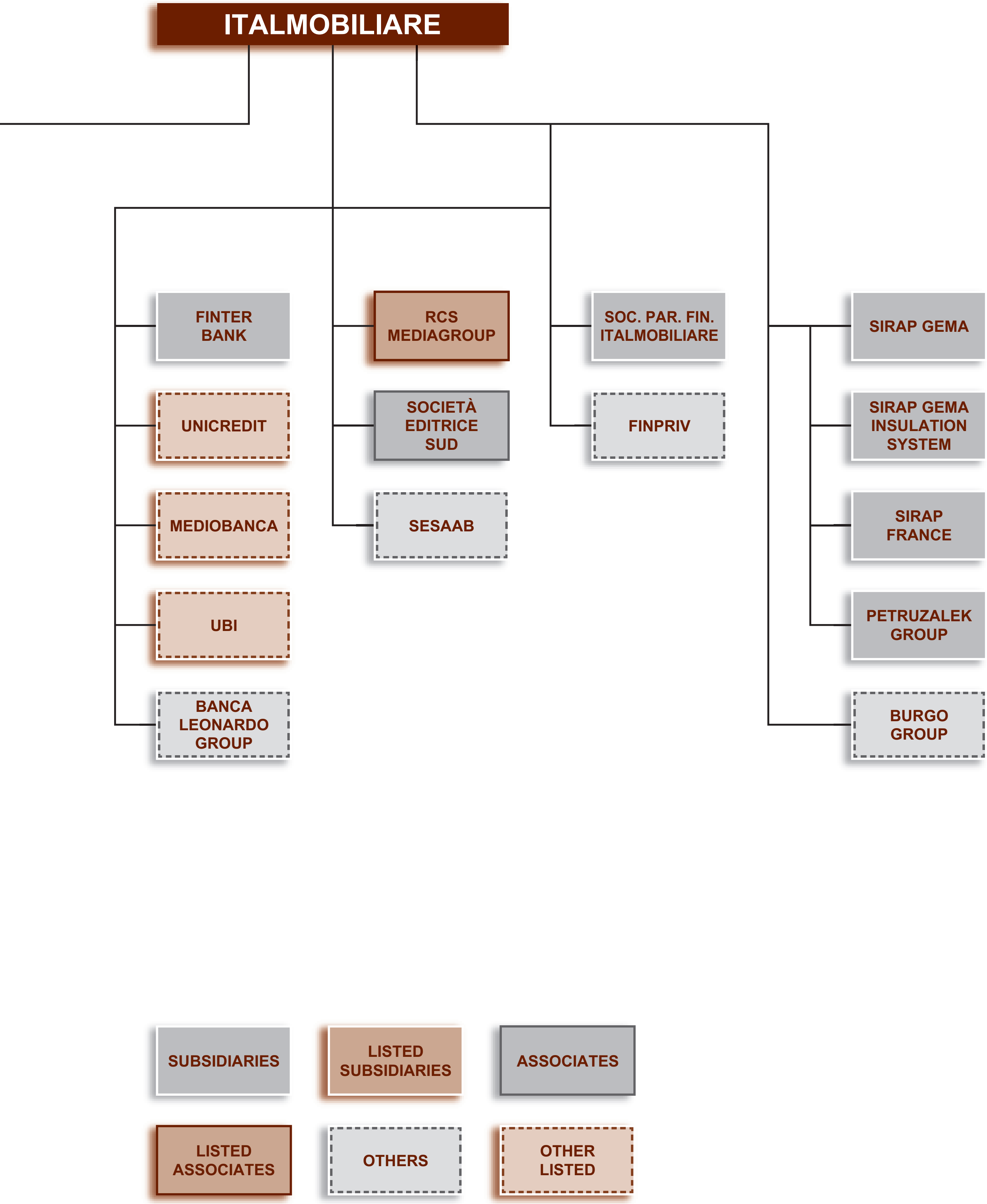
At the meeting when the company officers were appointed, the Board of Directors confirmed the Chairman-Chief Executive Officer, Giampiero Pesenti, as director in charge of the internal control and risk management system.

Manager in charge of preparing the company's financial reports

At its meeting on May 25, 2011, the Board of Directors confirmed Giorgio Moroni as the manager in charge of preparing the company's financial reports pursuant to art. 154-bis of the Consolidated Finance Act [T.U.F.] and art. 29 of the company By-laws.

Structure of the Group
(at June 30, 2013)




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

Group financial highlights

(in millions of euro)	H1, 2013	H1, 2012 (restated)	H1, 2012 (published)
Revenue	2,292.7	2,446.6	2,446.6
Recurring gross operating profit	301.2	339.2	333.8
Gross operating profit	295.7	354.0	348.6
Operating profit	72.6	103.9	98.5
Loss for the period	(89.0)	(50.8)	(51.3)
Loss for the period attributable to owners of parent	(79.1)	(65.6)	(65.8)
Capital expenditure	144.0	197.4	197.4
Employees (headcount)	20,163	20,702	20,702

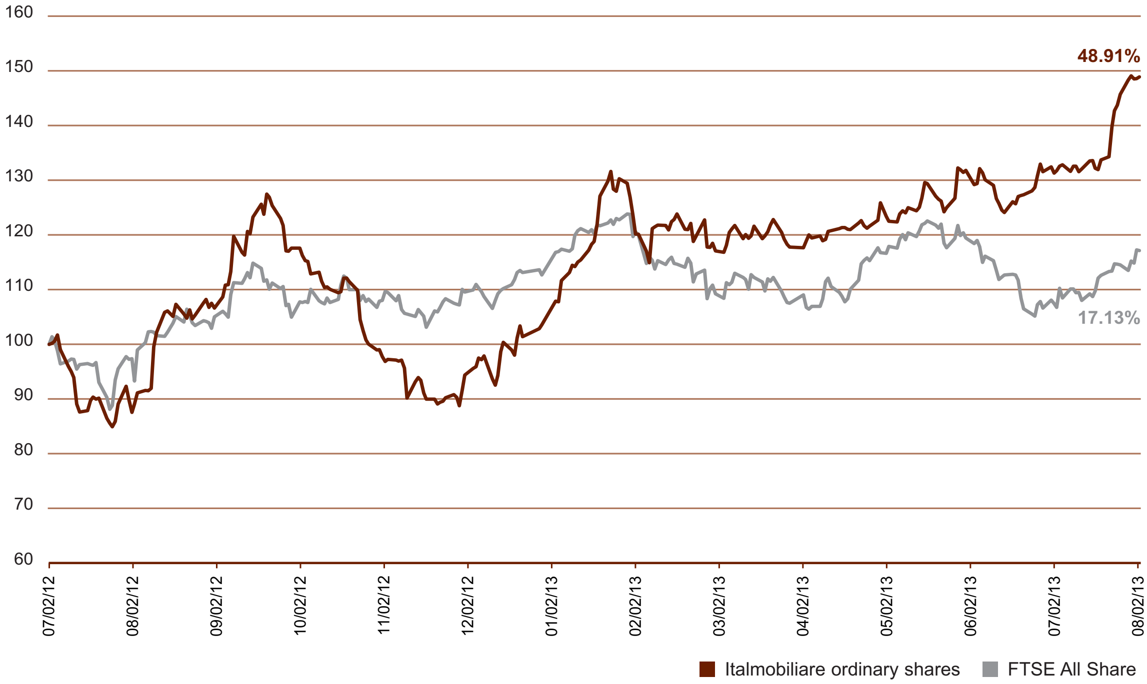
(in millions of euro)	June 30, 2013	December 31, 2012 (restated)	December 31, 2012 (published)
Total equity	4,459.8	4,719.7	4,799.0
Equity attributable to owners of parent	1,672.8	1,786.4	1,815.7
Net financial debt	1,929.7	1,930.5	1,930.5
Net financial debt / Equity	43.27%	40.90%	40.23%
Net financial debt / Recurring gross operating profit	3.14	2.96	3.01
(Diluted) losses per ordinary share	(2.102)	(7.182)	(7.184)
(Diluted) losses per savings share	(2.102)	(7.182)	(7.184)
Equity attributable per share[1]	44.460	47.477	48.256

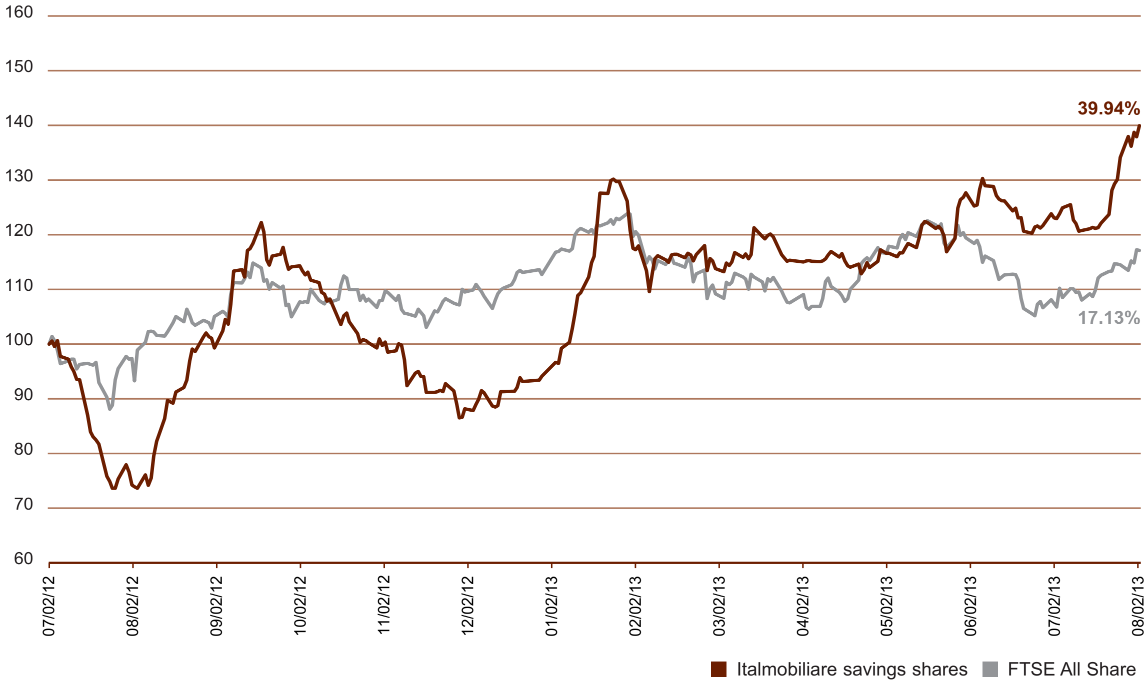
[1] net of treasury shares in portfolio

Italmobiliare S.p.A. on the Stock Exchange

Share prices from 07.02.2012 to 08.02.2013

(euro)	high		low		07.02.2012	08.02.2013	performance
Ordinary shares	18.3885	07.30.2013	10.4732	07.25.2012	12.3351	18.3678	48.91%
Savings shares	11.8591	08.02.2013	6.2398	08.03.2012	8.4742	11.8591	39.94%
FTSE All Share	18,875.35	01.28.2013	13,427.41	07.24.2012	15,241.59	17,853.13	17.13%





Directors’ report

Foreword

The half-year financial report as at and for the six months ended June 30, 2013 has been drawn up in accordance with article 154-ter, paragraphs 2, 3 and 4, of Legislative Decree no. 58 of February 24, 1998, and subsequent amendments.

In accordance with the aforementioned paragraph 3, the condensed interim financial statements are presented in consolidated form.

The changes in accounting policies and interpretations with respect to the financial statements as at and for the year ended December 31, 2012, are set out in detail in the notes. The main change concerns the application, as from January 1, 2013, of the update of IAS 19 "Employee benefits", which, in order to ensure consistency with the previous year, required the re-statement of assets and liabilities as at December 31, 2012, and of income and expense for the first half of 2012.

The presentation of the financial statements has been adapted to comply with the amendments to IAS 1 "Presentation of financial statements", as a result of which the presentation of other comprehensive income has changed. Furthermore, the notes recognize the changes concerning disclosures introduced in IAS 34 "Interim financial reporting".

Information on operations

In the first half of 2013 the world economy benefited from the consolidation of the recovery in the USA, although it was restrained by public spending restrictions as from March and by the expansion in Japan, while growth in the main emerging countries lost vigor, especially in China due to the slowdown in investment demand and the weakness of foreign demand. In the Eurozone, after the downturn in the early months of the year arising from the contraction of investments and the reduction in exports, some mild progress was registered in the second quarter, albeit at low levels, while the peripheral Eurozone economies continued to reflect significant weakness.

In Italy industrial production saw negative results throught six months; specifically there was a notable reduction in investment in construction and, for the first time since 2009, exports fell too, mainly as a result of the decline in demand from the other European Union countries.

After a first quarter that was overall positive, the financial markets saw an increase in volatility due to uncertainty about developments in US monetary policy and uncertainty about world economic growth prospects. Having risen in the first quarter, stock market indices began contracting in May, a downturn recovered in part toward the end of June.

The spread of uncertainty turned into a greater preference for liquidity, widening spreads, downturns in share prices and volatility on exchange rates, which affected even a number of emerging countries; in this regard, within the Group is scope of consolidation, the currencies of Egypt, India and Switzerland were significantly depreciated.

In the second quarter, interest rates rose on 10-year US treasury bonds, although they remained at historically low levels, while the change in Germany and Japan was more contained. The yield spreads on ten-year treasury instruments in the Eurozone compared with the corresponding German instrument decreased in the early months of the year thanks to the general improvement of the financial markets, but began widening again as from mid-May, driven by uncertainly about US monetary policy developments and growing concern about an economic slowdown in China.

In Italy Financial market conditions improved slightly as from the end of March, whereas fresh tension has emerged as from mid-May due to expansionary US monetary policy, pressures on the Chinese interbank market and, more recently, fears of a political crisis in Portugal.

In this context, in the first half of 2013 the Italmobiliare Group posted a **loss for the period** of 89.0 million euro and a **loss attributable to owners of the parent** of 79.1 million euro, compared respectively with a loss for the period of 50.8 million euro and a loss attributable to owners of the parent of 65.6 million euro in the first half of 2012.

Breakdown of consolidated loss by segment

(in millions of euro)	**June 2013**	**% of total**	**June 2012**	**% of total**
Construction materials	(33.3)	*42.2*	(13.5)	*20.6*
Food packaging and thermal insulation	(2.8)	*3.6*	(1.9)	*2.9*
Banking	(2.7)	*3.4*	(5.1)	*7.7*
Finance	(31.9)	*40.4*	(29.9)	*45.6*
Property, services and other	0.2	*(0.3)*	(0.1)	*0.2*
Inter-segment eliminations	(8.6)	*10.7*	(15.1)	*23.0*
Loss for the period attributable to owners of the parent	**(79.1)**	***100.0***	**(65.6)**	***100.0***

The other main results for the six months ended June 30, 2013 were:

- **Revenue**: 2,292.7 million euro (2.446.6 million euro for the six months ended 30, 2012 (-6.3%));
- **Recurring gross operating profit**: 301.2 million euro (339.2 million euro for the six months ended 30, 2012 (-11.2%));
- **Gross operating profit**: 295.7 million euro (354.0 million euro for the six months ended June 30, 2012 (-16.5%));
- **Operating profit**: 72.6 million euro (103.9 million euro for the six months ended June 30, 2012 (-30.2%));
- **Finance income and costs** (including exchange rate differences and derivatives): net finance costs of 47.7 million euro (56.1 million euro for the six months ended June 30, 2012 (-15.1%));
- **Impairment losses on financial assets:** 27.8 million euro (22.2 million euro for the six months ended June 30, 2012 (25.6%));
- **Share of loss of equity-accounted investees:** 20.5 million euro (20.7 million euro for the six months ended June 30, 2012 (-1.1%));
- **Profit (loss) before tax**: a loss of 23.4 million euro compared with profit of 4.9 million euro for the six months ended June 30, 2012 (negative % >100));

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

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

As a result of the changes in equity and net financial debt, the **gearing** ratio (net financial debt / consolidated equity) rose from 40.90% at the end of December 2012 to 43.27% at the end of June 2013.

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

- the **construction materials segment**, consisting of the Italcementi Group (Italmobiliare’s main industrial investment), reflected a slowdown in performance due to the fall in sales volumes and the negative trend in variable costs, but benefited from a positive price effect and significant containment of fixed costs. Revenue, at 2,156.6 million euro, was down 6.2% from the first half of 2012; at constant exchange rates and on a like-for-like basis in scope the reduction was 4.1%. The downturn in operating performance was limited with respect to the downturn in the first quarter and significantly smaller than that of the first half of 2012 excluding income on CO_2 rights sales and the negative exchange-rate effect. Recurring gross operating profit, at 298.6 million euro, was down 10.6% while operating profit, at 77.4 million euro, was down 27.1%. After net finance costs of 45.0 million euro, an improvement from the first half of 2012 (54.2 million euro), impairment losses on financial assets of 8.9 million euro and a loss of 1.9 million euro on equity-accounted investees (profit of 3.9 million euro in the first half of 2012), the Group recognized profit before tax of 21.6 million euro (-61.2%). Income tax was 64.9 million euro, up by 2.8% from the first half of 2012. There was a loss relating to continuing operations of 43.3 million euro, compared with a loss of 7.3 million euro in the year-earlier period. For the period the Group recognized a loss of 43.3 million euro, compared with profit of 1.3 million euro in the first half of 2012, when gains of 8.6 million euro were recognizeddue to the sale of Afyon and Fuping;

- performance in the **food packaging and thermal insulation segment**, consisting of the Sirap Gema group, was characterized by difficult market conditions in terms of demand on the core markets and by high prices for polystyrene raw materials. There was a small recovery in revenue in the food packaging segment (+0.4%) compared with the first half of 2012, despite the weak product demand in the food sector, especially in Western Europe, while thermal insulation revenue was down 3.2% due to the decrease in domestic turnover (-7.9%) as a result of the ongoing crisis in the building construction industry; conversely, exports rose by 4.2%. Overall revenue in the segment amounted to 115.4 million euro, in line with the first half of 2012 (116.1 million euro). Group's is gross operating profit for the first half of the year totaled 6.0 million euro (6.5 million euro in the year-earlier period), while operating profit was down by 0.9 million euro on the first half of 2012 as a result of the on-going international economic crisis, which constricted consumption on the markets of the Group companies, and adverse weather conditions, which had a significant impact on the insulation business performance in the early months of the year. The increase in costs for supply of polystyrene raw materials and high energy costs eroded the economic and financial benefits of the measures introduced to re-organize and reduce costs. After amortization and depreciation (5.3 million euro), finance costs (3.1 million euro) and income tax (0.2 million euro), the segment recognized a loss for the period of 2.8 million euro (a loss of 1.9 million euro in the year-earlier period);
- the **financial segment,** which includes the parent Italmobiliare and Société de Participation Financière Italmobiliare S.A., reflected the slightly positive conditions of the financial markets in the first quarter of 2013, and the downturn in the second quarter caused by the rise of volatility. In this context, the segment recognised a loss for the period of 31.9 million euro compared with a loss of 29.9 million euro in the year-earlier period. The loss arose chiefly due to the contraction in dividends distributed by investees, which were down 35.1% from the first half of 2012, impairment losses of 18.9 million euro and the losses reported by the segment's associates (18.6 million euro). Since the financial segment is owned 100% by the Group, its loss for the period is reflected in full in the loss attributable to owners of the Group;
- the **banking segment** which includes comprises Finter Bank Zürich and Crédit Mobilier de Monaco, recognized a total income of 11.0 million euro in the first half of 2013, down from 15.5 million euro for the six months ended June 30, 2012, largely as a result of the reduction in commission income and the contraction in net trading revenue. The significant reduction in costs for services and personnel expenses (-22.8%) cut the loss for the period to 2.7 million euro compared with a loss of 5.1 million euro in the first half of 2012;
- the **property, services and other segment** is not of great importance within the global context of the Group, and its results are therefore not material**.**

Italmobiliare Net Asset Value (NAV) at June 30, 2013 was 1,081.1 million euro (1,065.8 million euro at March 31, 2013 and 1,075.8 million euro at the end of 2012); a breakdown is set out below:

(in millions of euro)	June 2013	% of total	December 2012	% of total
Construction	583.6	*54.0*	504.5	*46.9*
Banking	233.2	*21.6*	266.5	*24.8*
Publishing	44.2	*4.1*	102.1	*9.5*
Cash and cash equivalents	127.3	*11.8*	115.5	*10.7*
Other	92.8	*8.5*	87.2	*8.1*
Total Net Asset Value	**1,081.1**	***100.0***	**1,075.8**	***100.0***

NAV was computed considering:

- the market price of investments in listed companies at the end of the quarter,
- the value of non-listed companies determined, when possible, on the basis of market multiples or specific valuations or, alternatively, on the basis of equity, determined in accordance with IAS/IFRS, where available, or with local GAAP.
- the increased value of any real estate assets,

taking into account the tax effect.

Key consolidated figures for the six months ended June 30, 2013

(in millions of euro)		H1 2013	H1 2012 re-stated (*)	% change	H1 2012 published
Revenue		**2,292.7**	**2,446.6**	***(6.3)***	**2,446.6**
Recurring gross operating profit		**301.2**	**339.2**	***(11.2)***	**333.8**
% of revenue		*13.1*	*13.9*		*13.6*
Other income (expense)		(5.5)	14.8	*n.s.*	14.8
Gross operating profit		**295.7**	**354.0**	***(16.5)***	**348.6**
% of revenue		*12.9*	*14.5*		*14.2*
Amortization and depreciation		(219.4)	(234.0)	*(6.2)*	(234.0)
Impairment losses on non-current assets		(3.7)	(16.1)	*(77.2)*	(16.1)
Operating profit		**72.6**	**103.9**	***(30.2)***	**98.5**
% of revenue		*3.2*	*4.2*		*4.0*
Net finance costs		(47.7)	(56.1)	*(15.1)*	(51.1)
Impairment losses on financial assets		(27.8)	(22.2)	*25.6*	(22.2)
Share of loss of equity-accounted investees		(20.5)	(20.7)	*(1.1)*	(20.7)
Profit (loss) before tax		**(23.4)**	**4.9**	***n.s.***	**4.5**
% of revenue		*(1.0)*	*0.2*		*0.2*
Income tax expense		(65.6)	(64.3)	*2.0*	(64.2)
Loss relating to continuing operations		**(89.0)**	**(59.4)**	***49.8***	**(59.7)**
Profit relating to discontinued operations		-	8.6	*n.s.*	8.4
Loss for the period		**(89.0)**	**(50.8)**	***75.3***	**(51.3)**
attributable to:	**Owners of the parent**	**(79.1)**	**(65.6)**	***20.5***	**(65.8)**
	Non-controlling interests	(9.9)	14.8	*n.s.*	14.5
Cash flow from operating activities		157.6	27.6	*n.s.*	28.6
Capital expenditure		144.0	197.4	*(27.0)*	197.4
Number of employees at period end		20,163	20,702	*(2.6)*	20,702

n.s.: not significant

(in millions of euro)	June 30, 2013	Dec. 31, 2012 re-stated	Dec. 31, 2012 published
Total equity	4,459.8	4,719.7	4,799.0
Equity attributable to owners of the parent	1,672.8	1,786.4	1,815.7
Net financial debt	1,929.7	1,930.5	1,930.5

(*) re-stated in accordance with IAS 19

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

Gross operating profit corresponds to recurring gross operating profit plus other non-recurring income (expense).

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

Quarterly performance

(in millions of euro)		H1 2013	Q2 2013	Q1 2013
Revenue		**2,292.7**	**1,263.5**	**1,029.2**
% change vs. 2012		*(6.3)*	*(3.5)*	*(9.5)*
Recurring gross operating profit		**301.2**	**210.0**	**91.2**
% change vs. 2012		*(11.2)*	*4.7*	*(34.2)*
% of revenue		*13.1*	*16.6*	*8.9*
Gross operating profit		**295.7**	**203.7**	**92.0**
% change vs. 2012		*(16.5)*	*(1.6)*	*(37.5)*
% of revenue		*12.9*	*16.1*	*8.9*
Amortization and depreciation		(219.4)	(110.9)	(108.6)
Impairment losses/(reversails of impairment losses) on non-current assets		(3.7)	(3.7)	0.1
Operating profit (loss)		**72.6**	**89.1**	**(16.5)**
% change vs. 2012		*(30.2)*	*21.4*	*n.s.*
% of revenue		*3.2*	*7.1*	*(1.6)*
Net finance costs		(47.7)	(27.0)	(20.7)
Impairment losses on financial assets		(27.8)	(27.8)	-
Share of loss of equity-accounted investees		(20.5)	(5.3)	(15.2)
Profit (loss) before tax		**(23.4)**	**29.0**	**(52.4)**
% of revenue		*(1.0)*	*2.3*	*(5.1)*
Income tax expense		(65.6)	(42.1)	(23.5)
Loss for the period		**(89.0)**	**(13.1)**	**(75.9)**
attributable to:	**Owners of the parent**	**(79.1)**	**(30.1)**	**(48.9)**
	Non-controlling interests	(9.9)	17.0	(27.0)

n.s. not significant

The performance of the Group’s is operating segments is affected by seasonality; this generally results in a better performance in the second quarter of the year than in the first. This was confirmed in 2013, while compared with the second quarter of 2012 revenue was down in the construction materials segment, largely due to the reduction in sales volumes in the European countries, North Africa and the Middle East. This reduction was partly counterbalanced by healthy performance in North America. Revenue also decreased on the second quarter of 2012 in the financial and banking segments, as a result of particularly strong pressures on the financial markets in the second quarter of 2013.

Overall operating performance in the second quarter was better in absolute terms than operating performance in the first quarter of 2013 and in the second quarter of 2012, thanks to the performance of the construction materials segment, backed by programs to improve industrial efficiency and by the positive trend in sales prices.

The second quarter was adversely affected by material impairment losses on financial assets of 27.8 million euro, related to write-downs of in the financial segment for 18.9 million euro and of the construction materials segment for 8.9 million euro.

After income tax expense for the quarter of 42.1 million euro, the Group recognized a loss for the quarter of 13.1 million euro (a loss of 12.7 million euro in the second quarter of 2012). The loss attributable to owners of the parent, after profit attributable to non-controlling interests of 17.0 million euro (29.5 million euro in the second quarter of 2012), was 30.1 million euro (a loss of 42.2 million euro in the second quarter of 2012), while the first quarter of 2013 reported a loss of 75.9 million euro, of which 48.9 million euro attributable to owners of the parent.

Revenue and operating performance

Contribution to consolidated revenue

(net of intragroup eliminations)

(in millions of euro)	H1 2013		H1 2012		Change	
Operating segment		%		%	%	%[1]
Construction materials	2,151.6	*93.9*	2,294.9	*93.8*	*(6.2)*	*(4.1)*
Packaging and insulation	115.3	*5.0*	116.0	*4.7*	*(0.7)*	*(0.6)*
Finance	13.3	*0.6*	18.8	*0.8*	*(28.8)*	*(28.8)*
Banking	11.9	*0.5*	16.6	*0.7*	*(28.4)*	*(27.0)*
Property, services and other	0.6	-	0.3	-	*n.s.*	*n.s.*
Total	**2,292.7**	***100.0***	**2,446.6**	***100.0***	***(6.3)***	***(4.3)***
Geographical area						
European Union	1,221.2	*53.3*	1,347.4	*55.0*	*(9.4)*	*(9.4)*
Other European countries	21.1	*0.9*	27.0	*1.1*	*(22.0)*	*(20.6)*
North America	201.6	*8.8*	204.3	*8.3*	*(1.4)*	*(0.1)*
Asia and Middle East	309.9	*13.5*	290.3	*11.9*	*6.8*	*8.8*
Africa	432.7	*18.9*	454.3	*18.6*	*(4.8)*	*3.6*
Trading	71.0	*3.1*	87.6	*3.6*	*(18.8)*	*(16.4)*
Other countries	35.2	*1.5*	35.7	*1.5*	*(1.5)*	*(0.5)*
Total	**2,292.7**	***100.0***	**2,446.6**	***100.0***	***(6.3)***	***(4.3)***

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

n.s. not significant

Revenue and operating performance by segment and geographical area

(in millions of euro)	Revenue		Recurring gross operating profit (loss)		Gross operating profit (loss)		Operating profit (loss)	
	H1 2013	**% change vs. H1 2012**	**H1 2013**	**% change vs. H1 2012**	**H1 2013**	**% change vs. H1 2012**	**H1 2013**	**% change vs. H1 2012**
Operating segment								
Construction materials	2,156.6	*(6.2)*	298.6	*(10.6)*	293.6	*(16.0)*	77.4	*(27.1)*
Packaging and insulation	115.4	*(0.5)*	6.6	*(3.7)*	6.0	*(6.5)*	0.5	*(65.3)*
Finance	25.5	*(32.3)*	6.3	*(64.7)*	6.2	*(64.5)*	6.0	*(65.1)*
Banking	12.3	*(28.1)*	(1.5)	*(59.1)*	(1.4)	*(58.8)*	(2.7)	*(47.1)*
Property, services, other	1.1	*37.5*	0.3	*n.s.*	0.3	*n.s.*	0.3	*n.s.*
Inter-segment eliminations	(18.2)	*(26.3)*	(9.1)	*(42.7)*	(9.0)	*(42.7)*	(8.9)	*(42.8)*
Total	**2,292.7**	***(6.3)***	**301.2**	***(11.2)***	**295.7**	***(16.5)***	**72.6**	***(30.2)***
Geographical area								
European Union	1,270.8	*(9.1)*	125.7	*(15.3)*	116.1	*(28.5)*	6.7	*(76.9)*
Other European countries	21.5	*(21.8)*	(1.3)	*(59.6)*	(1.3)	*(59.3)*	(2.6)	*(46.1)*
North America	201.8	*(1.4)*	7.3	*(17.0)*	8.1	*(8.5)*	(24.7)	*1.1*
Asia and Middle East	309.9	*6.8*	42.4	*(4.3)*	43.2	*(2.5)*	15.6	*(16.9)*
Africa	442.2	*(7.2)*	138.5	*(4.6)*	142.3	*(2.2)*	96.0	*2.1*
Trading	95.8	*(14.2)*	3.7	*(24.7)*	3.7	*(25.0)*	1.4	*(60.8)*
Other countries	160.7	*(9.0)*	(15.1)	*66.3*	(16.4)	*88.7*	(19.8)	*64.2*
Inter-area eliminations	(210.0)	*(12.1)*	-	-	-	-	-	-
Total	**2,292.7**	***(6.3)***	**301.2**	***(11.2)***	**295.7**	***(16.5)***	**72.6**	***(30.2)***

n.s. not significant

The fall in **revenue** of 6.3% compared with the first half of 2012 was the result of the following factors:

- decline in business performance by 4.3%;
- negative exchange-rate effect of 2.0% largely caused by the depreciation of the Egyptian pound, the Indian rupee and the Swiss franc against the euro.

The decline in business performance was seen in all Group segments, while the negative consolidation effect largely referred to the construction materials segment.

Revenue by geographical area, net of inter-segment eliminations, showed a decline in the European countries, while at constant exchange rates progress was reported by the emerging countries, especially in Asia, where construction growth was supported by healthy economic fundamentals. In absolute terms, the EU countries as a whole were the largest contributor to revenue.

Recurring gross operating profit at 301.2 million euro was down 38.0 million euro from the first half of 2012 (339.2 million euro). This negative trend arose from all segments, notably construction materials due to the fall in sales volumes and a negative dynamic in variable costs, as well as in the financial and banking segments due to lower finance income in the first half compared with the year-earlier period.

At constant exchange rates, reductions were reported by the European countries, notably Italy and Bulgaria, and Morocco among African countries, whereas growth was reported in Egypt and Thailand. In the food packaging segment, a positive contribution came from the European countries, (growth percentage: +14.0%).

After net non-recurring expense of 5.5 million euro (income of 14.8 million euro in the first half of 2012), relating mainly to the construction materials segment for restructuring expense net of gains from the sale of assets, **gross operating profit** was down 58.3 million euro (from 354.0 million euro in the first half of 2012 to 295.7 million euro).

After a decrease of 6.2% in amortization and depreciation (219.4 million euro from 234.0 million euro in the first six months of 2012), and impairment losses on non-current assets of 3.7 million euro (16.1 million euro in the first half of 2012), **operating profit** was 72.6 million euro, a reduction of 30.2% from the year-earlier period.

Overall operating performance in the first half was down in all Group operating segments, in particular in the financial segment, which in 2012 reported a particularly strong performance on the bond market, and in the banking segment; in absolute terms the largest downturn was in construction materials.

Finance costs and other items

Net finance costs decreased by 8.4 million euro, from 56.1 million euro in the first half of 2012 to 47.7 million euro in the first half of 2013. Interest expense on net financial debt rose by 9.9% to 48.6 million euro, while exchange-rate differences and net gains on hedging derivatives showed a gain of 13.5 million euro (a gain of 1.7 million euro in the first half of 2012). Net income from equity investments decreased.

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

Impairment losses on financial assets amounted to 27.8 million euro (22.2 million euro in the first half of 2012); they included losses of 8.9 million euro in the construction materials segment on the equity investment in the Al Badia company in Syria, and 18.9 million euro in the financial segment. The latter adjustment consisted largely of the impairment loss on the equity investment in Mittel after the exchange organized by Mittel S.p.A. on treasury shares. Italmobiliare adhered to this transaction tendering all shares held in Mittel in exchange for an equal number of Mittel S.p.A. 2013 – 2019 bonds, with a fixed rate of 6%. This transaction, completed in early July 2013, led to the adjustment of the carrying amount of the investment to the consideration for the bonds received.

The **share of loss of equity-accounted investees** reflected a loss of 20.5 million euro (a loss of 20.7 million euro in 2012). The figure arose from the losses reported by associates in the financial segment (18.6 million euro) and in the construction materials segment (1.9 million euro). Specifically, there was a loss of 17.1 million euro at the associate RCS Mediagroup S.p.A., equal to the share of the loss reported by the publishing group attributable to Italmobiliare S.p.A..

Loss for the year

The Group recognized a **loss before tax** of 23.4 million euro for the first half of 2013 (profit of 4.9 million euro in the year-earlier period).

After income tax expense of 65.6 million euro (64.3 million euro in the first half of 2012), the Group recognized a **loss for the period** of 89.0 million euro (loss of 50.8 million euro in the year-earlier period); after a loss attributable to non-controlling interests of 9.9 million euro (profit of 14.8 million euro for the first half of 2012), the **loss attributable to owners of the parent** was 79.1 million euro (loss of 65.6 million euro in the year-earlier period).

Total comprehensive expense

In the first half of 2013, other comprehensive expense amounted to 88.9 million euro (income of 3.5 million euro in 2012) arising from the following positive factors:

- fair value gains on cash flow hedging for 18.1 million euro,
- the reduction in the net liability for employee benefits for 16.4 million euro,

and the following negative factors:

- translation losses of 103.1 million euro,
- fair value losses on available-for-sale financial assets of 22.0 million euro,

and the related positive tax effect of 1.7 million euro.

Considering the loss for the period of 89.0 million euro, described in the previous section, and the items described above, total comprehensive expense in the first half of 2013 totaled 177.9 million euro (expense of 99.7 million euro attributable to owners of the parent and expense of 78.2 million euro attributable to non-controlling interests), compared with total comprehensive expense of 47.3 million euro in the first half of 2012 (expense of 86.6 million euro attributable to owners of the parent and income of 39.3 million euro attributable to non-controlling interests).

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

Condensed statement of financial position

(in millions of euro)	June 30, 2013	December 31, 2012
Property, plant and equipment and investment property	4,096.6	4,255.1
Intangible assets	1,705.3	1,751.9
Other non-current assets	817.8	980.5
Non-current assets	**6,619.7**	**6,987.5**
Current assets	**3,215.2**	**3,432.3**
Non-current assets held for sale	17.4	2.1
Total assets	**9,852.3**	**10,421.9**
Equity attributable to owners of the parent	1,672.8	1,786.4
Non-controlling interests	2,787.0	2,933.3
Total equity	**4,459.8**	**4,719.7**
Non-current liabilities	3,088.6	3,018.0
Current liabilities	2,303.8	2,683.9
Total liabilities	**5,392.4**	**5,701.9**
Liabilities associated with non-current assets held for sale	**0.1**	**0.3**
Total equity and liabilities	**9,852.3**	**10,421.9**

Equity

Total equity at June 30, 2013, amounted to 4,459.8 million euro, and decreased by 259.9 million euro on December 31, 2012; the decrease, was due to the reduction in equity attributable to owners of the parent (113.5 million euro) and to the reduction in equity attributable to non-controlling interests (146.4 million euro). The overall change arose from,

the following positive factors:

- actuarial gains on defined benefit plans of 16.4 million euro;

and, the following negative factors:

- the loss for the period of 89.0 million euro;
- dividends declared for 67.0 million euro;
- the change in the translation reserve of 103.1 million euro as a result of the depreciation of other currencies against the euro;
- the change in the fair value reserve on equity investments and derivatives for 2.2 million euro;
- the change in the scope of consolidation and other minor reserves for 15.0 million euro.

At June 30, 2013, 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); there were no changes with respect to the situation at December 31, 2012.

Net financial debt

At June 30, 2013 **net financial debt** of 1,929.7 million euro was in line with the figure at December 31, 2012 (1,930.5 million euro).

With cash flows from operating activities of 157.6 million euro (27.6 million euro in the first half of 2012) and gains from the sale of non-current assets of 28.7 million euro (44.3 million euro in the first half of 2012), capital expenditure amounted to 144.0 million euro relating almost entirely to property, plant and equipment, investment property and intangible assets and to dividends paid for 44.8 million euro (85.5 million euro in the first half of 2012).

Breakdown of net financial debt

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

Financial ratios

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

[1] 12-month rolling basis

Condensed statement of cash flows

(in millions of euro)	H1 2013	H1 2012
Net financial debt at beginning of period	**(1,930.5)**	**(2,039.6)**
Cash flow from operating activities	157.6	27.6
Capital expenditure:		
PPE, investment property and intangible assets	*(142.2)*	*(183.0)*
Non-current financial assets	*(1.8)*	*(14.4)*
Capital expenditure	**(144.0)**	**(197.4)**
Gains on sale of non-current assets	28.7	44.3
Dividends paid	(44.8)	(85.5)
Cash flow relating to discontinued operations	-	44.6
Other	3.3	(19.4)
Change in net financial debt	0.8	(185.8)
Net financial debt at end of period	**(1,929.7)**	**(2,225.4)**

Capital expenditure

(in millions of euro)	Investments in Non-current financial assets		Investments in PPE and investment property		Investments in Intangible assets	
	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012
Operating segment						
Construction materials	1.8	0.4	124.1	128.8	4.7	5.6
Packaging and insulation	-	1.2	3.1	3.8	0.1	0.4
Finance	-	13.6	-	0.1	-	-
Banking	-	-	-	0.2	-	-
Property, services and other	-		-	-	-	-
Inter-segment eliminations	-		-	-	-	-
Total	**1.8**	**15.2**	**127.2**	**132.9**	**4.8**	**6.0**
Change in payables for capital expenditure	-	(0.8)	10.2	44.1	-	-
Total capital expenditure	**1.8**	**14.4**	**137.4**	**177.0**	**4.8**	**6.0**
Geographical area						
European Union	1.2	15.2	72.0	83.9	2.1	3.2
Other European countries	-	-	-	0.1	-	-
North America	-	-	10.2	9.2	0.1	-
Asia and Middle East	-	-	24.1	23.6	-	-
Africa	0.6	-	18.0	14.1	0.2	-
Trading	-	-	2.4	1.6	0.1	0.4
Other countries	-	-	0.5	0.4	2.3	2.4
Total	**1.8**	**15.2**	**127.2**	**132.9**	**4.8**	**6.0**
Change in payables for capital expenditure	-	(0.8)	10.2	44.1	-	-
Total capital expenditure	**1.8**	**14.4**	**137.4**	**177.0**	**4.8**	**6.0**

Investments in property, plant and equipment, investment property and intangible assets, referring for the most part to the construction materials segment, and, to a much smaller degree, to food packaging and thermal insulation segment, amounted to 142.2 million euro, down by 40.8 million euro compared with the first half of 2012 (183.0 million euro).

Investments in non-current financial assets amounted to 1.8 million euro (14.4 million euro in the first half of 2012), and related to the construction materials segment.

Construction materials segment

This segment constitutes Italmobiliare Group's industrial core business. It comprises Italcementi Group's activities relating to cement, ready mixed concrete and aggregates.

(in millions of euro)		H1 2013	H1 2012 re-stated	% change	H1 2012 published
Revenue		**2,156.6**	**2,299.8**	***(6.2)***	**2,299.8**
Recurring gross operating profit		**298.6**	**334.1**	***(10.6)***	**328.7**
% of revenue		*13.8*	*14.5*		*14.3*
Other income (expense)		(5.0)	15.3	*n.s.*	15.3
Gross operating profit		**293.6**	**349.4**	***(16.0)***	**344.0**
% of revenue		*13.6*	*15.2*		*15.0*
Amortization and depreciation		(212.7)	(227.2)	*(6.4)*	(227.2)
Impairment losses on non-current assets		(3.5)	(16.2)		(16.2)
Operating profit		**77.4**	**106.1**	***(27.1)***	**100.6**
% of revenue		*3.6*	*4.6*		*4.4*
Net finance costs		(45.0)	(54.2)	*(17.1)*	(49.2)
Impairment losses on financial assets		(8.9)	-	*n.s.*	-
Share of profit (loss) of equity-accounted investees		(1.9)	3.9	*n.s.*	3.9
Profit before tax		**21.6**	**55.8**	***(61.2)***	**55.4**
% of revenue		*1.0*	*2.4*		*2.4*
Income tax expense		(64.9)	(63.1)	*2.8*	(63.0)
Loss relating to continuing operations		**(43.3)**	**(7.3)**	***>100***	**(7.6)**
Profit relating to discontinued operations		-	8.6	*n.s.*	8.4
Profit (loss) for the period		**(43.3)**	**1.3**	***n.s.***	**0.8**
attributable to:	**Owners of the parent ***	**(85.1)**	**(37.0)**	***>100***	**(37.4)**
	Non-controlling interests	41.8	38.3	*9.1*	38.2
Cash flow from operating activities		171.4	41.3	*>100*	41.3
Capital expenditure		140.9	178.8	*(21.2)*	178.8
Number of employees at period end		18,714	19,167	*(2.4)*	19,167

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

(in millions of euro)	June 30, 2013	Dec. 31, 2012 re-stated	Dec. 31, 2012 published
Total equity	3,958.8	4,164.7	4,239.8
Equity attributable to owners of the parent *	2,764.0	2,903.0	2,966.7
Net financial debt	2,000.7	1,998.3	1,998.3

* Italcementi S.p.A.

The cyclical positions in the construction sector showed only negligible changes in the first half of the year: they continued to be depressed in the Eurozone, made a slight recovery in North America, and continued to expand overall in the Group's is emerging area.

Revenue reflected the fall in sales volumes, which in a number of geographical areas were penalized by bad weather conditions in March, whose impact was nonetheless mitigated by an overall positive trend in sales prices.

In addition to the fall in sales volumes, a key factor in operating performance was the negative trend in variable costs, especially in the first quarter; a positive price effect and significant containment of fixed costs had a positive impact.

Quarterly performance

(in millions of euro)	H1 2013	Q2 2013	Q1 2013
Revenue	**2,156.6**	**1,191.8**	**964.8**
% change vs. 2012	*(6.2)*	*(3.6)*	*(9.3)*
Recurring gross operating profit	**298.6**	**210.1**	**88.5**
% change vs. 2012	*(10.6)*	*3.7*	*(32.7)*
% of revenue	*13.8*	*17.6*	*9.2*
Gross operating profit	**293.6**	**204.9**	**88.7**
% change vs. 2012	*(16.0)*	*(2.0)*	*(36.8)*
% of revenue	*13.6*	*17.2*	*9.2*
Operating profit (loss)	**77.4**	**93.9**	**(16.5)**
% change vs. 2012	*(27.1)*	*19.1*	*n.s.*
% of revenue	*3.6*	*7.9*	*(1.7)*
Profit (loss) relating to continuing operations	**(43.3)**	**15.2**	**(58.5)**
Profit (loss) for the period	**(43.3)**	**15.2**	**(58.5)**
Loss attributable to owners of the parent	**(85.1)**	**(6.9)**	**(78.2)**
Net financial debt (at period end)	2,000.7	2,000.7	2,105.9

n.s. not significant

In the second quarter the Group reported a significant attenuation of in the decline in sales volumes in Central Western Europe and Emerging Europe, North Africa and Middle East; there was an increase in North America and in Trading activities, while performance in Asia was steady, although sales fell in India. Sales prices were positive overall, largely as a result of the dynamic in Egypt aimed at offsetting the sharp rise in the cost of energy. Operating performance recovered on the year-earlier period thanks to greater efficiency and a consequent reduction in fixed costs, and also to the positive trend in sales prices, which more than counterbalanced the negative volume effect and the increase in some variable costs. At a general level, performance was more favorable in the second quarter than in the first, when many countries were affected by particularly poor weather conditions.

In **cement and clinker**, Central Western Europe curbed the fall in sales volumes, above all thanks to the contained decrease in France-Belgium and the recovery in Spain. A smaller decline was also reported in Emerging Europe, North Africa and Middle East, with strong growth in Bulgaria and Kuwait. Performance was positive in North America.

In **aggregates**, thanks to the stability of Central Western Europe (supported by growth in France-Belgium) and the sharp improvement in Morocco, sales were up on the year-earlier period.

In **ready mixed concrete**, the modest decline with respect to the year-earlier period was due to the containment of the reduction in Central Western Europe and the increase reported in all countries in Emerging Europe, North Africa and Middle East and Asia.

Revenue in the second quarter of 2013 amounted to 1,191.8 million euro, a reduction of 3.6% (-1.3% at constant exchange rates, in the absence of a consolidation effect) compared with the second quarter of 2012, due to the albeit slower business downturn in Central Western Europe and, marginally, in Trading. The countries that made the largest contributions were Thailand, Egypt and North America.

Recurring gross operating profit, at 210.1 million euro, was up 3.7% from the year-earlier period, while the improvement in **operating profit** to 93.9 million euro, was 19.1%.

Operating performance benefited from an overall favorable trend in sales prices, which more than made up for the effect of the decrease in sales volumes and rise in some variable costs. A significant contribution came from the restructuring and re-organization plans, which led to a material reduction in fixed costs. At operating profit level, the improvement was also supported by lower amortization and depreciation and lower impairment on non-current assets.

At constant exchange rates, the largest increases in recurring gross operating profit were reported in France-Belgium, Italy, Thailand and Egypt; the largest reductions were in India and Bulgaria.

Half-year performance in the construction materials segment

Sales volumes and internal transfers

	H1 2013[1]	% change on H1 2012	
		historic	like-for-like basis
Cement and clinker *(millions of metric tons)*	21.8	*(7.1)*	*(7.1)*
Aggregates [2] *(millilons of metric tons)*	16.4	*(4.7)*	*(4.7)*
Ready mixed concrete *(millions of m^3)*	6.3	*(4.9)*	*(4.9)*

[1] amounts refer to companies consolidated on a line for like basis in scope and pro quota, to companies consolidated on a proportionate basis

[2] excluding decreases for processing

In **cement and clinker**, sales volumes in the first half were affected by the sharp fall in March as a result of bad weather in Europe, North America and part of North Africa. The reduction arose in Central Western Europe, with the largest decrease in Italy, in Emerging Europe, North Africa and Middle East, specifically Egypt and Morocco, and in Trading. Performance was positive in Asia, with all countries reporting progress, and in North America, which reported a small increase.

In **aggregates**, the downturn caused by performance in Central Western Europe, offset only in part by strong growth in Morocco, was contained by the progress made in the second quarter.

In **ready mixed concrete**, the contraction in Central Western Europe (kept at a lower level in the second quarter) drove a fall in sales volumes for the segment as a whole, offset in part by healthy performance in Emerging Europe, North Africa and Middle East (Egypt and Morocco) and Asia.

Revenue, at 2,156,6 million euro (2,299.8 million euro in the first half of 2012), was down 6.2% from the year-earlier period, due to slower business performance (-4.1%) and a negative exchange rate effect (-2.1%); there was no consolidation effect.

The revenue decline reflected the fall in sales volumes and at country level referred to Central Western Europe (especially Italy), while at constant exchange rates, North America reported substantial stability and progress was achieved in the emerging countries with the exceptions of India and Morocco.

The negative exchange-rate effect was largely due to the depreciation of the Egyptian pound and the Indian rupee against the euro.

Recurring gross operating profit was 298.6 million euro, down 10.6% from the first half of 2012. After net non-recurring expense of 5.0 million euro, arising from restructuring expense net of gains on sale of non-current assets, **gross operating profit** was 293.6 million euro with a reduction of 16.0% from the first half of 2012. **Operating profit** was 77.4 million euro, down 27.1% from the year-earlier period.

The reduction in recurring gross operating profit was due to the decrease in income from CO_2 emission rights and white certificates compared with the first half of 2012, and also to the negative exchange rate effect. Excluding these effects, recurring gross operating profit for the first half would have been substantially in line with the first half of 2012 (-1.5%), thanks to the strong recovery in efficiency and margins.

At constant exchange rates, the most significant progress in recurring gross operating profit was in Egypt and Thailand; the largest reductions were in Italy, India, Bulgaria and Morocco.

Finance costs net of finance income amounted to 45.0 million euro, down by 17.1% from the first half of 2012 (54.2 million euro). Given the stability in net expense on net financial debt, the difference arose largely from gains on exchange rates and derivatives for hedges; there was a decrease on net income on equity investments.

Impairment losses on financial assets totaled 8.9 million euro and referred to the impairment loss on the equity investment in the Al Badia company in Syria; there were no impairment losses on equity investments in the first half of 2012.

The **share of profit (loss) of equity-accounted investees** reflected a loss of 1.9 million euro (profit of 3.9 million euro in the first half of 2012), reflecting the impact of the fall in the value of the equity held in Vassiliko C. Co.

Profit before tax was 21.6 million euro (55.8 million euro in the first half of 2012). Income tax expense was 64.9 million euro, up by 2.8% from the year-earlier period (63.1 million euro).

The **loss relating to continuing operations** was 43.3 million euro compared with a loss of 7.3 million euro in the first half of 2012.

The **loss for the period** was 43.3 million euro (profit of 1.3 million euro in the first half of 2012) with a loss **attributable to owners of the parent** of 85.1 million euro (loss of 37.0 million euro in the first half of 2012) and profit attributable to non-controlling interests of 41.8 million euro (profit of 38.3 million euro in the first half of 2012).

In the first half of 2013, **capital expenditure** amounted to 140.9 million euro (178.8 million euro in the first half of 2012).

Investments in property, plant and equipment, investment property and intangible assets totaled 139.1 million euro (178.5 million euro in the first half of 2012), and were chiefly in France-Belgium, Italy and Bulgaria.

Investments for the structural improvement of the Group's industrial operations and operating efficiency accounted for a significant proportion (48%) of total expenditure.

Net financial debt at June 30, 2013, stood at 2,000.7 million euro, in line with the figure at December 31, 2012 (1,998.3 million euro), but down by 105.2 million euro from March 31, 2013 and by 282.8 million euro from June 30, 2012.

With cash flows from operating activities of 171.4 million euro (41.3 million euro in the first half of 2012), capital expenditure was 140.9 million euro (178.8 million euro in the first half of 2012), relating almost entirely to property, plant and equipment and dividends paid for 52.9 million euro (100.0 million euro in the year-earlier period).

Total equity at June 30, 2013 was 3,958.8 million euro, down by 205.9 million euro from December 31, 2012 (4,164.7 million euro). Of the decrease, 138.9 million euro was attributable to owners of the parent and 67.0 million euro to non-controlling interests.

The overall decrease arose from the loss for the period of 43.3 million euro, translation losses of 110.5 million euro and dividends paid for 75.1 million euro. The main increases were fair value gains on derivatives of 18.1 million euro and actuarial gains on defined benefit plans of 15.8 million euro. The changes are analyzed in the "Consolidated statement of changes in equity".

At June 30, 2013, Italcementi S.p.A. held 3,793,029 ordinary treasury shares, representing 2.14% of ordinary share capital and 105,500 savings treasury shares (0.1% of savings share capital); there were no changes in treasury shares with respect to December 31, 2012.

Significant events in the period

In February Italcementi placed a 5-year fixed-rate bond on the European market for a nominal amount of 350 million euro, under its Euro Medium-Term Note Program. The loan, issued by Italcementi Finance S.A. and guaranteed by Italcementi S.p.A., is listed on the Luxembourg Stock Exchange and matures on February 21, 2018.

In May, the issue described above was re-opened and bonds for an additional nominal amount of 150 million euro were placed on the European market. The loan, issued by Italcementi Finance S.A. and guaranteed by Italcementi S.p.A., was priced at 108.261 for a yield to maturity of 4.169%, corresponding to 340 basis points above the reference swap rate and more than 2% below the yield offered in February. The bonds, listed on the Luxembourg Stock Exchange, have a Ba2 Moody's rating and BB+ Standard and Poor's rating, and are reserved exclusively for accredited investors with a minimum investment of 100,000 euro. The settlement date for the issue was May 21.

At the end of May, the Standard and Poor's rating agency confirmed the Italcementi BB+ long-term rating and B short-term rating, with the outlook passing from stable to negative. An identical measure was adopted for the subsidiary Ciments Français.

Performance by geographical area

(in millions of euro)	Revenue		Recurring gross operating profit (loss)		Gross operating profit (loss)		Operating profit (loss)	
	H1 2013	% change vs. H1 2012	H1 2013	% change vs. H1 2012	H1 2013	% change vs. H1 2012	H1 2013	% change vs. H1 2012
Geographical area								
Central Western Europe	1,124.2	*(10.2)*	117.7	*(8.9)*	108.5	*(24.5)*	6.6	*(66.2)*
North America	201.8	*(1.4)*	7.3	*(17.0)*	8.1	*(8.5)*	(24.7)	*(1.1)*
Emerging Europe, North Africa and Middle East	504.9	*(5.3)*	145.3	*(8.4)*	149.5	*(5.9)*	99.3	*(2.1)*
Asia	277.8	*7.4*	39.6	*(4.9)*	40.2	*(3.5)*	14.6	*(18.8)*
Cement and clinker trading	95.8	*(14.2)*	3.7	*(24.7)*	3.7	*(25.0)*	1.4	*(60.8)*
Others	160.8	*(9.0)*	(15.0)	*(79.5)*	(16.3)	*(>100)*	(19.8)	*72.1*
Eliminations	(208.6)	*n.s.*	-	*n.s.*	(0.1)	*n.s.*	-	*n.s.*
Total	**2,156.6**	***(6.2)***	**298.6**	***(10.6)***	**293.6**	***(16.0)***	**77.4**	***(27.1)***

n.s. not significant

The construction industry remained depressed in Central Western Europe, with the downturn continuing at a rapid pace in Italy, Spain and Greece, while signs of a weakening in the economic situation emerged in France and Belgium.

In the USA the rate of recovery continued to be subject to the restrictions on public budgets at all levels and there was stagnation on the markets on which Essroc operates.

In the emerging area, the divergences widened between the countries in North Africa, Morocco and Egypt and those in Asia, primarily India and Thailand. Among the former, there was a downturn in business levels due both to the uncertain political situation and to signs of weakness in the general domestic economic situation. Specifically, Egypt, which is tackling problems of inflation, a growing public deficit and depletion of currency reserves, could show some indications of stabilization over the coming months, given the massive financial aid a number of Persian Gulf countries have been ready to provide.

In Asia, growth in the construction industry still appears to have strong support from the region's healthy economic fundamentals.

E-business

In the first half of 2013, despite continuing national and international economic difficulties, the BravoSolution Group reported higher revenue and stronger operating performance. Consolidated revenue for the first half amounted to 30.4 million euro (+3.0%); gross operating profit was 3.1 million euro (2.0 million euro in the first half of 2012), and the group recognized operating profit of 0.6 million euro (an operating loss of 0.1 million euro in the first half of 2012).

Disputes and pending proceedings

Europe

No developments took place in the investigation begun in November 2008 by the European Commission into some cement producers including Italcementi S.p.A. and the subsidiaries Ciments Français S.A,. Ciments Calcia S.A., Compagnie des Ciments Belges (CCB) S.A. and, indirectly with notification to Italmobiliare S.p.A., Societad Financiera Y Minera S.A.. Both the investigation and the proceedings are still underway.

Belgium

No developments took place in the investigation begun in 2009 by the local Antitrust Authority into some cement producers, including CCB, of the national industry association and the national technical certification body. A decision is expected by the end of the current year.

Italy

Regarding the "Ready mixed concrete market in the Province of Milan" proceeding begun in 2003 by the Competition and Market Authority, on July 7, 2009, the *Consiglio di Stato*, the appellate body for rulings issued by the regional administrative courts, upheld in part the appeal filed by Calcestruzzi, confirming the lesser gravity of the alleged infraction and also reducing its duration (this also affected the laws applicable in determining the fine). In June 2013 the Authority notified Calcestruzzi of its decision to open a procedure for the re-determination of the amount of the fine.

Kazakhstan

In May 2013 the local Antitrust Authority notified Shymkent Cement that an investigation had begun to ascertain possible unfair trading practices with regard to sales prices. The company has been asked to provide administrative and commercial documentation. The investigation is expected to be completed shortly.

Turkey/Russia

As regards the dispute begun by Sibconcord against Ciments Français for the missed agreement of 2008 for the sale of the Group's Turkish operations (Set Group) to its subsidiary Sibcem, on July 10 the court of Kemerovo (Russia) issued a ruling in favor of Ciments Français and clearly stated that the loss of 50 million euro by Sibcem was solely due to the appellant's failure to comply with the agreements.

Outlook

Operating results in the second half of the year should be in line with those of the second half of 2012, thanks to the expected improvement in market conditions in some countries and to the effects of the efficiency plans introduced throughout the Group, with a specific focus on cutting costs in Italy and Spain. Nevertheless, 2013 full-year operating profit will reflect the negative impact of the performance reported in the first quarter of the year. Uncertainty remains over trends in the second half on some markets, including Egypt. Group net financial debt, which showed a significant improvement in the first half, is expected to rise slightly as strategic projects are rolled out in Italy and Bulgaria.

Food packaging and thermal insulation segment

The Group operates in the food packaging and thermal insulation segment through Sirap Gema S.p.A. and its subsidiaries.

(in millions of euro)		H1 2013	H1 2012	% change
Revenue		**115.4**	**116.1**	***(0.5)***
Recurring gross operating profit		**6.6**	**6.8**	***(3.7)***
% of revenue		*5.7*	*5.9*	
Other expense		(0.6)	(0.3)	*49.4*
Gross operating profit		**6.0**	**6.5**	***(6.5)***
% of revenue		*5.2*	*5.6*	
Amortization and depreciation		(5.3)	(5.2)	*4.0*
Impairment losses/(reversals of impairment losses) on non-current assets		(0.2)	0.1	*n.s.*
Operating profit		**0.5**	**1.4**	***(65.3)***
% of revenue		*0.4*	*1.2*	
Net finance costs		(3.1)	(2.5)	*24.3*
Loss before tax		**(2.6)**	**(1.1)**	***n.s.***
% of revenue		*(2.3)*	*(0.9)*	
Income tax expense		(0.2)	(0.8)	*(71.6)*
Loss for the period		**(2.8)**	**(1.9)**	***50.7***
attributable to:	**Owners of the parent**	**(2.8)**	**(1.9)**	***50.0***
	Non-controlling interests	n.s.	n.s.	*n.s.*
Capital expenditure		3.1	4.2	*(25.7)*
Number of employees at period end		1,291	1,346	*(4.1)*

n.s. not significant

(in millions of euro)	June 30, 2013	Dec. 31, 2012 re-stated	Dec. 31, 2012 published
Total equity	3.2	1.6	2.6
Equity attributable to owners of the parent	2.8	1.2	2.2
Net financial debt	131.9	127.2	127.2

The first half continued to be characterized by the complex and uncertain economic situation, which contained consumption and weakened demand. The upward trend in prices for polystyrene raw materials that began in the second half of 2012 continued, with prices significantly higher than average prices in the first half of 2012 (approximately +16%)

Group revenue (115.4 million euro) was slightly down (-0.5%) on the first half of 2012 (116.1 million euro), reflecting the substantial overall stability of the Group on its core markets.

Gross operating profit was 6.0 million euro; compared with the year-earlier period (6.5 million euro), the decrease was largely due to the rise in the cost of raw materials, which absorbed the benefits of the measures introduced to recover margins; it also included other expense of 0.5 million euro (0.3 million euro in the first half of 2012).

Operating profit, after amortization and depreciation and impairment losses on non-current assets totaling 5.5 million euro (5.1 million euro in the first half of 2012), was 0.5 million euro (1.4 million euro in the year-earlier period).

Net finance costs amounted to 3.1 million euro and were up on the year-earlier period (2.5 million euro) due to costs on the discounting of non-current provisions and exchange rate losses (gains in 2012).

Income tax expense (0.2 million euro) was significantly lower than in the first half of 2012 (0.8 million euro) mainly because of the change in taxable income.

The Group recognized a **loss for the period** of 2.8 million euro (a loss of 1.9 million euro in 2012).

Equity was 3.2 million euro (2.6 million euro at the end of 2012): the change arose from the loss for the period and from a capital injection of 5 million euro paid by the parent Italmobiliare S.p.A. to cover losses at Sirap Gema S.p.A., which at the end of 2012 was in the situation envisaged by art. 2446 of the Italian Civil Code. The application of the new accounting policy IAS 19 (Employee benefits) generated a reduction of 1 million euro in equity at the beginning of the period.

Net financial debt stood at 131.9 million euro and was up on the figure at December 31, 2012 (127.2 million euro), mainly due to the change in current assets for seasonal reasons and the increase in inventories arising from the increased value of raw materials.

Capital expenditure was 3.1 million euro (4.2 million euro in the first half of 2012) and referred to the food packaging segment for 2.1 million euro and thermal insulation for 1 million euro.

The number of **employees** at June 30, 2013, was 1,291 (1,346 at the end of 2012), and included 27 people on CIGS state-subsidized lay-off (in connection with the closure of the Corciano factory near Perugia).

Significant events in the period

No significant events took place.

Quarterly performance

(in millions of euro)	H1 2013	Q2 2013	Q1 2013
Revenue	**115.4**	**62.2**	**53.3**
% change vs. 2012	*(0.5)*	*0.1*	*(1.3)*
Recurring gross operating profit	**6.6**	**4.2**	**2.4**
% change vs. 2012	*(3.7)*	*(0.8)*	*(8.4)*
% of revenue	*5.7*	*6.7*	*4.5*
Gross operating profit	**6.0**	**3.7**	**2.4**
% change vs. 2012	*(6.5)*	*(5.2)*	*(8.4)*
% of revenue	*5.2*	*5.9*	*4.5*
Operating profit (loss)	**0.5**	**0.8**	**(0.3)**
% change vs. 2012	*(65.3)*	*(48.6)*	*n.s.*
% of revenue	*0.4*	*1.2*	*(0.5)*
Profit (loss) for the period	**(2.8)**	**1.0**	**(1.8)**
Profit (loss) for the period attributable to owners of the parent	**(2.8)**	**1.0**	**(1.8)**
Net financial debt (at period end)	131.9	131.9	127.4

n.s. not significant

Performance in the second quarter of 2013 was generally better than performance in the first quarter on all the main indicators, given the typical seasonal trend, although the economic crisis and trend in raw materials made the improvement less incisive.

Performance by operating segment and geographical area

(in millions of euro)	Revenue		Recurring gross operat-ing profit (loss)		Gross operating profit (loss)		Operating profit (loss)	
	H1 2013	% change vs.H1 2012	H1 2013	% change vs.H1 2012	H1 2013	% change vs.H1 2012	H1 2013	% change vs.H1 2012
Food packaging								
- Italy	44.1	*2.5*	2.6	*39.1*	2.6	*70.8*	(0.4)	*(70.7)*
- France	12.2	*1.6*	1.5	*20.3*	1.5	*20.3*	1.1	*33.2*
- Other European Union countries	30.2	*4.0*	1.2	*(28.6)*	1.2	*(28.6)*	-	*(98.1)*
- Other non-EU countries	9.9	*(11.0)*	0.3	*(35.6)*	0.3	*(35.6)*	0.2	*(46.2)*
Eliminations	(7.7)	-	-	-	-	-	-	-
Total	**88.7**	***0.4***	**5.6**	***6.6***	**5.6**	***14.0***	**0.9**	***32.6***
Thermal insulation - Italy	27.0	*(3.4)*	1.0	*(37.5)*	0.5	*(69.8)*	(0.4)	*n.s.*
Eliminations	(0.3)	-	-	-	(0.1)	-	-	-
Total	**115.4**	***(0.5)***	**6.6**	***(3.7)***	**6.0**	***(6.5)***	**0.5**	***(65.3)***

n.s. not significant

Food packaging

In Western Europe, in the first half of 2013, demand for food packaging products remained weak, due to the difficult economic situation which had a negative impact on spending on fresh food and consequently on demand for related primary packaging.

Segment revenue (88.7 million euro) was substantially stable (+0.4%) compared with the year-earlier period; operating profit increased to 0.9 million euro (+32.6%) as a result of the measures taken to rationalize operations and improve production efficiency (a full re-organization of the Mantua factory in 2012), whose effects more than made up for the rise in the cost of raw materials.

On the Italian market, compared with the first half of 2012, sales revenue increased (2.5%) in both the foamed container segment (as a result of the recovery in market share) and the rigid container segment, where, however, the mix was less favorable, with buyers preferring sheet rather than containers; containers were particularly penalized by the fall in demand, since they are normally used to pack more costly food items that are ready to consume (salads, sliced cured meats, ready meals, desserts).

In France, half-year revenue (12.2 million euro) was up 1.6% on the year-earlier period; the gradual shift in the mix to better performing trays (barrier trays to store food in a modified atmosphere) with higher added value was confirmed. Operating profit (1.1 million euro) showed an improvement of approximately 33% thanks to the improved mix and greater efficiency, whose effects outweighed the rise in the cost of raw materials.

In Poland revenue made strong progress (+11.1% at constant exchange rates) from the year-earlier period, largely thanks to the acquisition of new clients and markets. However, the increase in raw materials and a product mix with lower added value led to a reduction in operating profit (0.2 million euro from 0.4 million euro in the first half of 2012).

Petruzalek, which trades on the other markets in Central Eastern Europe, was affected by weak demand which gave priority to price rather than better performing products, and reported lower sales and margins. Action is being taken to recover revenue and margins and cut operating expense by simplifying the structure.

Capital expenditure for the first half amounted to 2.1 million euro (3.9 million euro in the first half of 2012) and included replacement operations and efficiency improvements.

In the first half of 2013 R&D's activities kept focusing on tests of materials and shapes of containers to find innovative and more economical product solutions.

Thermal insulation

Revenue in the first half of 2013 was 27.0 million euro, down by 3.4% from 27.9 million euro in the first half of 2012. The crisis in building construction and a difficult start of the year due to adverse weather had a particularly strong impact on domestic volumes. This was offset in part by exports, notably to Austria, Switzerland and Germany. While revenue on the Italian market fell by 7.9%, export revenue rose by 4.2%, in part thanks to higher sales volumes of thicker extruded panels.

There was an operating loss of 0.4 million euro (profit of 0.7 million euro), reflecting the impact of the rise in the cost of compact and expandable polystyrene (PS and EPS), which remained at very high levels. Margins were also affected by expense of 0.5 million euro for an allowance provided against probable impairment on receivables.

The liquidity crisis in the building industry requires the company to keep a close watch on credit risk, possibly foregoing potential volumes but continuing to implement rigorous credit checks and credit management procedures.

Capital expenditure for the period was 1 million euro (0.3 million euro in 2012) and referred mainly to automation and modernization projects.

In thermal insulation, R&D's activities focused largely on the use of new mixes with varying degrees of fluidity for the production of extruded panels.

Environmental initiatives

In the first quarter of 2013, hygiene and environmental inspections conducted by independent specialists at the Sirap Gema S.p.A. and Sirap Insulation S.r.l. sites found no traces of asbestos fibers in the workplaces. The inspections confirmed that the workplaces are salubrious and that there are no risks for the health of the employees. Nevertheless, since the law requires that the asbestos in some factory roofs be removed and safely disposed of, a leading specialist in the field with the necessary authorizations and legal certifications has been identified to carry out the work scheduled between 2013 and 2015.

Disputes and pending proceedings

With reference to the proceedings started in 2008 by the European Commission regarding supposed violations of EU competition laws on the market for plastic wrapping for food, and subsequently, to the presentation by the company and its subsidiaries, after having received the Statement of Objections, of their written observations on the content of this Statement, on January 17, 2013, the company and its subsidiaries took part, with their legal advisors, at the oral hearing held from June 10 – 12, during which they presented their final considerations concerning the Statement of Objections to the Commission team leading the investigations. The other companies involved in the proceeding also took part in the hearing and presented their considerations.

At the hearing the Commission gave no information regarding either possible additional investigative operations or the date on which a final decision might be announced.

Events after the reporting period

At a meeting on July 19, 2013 with the trades unions, Sirap Gema S.p.A. declared a "state of company crisis". In order to face the difficult situation of the market in which the company operates – which is of a systemic and structural rather than cyclical economic nature – a plan has been drawn up envisaging a series of measures to optimize costs and, in this context, a series of organizational efficiency measures have been necessarily planned. After presenting an application on July 22 to the Ministry of Labor & Social Policies for the start-up of a CIGS state-subsidized lay-off procedure due to company crisis, the company informed the trade unions that a structural review would be necessary to combat the negative impact of the crisis by applying for CIGS for 12 months, as from September 1, 2013, for a maximum of 74 employees working at the company offices and at the production facilities.

Outlook

In general, the economic situation on the Sirap Group core markets remains weak.

Polystyrene prices are expected to remain at high levels, affected by oil prices and by the level of use of production capacity activated by suppliers.

Specifically as regards food packaging, demand continues to be influenced by the downward trend in the value of food consumption, generated in part by promotional campaigns launched by mass merchandisers.

In a particularly dynamic competitive environment, the Sirap group has started commercial action to expand its product range, turn the product mix into products with higher added value and target new clients and markets. On the production front, re-organization measures continue to cut costs and improve efficiency, and will be implemented incisively.

In thermal insulation, after a first half affected by unfavorable weather, revenue is expected to confirm the upward trend that began in April, although the situation remains difficult, particularly in Italy.

Financial segment

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

(in millions of euro)	H1 2013	H1 2012	% change
Revenue	**25.5**	**37.6**	***(32.3)***
Recurring gross operating profit	**6.3**	**17.8**	***(64.7)***
Other expense	(0.1)	(0.3)	*(73.7)*
Gross operating profit	**6.2**	**17.5**	***(64.5)***
Amortization and depreciation	(0.2)	(0.2)	-
Operating profit	**6.0**	**17.3**	***(65.1)***
Net finance costs	(0.1)	(0.1)	-
Impairment losses on financial assets	(18.9)	(22.2)	*(14.7)*
Share of loss of equity-accounted investees	(18.6)	(24.6)	*(24.5)*
Loss before tax	**(31.6)**	**(29.6)**	***6.7***
Income tax expense	(0.3)	(0.3)	-
Loss for the period	**(31.9)**	**(29.9)**	***6.7***
Number of employees at period end	56	59	*-5.1*

(in millions of euro)	June 30, 2013	Dec. 31, 2012 re-stated	Dec. 31, 2012 published
Equity	956.1	1,002.2	1,002.5
Net financial position	127.3	115.5	115.5

The performance of the financial markets in the first six months of the year saw a first quarter that benefited from expansionary monetary policies, while since May the markets have been affected by a rise in volatility fuelled by uncertainty over the direction of US monetary policy and growing fears of an economic slowdown in the emerging countries.

The tensions on the financial market in Italy were mild in the first quarter, but intensified in the second quarter, with an impact on share prices; specifically, the general *FTSE Italia All-share index* has lost 5.4% since the beginning of the year and the *FTSE Italia All-share banks index* has shown a larger decline, of approximately 9.4%.

This situation affected in the revenue contraction in the segment, while the loss on equity-accounted investees, notably RCS MediaGroup, and the impairment loss on Mittel shares again determined a loss for the period in this segment.

Quarterly performance

(in millions of euro)	H1 2013	Q2 2013	Q1 2013
Revenue	**25.5**	**16.6**	**8.9**
% change vs. 2012	*(32.3)*	*(22.2)*	*(45.5)*
Recurring gross operating profit	**6.3**	**5.7**	**0.6**
% change vs. 2012	*(64.7)*	*(52.4)*	*(89.9)*
% of revenue	*24.7*	*34.4*	*6.7*
Gross operating profit	**6.2**	**5.4**	**0.8**
% change vs. 2012	*(64.5)*	*(54.9)*	*(85.3)*
% of revenue	*24.4*	*32.6*	*9.2*
Operating profit	**6.0**	**5.3**	**0.7**
% change vs. 2012	*(65.1)*	*(55.2)*	*(86.5)*
% of revenue	*23.8*	*32.1*	*8.3*
Impairment losses on financial assets	(18.9)	(18.9)	-
Share of loss of equity-accounted investees	(18.6)	(4.3)	(14.3)
Loss for the period	**(31.9)**	**(16.7)**	**(15.3)**
Net financial position (at period end)	**127.3**	**127.3**	**116.8**

Operating performance in the second quarter was better than in the first quarter as a result of higher revenue from dividends collected in the period, but slowed significantly compared with the second quarter of 2012.

The loss for the second quarter of 16.7 million euro (a loss of 29.5 million euro in the year-earlier period) was influenced by the loss from equity-accounted investees of 4.3 million euro, relating chiefly to RCS MediaGroup for 3.0 million euro and significant impairment losses for 18.9 million euro. The impairment losses relate to the exchange organized by Mittel on treasury shares, to which Italmobiliare adhered by tendering all Mittel shares in portfolio in exchange for an equal number of Mittel S.p.A 2013 – 2019 bonds, with a fixed coupon of 6%. The transaction took place in early July 2013 and led to the adjustment of the carrying amount of the investment in the associate to the nominal value of the bonds received, generating an impairment loss of 18.9 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 equity investments”, which includes, with regard to available-for-sale investments, dividends received, gains and losses realized on sales of equity investments, and impairment losses on these financial assets;
- “Net gains (losses) on investments of cash and cash equivalents”, which includes interest income on bank coupons and deposits, impairment losses on securities and trading equities, capital gains/losses on the sale of trading securities, income/expense on trading derivatives;
- “Net borrowing costs” which consists essentially of interest expense on financing, bank commissions and costs;
- “Other income and expense”, which includes personnel expense and operating expenses for the financial structure, net of amounts recovered from other Group companies and movements on provisions for risks.

(in millions of euro)	H1 2013	H1 2012	% change
Net losses on equity investments	(24.6)	(29.5)	*(16.5)*
Net gains on investments of cash and cash equivalents	3.9	12.4	*(68.9)*
Net borrowing costs	(2.7)	(4.0)	*(32.5)*
Total finance costs	**(23.4)**	**(21.1)**	***11.4***
Other expense	(8.2)	(8.5)	*(4.9)*
Income tax expense	(0.3)	(0.3)	*7.1*
Loss for the period	**(31.9)**	**(29.9)**	***6.7***

The financial and economic context in which the Group’s financial companies operated, the contraction in dividend distribution policy, impairment losses and the losses reported by the associates had a negative impact on the performance of the segment. In particular, **net losses on equity investments** of 24.6 million euro (29.5 million euro at June 30, 2012) were mainly generated by:

- dividends of 10.4 million euro (16.1 million euro in the first half of 2012);
- the losses of the equity-accounted investees of 18.6 million euro (losses of 24.6 million euro for the six months ended June 30, 2012). Attention is drawn to the loss of 17.1 million euro at the associate RCS MediaGroup, corresponding to the share of the loss reported by the publishing group attributable to the Italmobiliare Group;
- the impairment loss on the equity investment in Mittel of 18.9 million euro, due, as described above, to the adjustment of the carrying amount of the associate to the nominal value of the bonds received through the exchange arranged by Mittel on its treasury shares, to which Italmobiliare adhered by tendering all Mittel shares in portfolio in exchange for an equal number of new Mittel bonds.

There was a significant decrease in **net gains on investments of cash and cash equivalents,** which in the first half of 2013 amounted to 3.9 million euro compared with 12.4 million euro in the year-earlier period, which benefited from a particularly positive performance in bonds. The reduction was largely due to a measurement loss of 1.1 million euro on trading instruments (a gain of 5.1 million euro in the first half of 2012) and gains on the sale of trading instruments of 0.6 million euro (gains of 3.0 million euro in the year-earlier period).

Net borrowing costs of 2.7 million euro were down from the first half of 2012 (4.0 million euro), against an average financial debt in the segment of 291.8 million euro (296.0 million euro in the first half of 2012).

Other expense net of other income was down 4.9% (to 8.1 million euro from 8.5 million euro in the first half of 2012).

After a small tax charge of 0.3 million euro, the **loss for the period** was 31.9 million euro (a loss of 29.9 million euro in the first half of 2012).

The companies in the financial segment hold substantial equity investments, the majority of which classified as "Available for sale". The fair value changes on these investments, excluding consolidated investments carried at cost less impairment losses in the separate financial statements, are recognized in equity under the "Fair value reserve", or in the income statement if the correlated financial assets have been impaired, in line with the accounting standards adopted by the Italmobiliare Group. At June 30, 2013 the fair value reserve of the financial segment reflected a negative balance of 81.9 million euro, compared with a negative balance of 65.7 million euro at December 31, 2012. This large reduction arose as a result of the downturn in share prices at the end of the period for banking stocks, an area where the Group financial segment is particularly exposed.

Significant events in the period

In the first half of 2013, Italmobiliare S.p.A. sold 2,500,000 Unicredit ordinary shares, for a gain of 2.6 million euro. At June 30, 2013, it held 0.229% of Unicredit ordinary capital.

In March, in order to guarantee an adequate financial structure for Sirap Gema S.p.A., Italmobiliare S.p.A. made a capital injection of 5 million euro to the subsidiary, which, as a result of the heavy losses reported in 2012, fell under the circumstances set out in art. 2446 of the Italian Civil Code.

On May 30, an extraordinary meeting of the shareholders of RCS MediaGroup adopted a resolution to reduce the share capital from 762,019,050.00 euro to 139,250,009.00 euro through a reverse stock split of ordinary shares with a ratio of 3 new ordinary shares every 20 ordinary shares held. At the end of the first half, Italmobiliare held 8,153,495 ordinary shares of the publishing group, all of them under the voting trust. After publication of the final conditions of the share capital increase approved by the Board of Directors of RCS MediaGroup on June 13, the parent Italmobiliare resolved to invest an overall amount of 10 million euro in the transaction of the associate. This transaction was completed in July.

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

Information on some companies in the segment

Italmobiliare S.p.A.

The interim financial statements as at and for the six months ended June 30, 2013, drawn up in accordance with the IFRS for the purposes of the Group consolidated financial statements, reflect the following key data:

(in millions of euro)	H1 2013	H1 2012	% change
Net gains (losses) on equity investments	12.1	(4.5)	*n.s.*
Net gains on investments of cash and cash equivalents	1.0	0.5	*n.s.*
Net borrowing costs	(2.8)	(4.3)	*(34.3)*
Total finance income (costs)	**10.3**	**(8.3)**	***n.s.***
Other expense	(7.5)	(7.6)	*(1.2)*
Income tax (expense)	0.5	(0.3)	*n.s.*
Profit (loss) for the period	**3.3**	**(16.2)**	***n.s.***

n.s. not significant

	June 30, 2013	December 31, 2012
Equity	827.6	841.0
Net financial debt	258.3	276.6

During the first half of 2013 there was a clear improvement in net gains on equity investments, from a loss of 4.5 million euro to a gain of 12.1 million euro, mainly thanks to:

- dividends of 19.0 million euro (15.9 million euro in the first half of 2012), 8.8 million euro of which collected from Société de Participation Financière Italmobiliare S.A.;
- a gain of 2.6 million euro from the sale of 2,500,000 Unicredit ordinary shares;
- a loss of 7.4 million euro on the sale of Rcs MediaGroup rights in connection with the share capital increase approved by the associate as described in the previous section “Significant events in the period”;
- impairment losses of 2.5 million euro (21.6 million euro in the first half of 2012 on equity investments in the banking area).

Net borrowings costs improved by 34.3% due to a reduction in financial debt and the lower cost of money.

After other expense of 7.5 million euro, in line with the year-earlier period, and a positive income tax caption of 0.5 million euro, there was a profit for the period of 3.3 million euro, compared with the loss of 16.2 million euro in the first half of 2012.

Société de Participation Financière Italmobiliare S.A.

Since 2011 this company has directly held the foreign equity investments of the financial and banking segments. The interim financial statements as at and for the six months ended June 30, 2013, drawn up in accordance with the IFRS reflect the following key data:

(in millions of euro)	H1 2013	H1 2012	% change
Net gains (losses) on equity investments	0.2	(0.4)	*n.s.*
Net gains on investments of cash and cash equivalents	3.0	3.3	*(7.4)*
Net borrowing costs	-	-	*n.s.*
Total finance income	**3.2**	**2.9**	***10.1***
Other expense	(0.6)	(0.4)	*43.5*
Income tax expense	(0.5)	(0.1)	*n.s.*
Profit for the period	**2.1**	**2.4**	***(12.3)***

n.s. not significant

	June 30, 2013	December 31, 2012
Equity	455.3	462.1
Net financial position	385.6	392.1

In the second half of 2012 the operations of the Irish subsidiary Italmobiliare International Finance S.A. were merged into the company, and consequently the results of operations in the first half of 2012 are not consistent with those in the corresponding period in 2012.

Net gains on equity investments amounted to 0.2 million euro as a result of dividends collected, compared with a loss of 0.4 million euro in the first half at June 30, 2012.

Investments of cash and cash equivalents generated net gains of 3.0 million euro (3.3 million euro in the first half of 2012) arising from interest income and income of 4.1 million euro against impairment losses of 1.1 million euro on trading securities (reversal of impairment losses for 0.6 million euro in the first half of 2012).

After expense totaling 1.1 million euro from other income and expense and income tax expense (expense of 0.5 million euro in the first half of 2012), there was a profit for the period of 2.1 million euro, down by 12.3% from 2012.

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	977,051	2.729	Italmobiliare S.p.A.
Associates			
Mittel	8,790,702	10.000	Italmobiliare S.p.A.
Rcs MediaGroup ordinary	8,153,495	7.419	Italmobiliare S.p.A.
RCS MediaGroup AXA - option rights	3,917,992		Italmobiliare S.p.A.
Other companies			
UniCredit ordinary	13,232,683	0.229	Italmobiliare S.p.A.
Mediobanca	22,568,992	2.621	Italmobiliare S.p.A.
Ubi Banca	2,818,792	0.313	Italmobiliare S.p.A.
Trading investments in other companies [2]			
Ubi Banca	244,260	0.027	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

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

(in millions of euro)	June 30, 2013		December 31, 2012	
	Italmobiliare	Financial segment[1]	Italmobiliare	Financial segment[1]
Current financial assets	10.0	372.9	17.6	314.7
Current financial liabilities	(217.7)	(219.2)	(150.3)	(85.2)
Current net financial position (debt)	**(207.7)**	**153.7**	**(132.7)**	**229.5**
Non-current financial assets	5.1	29.3	4.7	34.7
Non-current financial liabilities	(55.7)	(55.7)	(148.6)	(148.7)
Net financial debt	**(50.6)**	**(26.4)**	**(143.9)**	**(114.0)**
Net financial position (debt)	**(258.3)**	**127.3**	**(276.6)**	**115.5**

1 comprises: Italmobiliare S.p.A. - Société de Partecipation Financière S.A.

Current financial assets in the financial segment at June 30, 2013 totaled 372.9 million euro and consisted largely of bonds (64%) and cash/money market instruments (23.3%). The bond portfolio consisted of floating rate instruments for 31.63% and fixed rate instruments for the remaining 68.37% with an average A rating. The portfolio was diversified on a geographical basis and a segment basis, and maximum exposure to a single issuer accounted for 4.31% (AAA) of the total bond portfolio at June 30, 2013. In this portfolio, treasury instruments amounted to 87.0 million euro, with an average rating of AA-.

Italmobiliare S.p.A. had net financial debt of 258.3 million euro (276.6 million euro at December 31, 2012), an improvement of 18.3 million euro, while the financial segment, which includes the parent Italmobiliare, had a consolidated net financial position of 127.3 million euro (115.5 million euro at December 31, 2012), an increase of 11.8 million euro.

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

(in millions of euro)	Italmobiliare	Financial segment
Equity investments sold and reimbursement of capital	10.7	10.8
Equity investments acquired	(5.3)	(5.3)
Dividends collected	18.6	10.0
Net finance income (costs)	(1.2)	1.8
Current operations and extraordinary items	(4.5)	(5.5)
Total	**18.3**	**11.8**

Events after the reporting period

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

With reference to the Mittel S.p.A. voluntary public exchange offer of its ordinary treasury shares, Italmobiliare S.p.A. tendered all Mittel shares in its portfolio in exchange for an equal number of Mittel bonds, held in the trading portfolio for an overall amount equal to their nominal amount of 15.4 million euro.

As a result of this transaction, Italmobiliare is no longer a shareholder of Mittel S.p.A..

Outlook

Given the albeit moderate growth scenario in the USA, the international economic scenario is showing some signs of improvement in the state of health of the Eurozone and in Japan, and also greater stabilization of the slowdown in the expansion of the emerging countries.

In this context, while the bond markets continue to be affected by rising volatility, the stock markets are sustained at global level by strong average corporate fundamentals.

Nevertheless, there are still risks relating to political and regulatory decisions for the consolidation of the single currency and the resolution of the Eurozone banking crisis, the re-balancing of excessive debt in some sectors of the emerging countries and the effects generated by possible changes in the Fed’s monetary policy.

Therefore, it is difficult to formulate projections on the performance of the financial segment both with reference to investments of cash and to its main equity investments.

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 2013	H1 2012	% change
Revenue	**12.3**	**17.1**	***(28.1)***
Recurring gross operating loss	**(1.5)**	**(3.6)**	***(59.1)***
Gross operating loss	**(1.4)**	**(3.5)**	***(58.7)***
Amortization and depreciation	(1.3)	(1.5)	*(20.6)*
Operating loss	**(2.7)**	**(5.0)**	***(47.1)***
Loss before tax	**(2.7)**	**(5.0)**	***(46.7)***
Income tax expense	-	(0.1)	*n.s.*
Loss for the period	**(2.7)**	**(5.1)**	***(46.8)***
Number of employees at period end	90	116	*(22.4)*

n.s. not significant

(in millions of euro)	June 30, 2013	Dec. 31, 2012 re-stated	Dec. 31, 2012 published
Equity	71.2	75.6	78.5
Equity attributable to owners of the parent	71.2	75.2	78.1
Net financial position	73.3	77.5	77.5

Quarterly performance

(in millions of euro)	H1 2013	Q2 2013	Q1 2013
Revenue	**12.3**	**6.3**	**5.9**
% change vs. 2012	*(28.1)*	*(28.6)*	*(27.6)*
Recurring gross operating loss	**(1.5)**	**(1.4)**	**(0.1)**
% change vs. 2012	*(59.1)*	*(50.3)*	*(92.1)*
% of revenue	*(12.1)*	*(22.4)*	*(1.0)*
Gross operating profit (loss)	**(1.4)**	**(1.7)**	**0.2**
% change vs. 2012	*(58.7)*	*(39.2)*	*n.s.*
% of revenue	*(11.8)*	*(26.4)*	*3.8*
Operating loss	**(2.7)**	**(2.3)**	**(0.4)**
% change vs. 2012	*(47.1)*	*(34.7)*	*(76.4)*
% of revenue	*(21.7)*	*(36.2)*	*(6.1)*
Loss for the period	**(2.7)**	**(2.3)**	**(0.4)**
Net financial position at period end	**73.3**	**73.3**	**71.8**

n.s. not significant

The increased volatility on the financial markets in the second quarter with respect to the first quarter brought about a drop in the operating performance in the second quarter of the year compared with the year-earlier period, as a result of the reduction in interest income and total income, largely due to the decrease in net trading revenue.

The operating performance in the second quarter of 2013 was significantly slower compared with the year-earlier period. This was mainly due to the decrease in commission income applied to transactions performed by the Swiss bank for its clients following the reduction in third-party assets under management, and the decrease in net trading revenue. The second quarter registered a loss, which, however, was smaller than that of the second quarter of 2012, in which significant allowances for impairment on trade receivables were recognized.

Results in accordance with the banking model

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

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

(in millions of euro)	H1 2013	H1 2012	% change
Net interest income	1.8	3.0	*(41.1)*
Total income	11.0	15.5	*(28.7)*
Gross operating loss	(0.9)	-	*n.s.*
Loss from operations	(2.7)	(5.1)	*(47.4)*
Loss for the period	**(2.7)**	**(5.1)**	***(46.8)***

n.s. not significant

The results of the banking segment consisted 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 2013	H1 2012	% change
Net interest income	1.5	3.0	*(49.1)*
Total income	12.8	17.9	*(28.2)*
Gross operating loss	(1.3)	(0.3)	*n.s.*
Loss from operations	(3.4)	(6.3)	*(45.4)*
Loss for the period	**(3.4)**	**(6.2)**	***(45.3)***

n.s. not significant

The uncertainty on the financial markets and the global economic slowdown had a negative impact on operating performance in the first six months of 2013, with a material decline in income. After a reduction in net interest income of 1.5 million Swiss francs from the year-earlier period, total income was 12.8 million Swiss francs, down by 28.2% from the first half of 2012 (17.9 million Swiss francs), largely as a result of the reduction in commission income (9.3 million Swiss francs compared with 12.5 million Swiss francs) caused chiefly by a smaller number of client transactions, and of the contraction in net trading revenue, from 2.2 million Swiss francs in the first half of 2012 to 0.6 million Swiss francs.

The significant reduction in expense for services (-23.0%) and personnel (-21.1%) enabled the bank to limit the gross operating loss to 1.3 million Swiss francs compared with a loss of 0.3 million Swiss francs in the first half of 2012.

After amortization and depreciation (1.5 million Swiss francs) and allowances (0.6 million Swiss francs), the consolidated loss was 3.4 million Swiss francs compared with a loss of 6.2 million Swiss francs in the year-earlier period, when the bank recognized allowances for impairment on trade receivables.

Group consolidated equity decreased from 84.2 million Swiss francs at December 31, 2012 to 80.8 million Swiss francs at June 30, 2013, largely as a result of the loss for the period.

Third-party assets under management at June 30, 2013 totaled 2.4 billion Swiss francs (excluding assets invested in own funds), a slight decrease from the figure at December 31, 2012 (2.6 billion Swiss francs).

Significant events in the period

No significant events took place.

Events after the reporting period

No significant events took place.

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 2013 net interest income was 531 thousand euro, in line with the figure for 2012 (525 thousand euro), while gross operating profit fell by 13.7% due to the decrease in net operating income. After impairment losses on non-current assets and income tax expense, the bank posted a profit for the period of 71 thousand euro (94 thousand euro for the year to June 30, 2012).

Outlook

The outlook for 2013 remains negative due to the monetary and sovereign debt crisis in Europe and the USA, accentuated by the particularly strong intensification of competition on the Swiss banking market, especially in private banking. In this context, the segment will maintain a constant focus on improving the quality of products and services offered to customers and on containing costs.

Property, services and other segment

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

Segment revenue in the first half of 2013 amounted to 1,151 thousand euro, an increase from the year-earlier period (837 thousand euro). After operating expense and amortization and depreciation of 859 thousand euro, the segment recognized a profit for the period of 231 thousand euro, a strong improvement on the year-earlier period (a loss of 113 thousand euro).

For the reasons detailed above, the 2013 full-year result for the segment is expected to be in line with the 2012 result, subject to currently unforeseeable events.

Human resources

The number of employees at June 30, 2013 was 20,163, compared with 20,702 at June 30, 2012.

(headcount[1])	June 30, 2013		June 30, 2012	
Operating segment		%		%
Construction materials	18,714	*92.8*	19,167	*92.5*
Food packaging and thermal insulation	1,291	*6.4*	1,346	*6.5*
Finance	56	*0.3*	59	*0.3*
Banking	90	*0.4*	116	*0.6*
Property, services and other	12	*0.1*	14	*0.1*
Total	**20,163**	***100.0***	**20,702**	***100.0***

Transactions with related parties

For the purposes of the Group consolidation, transactions with related parties were with:

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

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

The summary of transactions with related parties for the six months ended June 30, 2013, is provided in the notes.

No atypical or unusual transactions took place in the first half of 2013.

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

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

Italmobiliare also provides an "administrative service" to some associates, 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 2013 were as follows:

- administrative, financial, contractual and tax consultancy services, as well as support for the organization of corporate restructuring operations, supplied to the Italmobiliare Group by Finsise S.p.A., whose majority shareholder is Italo Lucchini, Deputy Chairman of Italmobiliare, for considerations totaling approximately 177.3 thousand euro;
- legal consultancy, judicial and extrajudicial assistance provided to the Italmobiliare Group by the law firm Gattai – Minoli & Partners, of which Italmobiliare director Luca Minoli is a partner, for considerations of 20.0 thousand euro.

In the first half, the Italmobiliare Group made an endowment to the Italcementi Cav. Lav. Carlo Pesenti foundation of 300,000 euro. Italcementi S.p.A. charged the foundation an amount of approximately 86,000 euro for administrative and corporate services and other services.

Disputes and pending proceedings

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

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

Outlook

Economic growth prospects continue to be characterized by a high degree of uncertainty regarding the direction of international monetary policies, by the weakness of world demand and by the slow introduction of structural reforms in the Eurozone.

Although the Italian economy shows some limited signs of recovery, it is still characterized by persistent stagnation.

The 2013 full-year results will reflect the impact of the losses reported by the Group for the first half and the high level of volatility and the weakness of the economic and financial situation.

In this context the Group will continue, with determination, to implement production and commercial re-organization plans designed to raise its efficiency.

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

With reference to the *Conditions for the listing of certain companies*, laid out in art. 36 of the market regulation adopted by CONSOB with Resolution no. 16191 of October 29, 2007, and subsequent amendments, on the basis of the «2012 Audit Plan», 23 subsidiaries headquartered in 11 non-European Union countries are included in the scope of «material significance».

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

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

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

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

Milan, August 6, 2013

for the Board of Directors
The Chairman
(signed on the original)

Condensed interim consolidated financial statements

Financial statements

Statement of financial position

(in thousands of euro)	Notes	06.30.2013	12.31.2012 re-stated	Change	12.31.2012 published
Non-current assets					
Property, plant and equipment	1	4,063,064	4,220,901	(157,837)	4,220,901
Investment property		33,513	34,162	(649)	34,162
Goodwill	2	1,598,824	1,644,299	(45,475)	1,644,299
Intangible assets		106,509	107,643	(1,134)	107,643
Equity-accounted investees	3	212,031	283,720	(71,689)	283,721
Other equity investments	4	262,234	306,397	(44,163)	306,397
Trade receivables and other receivables		214,482	262,921	(48,439)	262,921
Deferred tax assets		129,898	127,452	2,446	127,240
Receivables due from employees		(851)	(48)	(803)	3,548
Total non-current assets		**6,619,704**	**6,987,447**	**(367,743)**	**6,990,832**
Current assets					
Inventories		725,961	735,519	(9,558)	735,519
Trade receivables	5	827,411	810,437	16,974	810,437
Other current assets including derivatives		357,550	398,724	(41,174)	397,522
Tax assets		51,350	64,771	(13,421)	64,771
Equity investments, bonds and financial assets	6	370,817	465,300	(94,483)	465,300
Cash and cash equivalents	7	882,126	957,573	(75,447)	957,573
Total current assets		**3,215,215**	**3,432,324**	**(217,109)**	**3,431,122**
Non-current discontinued operations	8	**17,350**	**2,104**	**15,246**	**2,104**
Total assets		**9,852,269**	**10,421,875**	**(569,606)**	**10,424,058**
Equity					
Share capital	9	100,167	100,167		100,167
Share premium		177,191	177,191		177,191
Reserves	10	(14,179)	(9,968)	(4,211)	(523)
Treasury shares	11	(21,226)	(21,226)		(21,226)
Retained earnings		1,430,883	1,540,210	(109,327)	1,560,082
Equity attributable to owners of the parent		**1,672,836**	**1,786,374**	**(113,538)**	**1,815,691**
Non-controlling interests		2,786,915	2,933,276	(146,361)	2,983,284
Total equity		**4,459,751**	**4,719,650**	**(259,899)**	**4,798,975**
Non-current liabilities					
Financial liabilities	13	2,312,778	2,196,608	116,170	2,196,608
Employee benefits		307,439	334,224	(26,785)	240,501
Provisions	12	242,436	249,288	(6,852)	249,288
Other liabilities		24,451	40,652	(16,201)	40,652
Deferred tax liabilities		201,510	197,219	4,291	213,800
Total non-current liabilities		**3,088,614**	**3,017,991**	**70,623**	**2,940,849**
Current liabilities					
Bank loans and borrowings	13	499,984	652,629	(152,645)	652,629
Financial liabilities	13	232,644	225,935	6,709	225,935
Trade payables	14	640,904	651,591	(10,687)	651,591
Provisions	12	198	612	(414)	612
Tax liabilities		23,928	33,539	(9,611)	33,539
Other liabilities	15	906,142	1,119,637	(213,495)	1,119,637
Total current liabilities		**2,303,800**	**2,683,943**	**(380,143)**	**2,683,943**
Total liabilities		**5,392,414**	**5,701,934**	**(309,520)**	**5,624,792**
Liabilities directly linked to discontinued operations		**104**	**291**	**(187)**	**291**
Total equity and liabilities		**9,852,269**	**10,421,875**	**(569,606)**	**10,424,058**

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

Income statement

(in thousands of euro)	Notes	H1 2013	%	H1 2012 (re-stated)	%	Change	%	H1 2012 (published)	%
Revenue	16	**2,292,718**	**100.0**	**2,446,632**	**100.0**	**(153,914)**	**-6.3**	**2,446,632**	**100.0**
Other revenue		24,621		26,300		(1,679)		26,300	
Change in inventories		(10,282)		21,725		(32,007)		21,725	
Internal work capitalized		15,635		13,557		2,078		13,557	
Raw materials and supplies	17	(937,457)		(1,031,601)		94,144		(1,031,601)	
Services	18	(553,794)		(583,995)		30,201		(583,995)	
Personnel expense	19	(476,313)		(508,204)		31,891		(513,656)	
Other operating expense	20	(53,915)		(45,177)		(8,738)		(45,176)	
Recurring gross operating profit		**301,213**	**13.1**	**339,237**	**13.9**	**(38,024)**	**-11.2**	**333,786**	**13.6**
Net gains from the sale of non-current assets	21	6,197		25,751		(19,554)		25,751	
Non-recurring personnel expense for re-organizations	21	(11,122)		(10,315)		(807)		(10,315)	
Other non-recurring expense	21	(610)		(640)		30		(640)	
Gross operating profit		**295,678**	**12.9**	**354,033**	**14.5**	**(58,355)**	**-16.5**	**348,582**	**14.2**
Amortization and depreciation	1	(219,436)		(234,003)		14,567		(234,003)	
Impairment losses on non-current assets	1	(3,670)		(16,093)		12,423		(16,093)	
Operating profit		**72,572**	**3.2**	**103,937**	**4.2**	**(31,365)**	**-30.2**	**98,486**	**4.0**
Finance income	22	28,825		20,387		8,438		20,387	
Finance costs	22	(83,002)		(74,655)		(8,347)		(69,664)	
Exchange rate differences and net gains (losses) on derivatives	22	6,508		(1,876)		8,384		(1,876)	
Impairment losses on financial assets	23	(27,859)		(22,181)		(5,678)		(22,181)	
Share of loss of equity-accounted investees	3	(20,472)		(20,701)		229		(20,701)	
Profit (loss) before tax		**(23,428)**	**-1.0**	**4,911**	**0.2**	**(28,339)**	**n.s.**	**4,451**	**0.2**
Income tax expense	24	(65,571)		(64,315)		(1,256)		(64,189)	
Loss relating to continuing operations		**(88,999)**	**-3.9**	**(59,404)**	**-2.4**	**(29,595)**	**49.8**	**(59,738)**	**-2.4**
Profit relating to discontinued operations				8,621		(8,621)		8,419	
Loss for the period		**(88,999)**	**-3.9**	**(50,783)**	**-2.1**	**(38,216)**	**75.3**	**(51,319)**	**-2.1**
Attributable to:									
Owners of the parent		(79,071)	-3.5	(65,619)	-2.7	(13,452)	20.5	(65,790)	-2.7
Non-controlling interests		(9,928)	-0.4	14,836	0.6	(24,764)	n.s.	14,471	0.6
Losses per share									
- Basic									
ordinary shares	26	(2.102) €		(1.744) €				(1.749) €	
savings shares	26	(2.102) €		(1.744) €				(1.749) €	
- Diluted									
ordinary shares	26	(2.102) €		(1.744) €				(1.749) €	
savings shares	26	(2.102) €		(1.744) €				(1.749) €	

Statement of comprehensive income

(in thousands of euro)	Notes	H1 2013	%	H1 2012 (re-stated)	%	Change	%	H1 2012 (published)
Loss for the period		**(88,999)**	**-3.9**	**(50,783)**	**-2.1**	**(38,216)**	**-75.3**	**(51,319)**
Other comprehensive income (expense) related to continuing operations	25							
Items that will not be reclassified to profit or loss								
Re-measurement of the net liability/(asset) for employee benefits		15,853		(14,036)		29,889		
Income tax		523		5,798		(5,275)		
Total items that will not be reclassified to profit or loss		**16,376**		**(8,238)**		**24,614**		
Items that might be reclassified to profit or loss								
Translation reserve on foreign operations		(95,460)		42,960		(138,420)		44,420
Translation reserve on foreign operations - investments in equity-accounted investees		(7,601)		2,744		(10,345)		2,744
Fair value gains (losses) on cash flow hedges		18,010		(9,511)		27,521		(9,511)
Fair value gains (losses) on cash flow hedges - investments in equity-accounted investees		115		(225)		340		(225)
Fair value gains (losses) on available-for-sale financial assets		(22,872)		(25,825)		2,953		(25,825)
Fair value gains (losses) on available-for-sale financial assets - investments in equity-accounted investees		868		649		219		649
Income tax		1,676		904		772		904
Total items that might be reclassified to profit or loss subsequently		**(105,264)**		**11,696**		**(116,960)**		**13,156**
Total other comprehensive income (expense) relating to continuing operations net of tax effect		**(88,888)**		**3,458**		**(92,346)**		**13,156**
Other comprehensive income (expense) relating to discontinued operations								
Total other comprehensive income (expense)		**(88,888)**		**3,458**		(92,346)		**13,156**
Total comprehensive expense		**(177,887)**	**-7.8**	**(47,325)**	**-1.9**	**(130,562)**	**n.s.**	**(38,163)**
Attributable to:								
owners of the parent		(99,695)		(86,622)		(13,073)		(83,391)
non-controlling interests		(78,192)		39,297		(117,489)		45,228

Consolidated statement of changes in equity

(in thousands of euro)	Attributable to owners of the parent											Non-controlling interests	Totale equity
		Riserve											
	Share capital	Share premium	General bank risk reserve	AFS fair value reserve	Hedging reserve	Actuarial gains/losses on defined benefit plans	Other reserves	Treasury shares	Translation reserve	Retained earnings	Total share capital and reserves		
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**
Application of IAS 19 revised and other changes						-2,169			-29	-20,243	-22,441	-40,998	-63,439
Balances at December 31, 2011 re-stated	**100,167**	**177,191**	**1,769**	**-51,864**	**1,993**	**-2,169**	**52,540**	**-21,226**	**16,471**	**1,811,085**	**2,085,957**	**3,390,168**	**5,476,125**
Profit (loss) for the period										-65,619	-65,619	14,836	-50,783
Total other comprehensive income			18	-25,240	-3,294	-2,930	599		9,843		-21,004	24,462	3,458
Total comprehensive income			**18**	**-25,240**	**-3,294**	**-2,930**	**599**		**9,843**	**-65,619**	**-86,623**	**39,298**	**-47,325**
Stock options							413				413	-49	364
Dividends												-84,391	-84,391
% change in control and scope of consolidation							9		18	-6,959	-6,932	-30,890	-37,822
Balances at June 30, 2012	**100,167**	**177,191**	**1,787**	**-77,104**	**-1,301**	**-5,099**	**53,561**	**-21,226**	**26,332**	**1,738,507**	**1,992,815**	**3,314,136**	**5,306,951**
Profit (loss) for the period										-204,610	-204,610	-216,698	-421,308
Total other comprehensive income			-6	26,826	-6,851	-4,518	1,248		-29,414		-12,715	-138,842	-151,557
Total comprehensive income			**-6**	**26,826**	**-6,851**	**-4,518**	**1,248**		**-29,414**	**-204,610**	**-217,325**	**-355,540**	**-572,865**
Stock options							364				364	-5	359
Dividends												-20,100	-20,100
% change in control and area di consolidamento							1,125		-6	9,401	10,520	-5,215	5,305
Balances at December 31, 2012	**100,167**	**177,191**	**1,781**	**-50,278**	**-8,152**	**-9,617**	**56,298**	**-21,226**	**-3,088**	**1,543,298**	**1,786,374**	**2,933,276**	**4,719,650**
Profit (loss) for the period										-79,071	-79,071	-9,928	-88,999
Total other comprehensive income			-38	-17,717	6,904	5,809	814		-16,396		-20,624	-68,264	-88,888
Total comprehensive income			**-38**	**-17,717**	**6,904**	**5,809**	**814**		**-16,396**	**-79,071**	**-99,695**	**-78,192**	**-177,887**
Stock options							10				10	-437	-427
Dividends												-67,039	-67,039
% change in control and scope of consolidation							7		-38	-13,822	-13,853	-693	-14,546
Balances at June 30, 2013	**100,167**	**177,191**	**1,743**	**-67,995**	**-1,248**	**-3,808**	**57,129**	**-21,226**	**-19,522**	**1,450,405**	**1,672,836**	**2,786,915**	**4,459,751**

Consolidated equity as at December 31, 2011 was re-stated following adoption of the amendments introduced by IAS 19 "Employee benefits" and the change in the accounting treatment of Italgen green certificates from a cash basis to an accruals basis.

These changes generated a reduction of 63,439 thousand euro in consolidated equity, of which 64,191 thousand euro relating to IAS 19 "Employee benefits", counterbalanced in part by 752 thousand euro for the recognition of green certificates.

Statement of cash flows

(in thousands of euro)	Notes	H1 2013	H1 2012 (re-stated)	H1 2012 (published)
A) Cash flow from operating activities:				
Profit (loss) before tax		(23,428)	4,911	4,451
Adjustments for:				
Amortization, depreciation and impairment losses		252,037	272,828	272,828
Reversal of share of profit (loss) of equity-accounted investees		25,999	31,103	31,103
Net gains from the sale of non-current assets		(9,056)	(29,662)	(29,662)
Change in employee benefits and other provisions		(1,879)	(14,748)	(14,279)
Stock options		262	362	362
Reversal of net finance costs		46,846	49,372	49,372
Cash flow from operating activities before tax, finance income/costs, change in working capital		**290,781**	**314,166**	**314,175**
Change in working capital:				
Inventories		(2,276)	(7,606)	(7,606)
Trade receivables		(26,912)	(119,197)	(119,197)
Trade payables		(8,860)	26,188	26,188
Other receivables/payables, prepayments and accrued income, accrued expenses and deferred income		13,529	(40,376)	(39,372)
		266,262	**173,175**	**174,188**
Cash flow from operating activities before tax, finance income/costs				
Net finance costs paid		(52,176)	(60,893)	(60,893)
Dividends received		3,511	1,231	1,231
Taxes paid		(60,192)	(87,889)	(87,889)
Proceeds from derivatives		221	1,972	1,972
		(108,636)	**(145,579)**	**(145,579)**
Total A)		**157,626**	**27,596**	**28,609**
B) Cash flow used in investing activities:				
Capital expenditure				
PPE and investment property		(137,490)	(177,016)	(177,016)
Intangible assets		(4,771)	(5,979)	(5,979)
Financial assets (equity investments) net of cash acquisitions (*)		(1,787)	(14,243)	(14,243)
Total capital investments		**(144,048)**	**(197,238)**	**(197,238)**
Proceeds from sale of non-current assets and loan repayments		26,119	53,526	53,526
Total sales		**26,119**	**53,526**	**53,526**
Total B)		**(117,929)**	**(143,712)**	**(143,712)**
C) Cash flow used in financing activities:				
Change in non-current financial liabilities		(249,838)	(86,162)	(86,162)
Change in financial assets		198,770	98,283	94,089
Change in equity investments		169	8,736	8,736
Percentage change in interests in consolidated companies		468	(11,704)	(11,704)
Dividends paid		(44,825)	(85,519)	(85,519)
Other changes in equity		399	(3,632)	(451)
Total C)		**(94,857)**	**(79,998)**	**(81,011)**
D) Translation differences and other changes				
Translation differences and other changes		(20,287)	6,566	6,566
Cash flows relating to discontinued operations			6,773	6,773
Total D)		**(20,287)**	**13,339**	**13,339**
E) Cash flows for the period (A+B+C+D)		**(75,447)**	**(182,775)**	**(182,775)**
F) Cash and cash equivalents at beginning of the period		**957,573**	**821,478**	**821,478**
Cash and cash equivalents at end of the period (E+F)	**7**	**882,126**	**638,703**	**638,703**
(*) cash and cash equivalents from acquired and consolidated companies			112	112

Cash flows used in investing activities and sales of non-current assets are discussed in the relevant section of the notes to which the reader is referred.

Notes to the condensed interim consolidated financial statements

The condensed interim consolidated financial statements of Italmobiliare S.p.A. as at and for the six months ended June 30, 2013, were approved by the Board of Directors on August 6, 2013. At the meeting, the Board authorized publication of a press release dated August 6, 2013, containing key information of the financial statements.

Statement of compliance with the IFRS

The condensed interim consolidated financial statements have been drawn up in compliance with the International Financial Reporting Standards (IFRS) applicable at June 30, 2013, endorsed by the EC Commission; specifically, these condensed interim consolidated financial statements have been drawn up in accordance with International Accounting Standard 34 governing interim financial reporting.
The condensed interim consolidated financial statements do not present all the information and notes published in the annual report and should therefore be read in conjunction with the consolidated financial statements of Italmobiliare S.p.A. as at and for the year ended December 31, 2012.

The accounting policies used to draw up the condensed interim consolidated financial statements at June 30, 2013, are consistent with the accounting policies used to draw up the Group's financial statements as at and for the year ended December 31, 2012, and, in addition, with the policies and interpretations endorsed by the European Union and applicable as from January 1, 2013.

The Group has adopted for the first time a number of policies and amendments that required the re-statement of the previous financial statements; these policies and amendments include IAS 19 Employee benefits and the amendments to IAS 1 Presentation of financial statements. The nature and effects of these changes are illustrated below, as required by IAS 34.
A number of other new policies and amendments came into force for the first time in 2013. However, they did not have an impact on the consolidated financial statements or on the condensed interim consolidated financial statements.
The nature and effects of each new policy/amendment are listed below:

IAS 1 "Presentation of Financial statements" – Presentation of other comprehensive income
The amendment to IAS 1 introduces the grouping of the items presented under other comprehensive income. Items that might in future be reclassified to profit or loss (e.g., net gains/losses on net investment hedging, gains/losses on the translation of foreign currency items, net gains/losses on cash flow hedging and net gains/losses on available-for-sale financial assets) must now be presented separately from items that will never be reclassified to profit or loss such as actuarial gains/losses on defined benefit plans. The amendment related only to the method of presentation and did not have effects on the Group's financial position or results of operations.

IAS 12 – "Deferred tax" – recovery of underlying assets
This amendment clarifies determination of deferred tax on investment property measured at fair value. It introduces the refutable assumption that the carrying amount of investment property, measured using the fair value model contemplated by IAS 40, will be recovered through sale and, consequently, that measurement of the related deferred tax should be based on the sale. The measurement criterion adopted by the Group after initial recognition is cost, net of accumulated depreciation, and therefore the amendment did not have an impact on the Group's results of operations.

IAS 34 – "Interim financial reporting" and disclosure of segment's total assets and liabilities
The amendment clarifies segment disclosure requirements in order to improve consistency with IFRS 8 "Operating segments". The amendment did not have an impact on Group results of operations.

IFRS 7 "Financial instruments: disclosures" – Offsetting of financial assets and liabilities – Amendments to IFRS 7

These amendments require the reporting enterprise to disclose all the offsetting rights and related arrangements (e.g., guarantees). The new disclosure is required for all financial instruments that are offset in accordance with IAS 32 Financial instruments: Presentation in the financial statements. The disclosure is also required for financial instruments subject to master netting agreements or similar arrangements, irrespective of whether offsetting is performed in accordance with IAS 32. These amendments did not have impacts on the Group's financial position or results of operations.

Amendments to IAS 19 "Employee benefits"

The main changes refer to treatment of past service costs and the actuarial gains/losses to be recognized immediately in, respectively, profit/loss for the period and other comprehensive income (elimination of the corridor approach), the adoption, for plan assets, of the discount rate used to determine the defined benefit obligation. For the Group, the amendments to IAS 19 had an impact on the net obligation for defined benefit plans due to recognition of net actuarial losses and to the difference in accounting treatment of interest on plan assets; a smaller effect arose from past service costs. Finance costs relating to obligations, net of income on asset yields, have been reclassified from "Personnel expense" to "Finance costs".

IFRS 13 Fair value measurement

This standard introduces a single framework for all fair value measurements. Application of IFRS 13 did not have material effects on the Group fair value measurements.

IFRIC 20 "Stripping costs in the production phase of a surface mine"

This interpretation, which applies to the accounting treatment of stripping costs incurred in surface mine operations during the production phase, did not have an impact on the Group.

The Group has amended the accounting treatment of green certificates attributed to Italgen S.p.A.. Specifically, revenue relating to green certificates is recognized on an accruals basis, upon production of electric power from renewable sources, and, proportionately, to production.
Up until the previous year, the Group recognized revenue relating to green certificates upon of sale.

The tables below summarize the impact arising from application of IAS 19 revised and the new accounting treatment of green certificates.

Statement of Financial Position

(in thousands of euro)	12.31.2012 (IAS 19)	12.31.2012 published	Change	IAS 19 revised	Green certificates
Non-current assets					
Equity-accounted investees	283,720	283,721	(1)	(1)	
Deferred tax assets	127,452	127,240	212	212	
Receivables due from employees	(48)	3,548	(3,596)	(3,596)	
Total non-current assets	**6,987,447**	**6,990,832**	**(3,385)**	**(3,385)**	
Current assets					
Other current assets including derivatives	398,724	397,522	1,202	2	1,200
Total current assets	**3,432,324**	**3,431,122**	**1,202**	**2**	**1,200**
Non-current discontinued operations	**2,104**	**2,104**			
Total assets	**10,421,875**	**10,424,058**	**(2,183)**	**(3,383)**	**1,200**
Equity					
Reserves	(9,968)	(523)	(9,445)	(9,445)	
Retained earnings	1,540,210	1,560,082	(19,872)	(20,147)	275
Equity attributable to owners of the parent	**1,786,374**	**1,815,691**	**(29,317)**	**(29,592)**	**275**
Non-controlling interests	2,933,276	2,983,284	(50,008)	(50,430)	422
Total equity	**4,719,650**	**4,798,975**	**(79,325)**	**(80,022)**	**697**
Non-current liabilities					
Employee benefits	334,224	240,501	93,723	93,723	
Deferred tax liabilities	197,219	213,800	(16,581)	(17,084)	503
Total non-current liabilities	**3,017,991**	**2,940,849**	**77,142**	**76,639**	**503**
Total current liabilities	**2,683,943**	**2,683,943**			
Total liabilities	**5,701,934**	**5,624,792**	**77,142**	**76,639**	**503**
Liabilities directly linked to discontinued operations	**291**	**291**			
Total equity and liabilities	**10,421,875**	**10,424,058**	**(2,183)**	**(3,383)**	**1,200**

Income Statement

(in thousands of euro)	H1 2012 (IAS 19)	%	H1 2012 (published)	%	Change
Revenue	**2,446,632**	**100.0**	**2,446,632**	**100.0**	
Other revenue	26,300		26,300		
Change in inventories	21,725		21,725		
Internal work capitalized	13,557		13,557		
Raw materials and supplies	(1,031,601)		(1,031,601)		
Services	(583,995)		(583,995)		
Personnel expense	(508,204)		(513,656)		5,452
Other operating expense	(45,177)		(45,176)		(1)
Recurring gross operating profit	**339,237**	**13.9**	**333,786**	**13.6**	**5,451**
Net gains from the sale of non-current assets	25,751		25,751		
Non-recurring personnel expense for re-organizations	(10,315)		(10,315)		
Other non-recurring expense	(640)		(640)		
Gross operating profit	**354,033**	**14.5**	**348,582**	**14.2**	**5,451**
Amortization and depreciation	(234,003)		(234,003)		
Impairment losses on non-current assets	(16,093)		(16,093)		
Operating profit	**103,937**	**4.2**	**98,486**	**4.0**	**5,451**
Finance income	20,387		20,387		
Finance costs	(74,655)		(69,664)		(4,991)
Exchange rate differences and net gains (losses) on derivatives	(1,876)		(1,876)		
Impairment losses on financial assets	(22,181)		(22,181)		
Share of loss of equity-accounted investees	(20,701)		(20,701)		
Profit before tax	**4,911**	**0.2**	**4,451**	**0.2**	**460**
Income tax expense	(64,315)		(64,189)		(126)
Loss relating to continuing operations	**(59,404)**	**-2.4**	**(59,738)**	**-2.4**	**334**
Profit relating to discontinued operations	8,621		8,419		202
Loss for the period	**(50,783)**	**-2.1**	**(51,319)**	**-2.1**	**536**
Attributable to:					
Owners of the parent	(65,619)	-2.7	(65,790)	-2.7	171
Non-controlling interests	14,836	0.6	14,471	0.6	365
Losses per share					
- Basic					
ordinary shares	(1.744) €		(1.749) €		
savings shares	(1.744) €		(1.749) €		
- Diluted					
ordinary shares	(1.744) €		(1.749) €		
savings shares	(1.744) €		(1.749) €		

Statement of Comprehensive Income

(in thousands of euro)	H1 2012 (IAS 19)	%	H1 2012 (published)	%	Change
Loss for the period	**(50,783)**	**-2.2**	**(51,319)**	**-2.1**	**536**
Other comprehensive income (expense) related to continuing operations					
Items that will not be reclassified to profit or loss subsequently					
Re-measurement of the net liability/(asset) for employee benefits	(14,036)				(14,036)
Income tax	5,798				5,798
Total items that will not be reclassified to profit or loss subsequently	**(8,238)**				**(8,238)**
Items that might be reclassified to profit or loss subsequently					
Translation reserve on foreign operations	42,960		44,420		(1,460)
Translation reserve on foreign operations - investments in equity-accounted investees	2,744		2,744		
Fair value losses on cash flow hedges	(9,511)		(9,511)		
Fair value losses on cash flow hedges - investments in equity-accounted investees	(225)		(225)		
Fair value gains (losses) on available-for-sale financial assets	(25,825)		(25,825)		
Fair value gains (losses) on available-for-sale financial assets - investments in equity-accounted investees	649		649		
Income tax	904		904		
Total items that might be reclassified to profit or loss subsequently	**11,696**		**13,156**		**(1,460)**
Total other comprehensive income relating to continuing operations net of tax effect	**3,458**		**13,156**		**(9,698)**
Other comprehensive income (expense) relating to discontinued operations					
Total other comprehensive income	**3,458**		**13,156**		(9,698)
Total comprehensive expense	**(47,325)**	**-2.1**	**(38,163)**	**-1.6**	**(9,162)**
Attributable to:					
owners of the parent	(86,622)		(83,391)		(3,231)
non-controlling interests	39,297		45,228		(5,931)

Statement of Cash Flows

(in thousands of euro)	H1 2012 (re-stated)	H1 2012 (published)	Change
A) Cash flow from operating activities:			
Profit before tax	4,911	4,451	460
Adjustments for:			
Amortization, depreciation and impairment losses	272,828	272,828	
Reversal of share of profit (loss) of equity-accounted investees	31,103	31,103	
Net gains from the sale of non-current assets	(29,662)	(29,662)	
Change in employee benefits and other provisions	(14,748)	(14,279)	(469)
Stock options	362	362	
Reversal of net finance costs	49,372	49,372	
Cash flow from operating activities before tax, finance income/costs, change in working capital	**314,166**	**314,175**	**(9)**
Change in working capital:			
Inventories	(7,606)	(7,606)	
Trade receivables	(119,197)	(119,197)	
Trade payables	26,188	26,188	
Other receivables/payables, prepayments and accrued income, accrued expenses and deferred income	(40,376)	(39,372)	(1,004)
	173,175	**174,188**	**(1,013)**
Cash flow from operating activities before tax, finance income/costs			
Net finance costs paid	(60,893)	(60,893)	
Dividends received	1,231	1,231	
Taxes paid	(87,889)	(87,889)	
Proceeds from derivatives	1,972	1,972	
	(145,579)	**(145,579)**	
Total A)	**27,596**	**28,609**	**(1,013)**
B) Cash flow used in investing activities:			
Total sales	**53,526**	**53,526**	
Total B)	**(143,712)**	**(143,712)**	
C) Cash flow used in financing activities:			
Change in non-current financial liabilities	(86,162)	(86,162)	
Change in financial assets	98,283	94,089	4,194
Change in equity investments	8,736	8,736	
Percentage change in interests in consolidated companies	(11,704)	(11,704)	
Dividends paid	(85,519)	(85,519)	
Other changes in equity	(3,632)	(451)	(3,181)
Total C)	**(79,998)**	**(81,011)**	**1,013**
D) Translation differences and other changes			
Translation differences and other changes	6,566	6,566	
Cash flows relating to discontinued operations	6,773	6,773	
Total D)	**13,339**	**13,339**	
E) Cash flows for the period (A+B+C+D)	**(182,775)**	**(182,775)**	
F) Cash and cash equivalents at beginning of the period	**821,478**	**821,478**	
Cash and cash equivalents at end of the period (E+F)	**638,703**	**638,703**	
(*) cash and cash equivalents from acquired and consolidated companies	112	112	

Discretional measurements and use of estimates

In the preparation of these condensed interim consolidated financial statements, the discretional measurements made in the application of the Group accounting policies and the main sources of uncertainty relating to estimates are the same as those applied in the preparation of the consolidated financial statements as at and for the year ended December 31, 2012, with the exceptions set out below.

Exchange rates used to translate the financial statements of foreign operations

Exchange rates for 1 euro:

	Average rate			Closing rate		
Currencies	**H1 2013**	**2012**	**H1 2012**	**June 30, 2013**	**December 31, 2012**	**June 30, 2012**
Thai baht	39.16925	39.93881	40.37592	40.61300	40.34700	39.87300
Czech crown	25.69659	25.14441	25.16464	25.94900	25.15100	25.64000
Libyan dinar	1.67267	1.61473	1.63018	1.67196	1.66508	1.58256
Serbian dinar	111.89400	113.01900	110.89100	113.93900	112.60600	116.05000
Kuwaiti dinar	0.37278	0.36003	0.36136	0.37303	0.37110	0.35279
UAE Dubai dirham	4.82212	4.73267	4.78627	4.80422	4.84617	4.62428
Moroccan dirham	11.14072	11.09850	11.11715	11.14996	11.14235	11.07080
Canadian dollar	1.33333	1.28464	1.30399	1.37140	1.31370	1.28710
US dollar	1.31286	1.28538	1.29682	1.30800	1.31940	1.25900
Hungarian florin	296.14500	289.29800	295.39100	294.85000	292.30000	287.77000
Swiss franc	1.22956	1.20525	1.20477	1.23380	1.20720	1.20300
Ukrainian hrivna	10.61210	10.35570	10.40620	10.55990	10.58357	10.17480
Croatian kuna	7.57052	7.52147	7.54154	7.44950	7.55750	7.51780
Albanian lek	140.21964	139.02279	139.23644	141.07180	139.68570	138.14400
Moldavian leu	16.11984	15.56014	15.39342	16.38505	15.91645	15.19150
Bulgarian lev	1.95583	1.95583	1.95583	1.95583	1.95583	1.95583
Egyptian pound	8.94770	7.80270	7.83224	9.18203	8.37831	7.62765
Bosnian mark	1.95583	1.95583	1.95583	1.95583	1.95583	1.95583
New Turkish lira	2.37409	2.30394	2.32698	2.51090	2.35170	2.25900
New Romanian leu	4.39152	4.45814	4.39028	4.46030	4.44450	4.45130
Mauritanian ouguiya	394.62980	381.32362	379.32638	397.06300	399.82440	371.62500
Mexican peso	16.48857	16.90479	147.18089	17.04130	17.18450	16.87550
Chinese renminbi	8.12609	8.10803	8.19170	8.02800	8.22070	8.01100
Saudi riyal	4.92356	4.82048	4.86342	4.90526	4.94838	4.72157
Qatar riyal	4.77985	4.68005	4.72175	4.76232	4.80394	4.58387
Russian ruble	40.73470	40.73470	39.68650	42.84500	40.32950	41.37000
Indian rupee	72.22227	68.61914	67.60096	77.72100	72.56000	70.12000
Sri Lanka rupee	166.45059	163.97081	161.45482	170.65750	168.32300	168.57500
Pound sterling	0.85043	0.81103	0.82247	0.85720	0.81610	0.80680
Kazakh tenge	198.14205	191.68530	192.14688	198.51130	198.62130	188.11300
Polish zloty	4.17624	4.18379	4.24417	4.33760	4.07400	4.24880

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

Scope of consolidation

Changes in the scope of consolidation

The main changes in the scope of consolidation at June 30, 2013, with respect to June 30, 2012, are:

- the sale to third parties of Finter Bank& Trust Nassau Ltd., Finter Fund Management SA, FinterLife (Switzerland);
- the upstream merger of Interpack Gmbh into and with Petruzalek Gesellschaft mbH (Austria).

Seasonal nature of interim business

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

Operating segment disclosure

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

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

Operating segment disclosure

The table below sets out segment revenue and performance for the six month ended June 30, 2013:

(in thousands of euro)	Revenue	Intra-group sales	Contribution revenue	Recurring gross operating profit (loss)	Gross operating profit (loss)	Operating profit (loss)	Finance income (costs)	Impair-ment losses on financial assets	Share of profit (loss) of equity accounted investees	Loss before tax	Income tax expense
Construction materials	2,156,645	(5,033)	2,151,612	298,555	293,592	77,396		(8,947)	(1,853)		
Packaging and insulation	115,442	(144)	115,298	6,556	6,048	487					
Finance	25,452	(12,096)	13,356	6,293	6,214	6,048		(18,912)	(18,619)		
Banking	12,255	(386)	11,869	(1,476)	(1,441)	(2,656)					
Property, services and other	1,151	(568)	583	337	317	308					
Unallocated items and adjustments	(18,227)	18,227		(9,052)	(9,052)	(9,011)	(47,669)			(23,428)	(65,571)
Total	**2,292,718**		**2,292,718**	**301,213**	**295,678**	**72,572**	**(47,669)**	**(27,859)**	**(20,472)**	**(23,428)**	**(65,571)**

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

(in thousands of euro)	Revenue	Intra-group sales	Contribution revenue	Recurring gross operating profit (loss)	Gross operating profit (loss)	Operating profit (loss)	Finance income (costs)	Impair-ment losses on financial assets	Share of profit (loss) of equity accounted investees	Loss before tax	Income tax expense
Construction materials	2,299,844	(4,889)	2,294,955	334,121	349,442	106,105			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	(3,608)	(3,495)	(5,024)					
Property, services and other	837	(551)	286	(85)	(84)	(101)					
Unallocated items and adjustments	(24,747)	24,747		(15,810)	(15,808)	(15,762)	(56,144)			4,911	(64,315)
Total	**2,446,632**		**2,446,632**	**339,237**	**354,033**	**103,937**	**(56,144)**	**(22,181)**	**(20,701)**	**4,911**	**(64,315)**

The table below sets out other segment data at June 30, 2013:

	June 30, 2013		**June 30, 2013**			
(in thousands of euro)	**Total assets**	**Total liabilities**	**PPE, investmt prop and intangibles assets**	**Non-current financial assets**	**Amortization and depreciation**	**Impairment losses on non-curr.assets**
Construction materials	8,548,695	4,589,890	128,783	1,776	(212,734)	(3,464)
Packaging and insulation	225,538	222,379	3,139		(5,355)	(206)
Finance	1,346,459	390,401	43		(166)	
Banking	410,894	339,732	11		(1,215)	
Property, services and other	3,914	1,502	10		(9)	
Inter segment eliminations	(683,231)	(151,386)			43	
Total	**9,852,269**	**5,392,518**	**131,986**	**1,776**	**(219,436)**	**(3,670)**

The table below sets out other segment data at December 31, 2012 and June 30, 2012:

(in thousands of euro)	December 31, 2012 Total assets	Total liabilities	June 30, 2012 PPE, investmt prop and intangibles assets	Non-current financial assets	Amortization and depreciation	Impairment losses on non-curr.assets
Construction materials	8,891,162	4,726,463	134,386	403	(227,160)	(16,177)
Packaging and insulation	228,594	227,055	4,223	1,217	(5,150)	85
Finance	1,355,780	353,578	128	13,565	(194)	
Banking	617,601	542,008	163		(1,529)	
Property, services and other	3,739	1,306	25		(17)	
Inter segment eliminations	(675,001)	(148,185)			47	(1)
Total	**10,421,875**	**5,702,225**	**138,925**	**15,185**	**(234,003)**	**(16,093)**

Additional disclosure by geographical area

	Contribution revenue		PPE, investment property and intangible assets		Non-current financial assets		Total assets		Total liabilities	
(in thousands of euro)	**06/30/13**	**06/30/12**	**06/30/13**	**06/30/12**	**06/30/13**	**06/30/12**	**06/30/13**	**12/31/12**	**06/30/13**	**12/31/12**
European Union	1,221,226	1,347,401	74,088	87,027	1,194	15,083	7,303,427	7,559,619	3,025,610	3,159,583
Other European countries	21,052	26,991	21	108			407,393	614,166	338,096	540,559
North America	201,551	204,323	10,334	9,232			1,152,811	1,175,397	719,544	718,451
Asia and Middle East	309,896	290,262	24,119	23,574			1,031,451	1,052,633	338,394	336,615
Africa	432,706	454,335	18,170	14,132	570	108	2,053,085	2,174,650	430,854	432,031
Trading and others	106,287	123,320	5,254	4,852	12	(6)	5,290,006	5,122,438	3,349,022	3,150,005
Inter-area eliminations							(7,385,904)	(7,277,028)	(2,809,002)	(2,635,019)
Total	**2,292,718**	**2,446,632**	**131,986**	**138,925**	**1,776**	**15,185**	**9,852,269**	**10,421,875**	**5,392,518**	**5,702,225**

Assets

Non-current assets

1) Property, plant and equipment

Property, plant and equipment amounted to 4,063,064 thousand euro. Additions totaled 127,215 thousand euro and were mainly concentrated in France (26,150 thousand euro), Italy (20,040 thousand euro for capital expenditure), Bulgaria (17,463 thousand euro), India (11,225 thousand euro), Egypt (10,564 thousand euro) and North America (10,211 thousand euro).

Depreciation for the period totaled 208,659 thousand euro (225,261 thousand euro in the first half of 2012).
The carrying amount of non-current assets pledged as security for bank loans at June 30, 2013 was 191.8 million euro (191.2 million euro at December 31, 2012).

(in millions of euro)	June 30, 2013			
		less than 1 year	1 to 5 years	more than 5 years
Purchase commitments on PPE	285,9	152,1	133,8	

2) Goodwill

Goodwill at June 30, 2013 amounted to 1,598,824 thousand euro and is composed as follows:

- Construction materials segment for 1,553,211 thousand euro, 34,328 thousand euro of which recognized in Italmobiliare S.p.A.;
- Packaging and insulation segment for 11,285 thousand euro.

Goodwill impairment testing

Construction materials segment

At June 30, 2013, the Group considered the possible existence of indications of impairment for some Group CGUs with regard to the trend in expected cash flows for the current reporting period and in WACC discount rates.
The analyses found that, although expected cash flows for 2013 are below budget, they do not modify the long-term projections in the business plan used at December 2012; similarly, the WACC rates, computed using the Group methodology, are aligned with those used in December 2012.
With regard to Egypt, the general climate was highly unstable, especially after the recent events at the end of June, which led to a change of government and make the immediate outlook difficult to interpret at the present time. Nevertheless, first-half recurring gross operating profit and cash flows were substantially in line with budget projections, despite being penalized by the depreciation of the local currency. In respect to this considered, the Group deem it reasonable to confirm the assumptions adopted in the impairment test at December 31, 2012, also with regard to the WACC rate that was used.
No additional impairment loss was recognized at June 30, 2013, with respect to December 31, 2012.
The carrying amount of goodwill attributed to the CGUs, net of the negative exchange rate effect, did not change with respect to December 31, 2012.

3) Equity-accounted investees

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

(in thousands of euro)	Carrying amount June 30, 2013	Carrying amount December 31, 2012	Share of profit (loss) H1 2013	Share of profit (loss) H1 2012
Ciment Québec (Canada)	84,100	93,600	(2,374)	19
Vassiliko Cement Works (Cyprus)	52,200	57,000	(4,935)	(1,089)
Asment Cement (Morocco)	37,000	38,000	4,517	3,886
RCS Mediagroup (Italy)	1,846	18,694	(17,109)	(25,398)
Mittel (Italy)		34,202	(925)	1,366
S.E.S. (Italy)	22,752	23,336	(585)	(614)
Techno Gravel (Egypt)	4,200	4,600	223	290
Aquitaine de transformation (France)		4,200		
Others	9,933	10,088	716	839
Total	**212,031**	**283,720**	**(20,472)**	**(20,701)**

The share of the loss of RCS Mediagroup S.p.A. of 17,109 thousand euro includes the share of the loss attributable to Italmobiliare in the fourth quarter of 2012 and the first quarter of 2013. The carrying amount of the investee, 1,846 thousand euro, was reduced accordingly.

4) Other equity investments

A breakdown of other equity investments at June 30, 2013 is set out below:

(in thousands of euro)		Number of shares	June 30, 2013
Investments in listed companies			
Mediobanca		22,568,992	92,084
Unicredito		13,232,683	48,246
UBI		2,818,792	7,932
West China Cement			32,400
Others			
	Total		**180,662**
Investments in non-listed companies			
Fin Priv			9,057
Burgo Group			18,002
Gruppo Banca Leonardo			10,397
Sesaab			9,800
Others			34,316
	Total		**81,572**
At June 30, 2013			**262,234**

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

Other equity investments decreased by 44,163 thousand euro from December 31, 2012 (306,397 thousand euro). The decrease arose chiefly as follows:

- West China Cement, for 10.5 million euro; the decrease was recognized in the equity fair value reserve;
- Al Badia, for 3 million euro, as a result of an impairment loss taken to the income statement of 8.9 million euro, including the attribution to the income statement of the negative fair value reserve of 5.9 million euro;
- the sale of the entire investment in Yuzhno-Kyrgyzskij Cement, accounting for 5% of share capital, in exchange for a 6.9% interest in the Kazakh subsidiary Shymkent Cement, for 5.0 million euro;
- the partial sale of Unicredito shares for 9.3 million euro.

Current assets

5) Trade receivables

(in thousands of euro)	June 30, 2013	December 31, 2012	Change
Gross amount	935,640	913,737	21,903
Allowance for impairment	(108,229)	(103,300)	(4,929)
Total	**827,411**	**810,437**	**16,974**

At June 30, 2013 receivables factored without recourse amounted to 239.8 million euro (192.9 million euro at December 31, 2012) of which: the French and Belgian Group companies for 210 million euro (191.0 million euro at December 31, 2012), the American companies for 26.8 million euro and Calcestruzzi S.p.A. for 3.0 million euro (1.9 million euro at December 31, 2012).
The receivable factoring program arranged in December 2012 by some French and Belgian Group companies was increased as expected, during the first half of 2013, to reach a total of 210.0 million euro at June 30, 2013 (69.5 million euro at December 31, 2012).
On June 25, 2013, the international factoring program was extended to the American Group companies for a maximum amount of 35 million US dollars; the contract has a term of 4 years and 7 months with the same due dates as the contract signed in December 2012. At June 30, 2013 receivables factored by the American companies amounted to 26.8 million euro.
The two programs provide that the transferor company retain responsibility for collecting the receivables on behalf of the factoring company, while the receivables factored as guarantees and still recognized in the statement of financial position at June 30, 2013 totaled 39 million euro; this guarantee does not cover credit risk on the factored receivables.
In the first half of 2013 the financial cost arising from factoring of receivables was 2.0 million euro.

6) Equity investments, bonds and financial assets

The balance on this caption was as follows:

(in thousands of euro)	June 30, 2013	December 31, 2012	Change
Securities and bonds	260,872	213,020	47,852
Trading equities	3,697	3,866	(169)
Amounts due from banks	78,536	225,402	(146,866)
Other financial assets	27,712	23,012	4,700
Net amount	**370,817**	**465,300**	**(94,483)**

7) Cash and cash equivalents

(in thousands of euro)	June 30, 2013	December 31, 2012	Change
Cash and cheques in-hand	4,123	3,856	267
Bank and postal accounts	708,844	738,573	(29,729)
Short-term deposits	169,159	215,144	(45,985)
Net amount	**882,126**	**957,573**	**(75,447)**

Short-term deposits have varying maturities within three months, in relation to the Group's financial requirements; interest matures at the respective short-term rates.
Cash and cash equivalents are also shown under "Cash and cash equivalents at end of the period" on the statement of cash flows.

8) Non-current discontinued operations

Discontinued operations amounted to 17,350 thousand euro; they comprised assets of approximately 2.0 million euro in the food packaging and thermal insulation segment located at the Perugia plant, closed since November 2011. These assets will be liquidated by the end of this year. Discontinued operations also include shares for 15.4 million euro of the associate Mittel S.p.A. owned by the parent Italmobiliare held in connection with the voluntary public exchange offer organized by the associate.
With reference to the voluntary public exchange offer organized by Mittel S.p.A. on ordinary treasury shares, Italmobiliare S.p.A. tendered all Mittel shares in portfolio, in exchange for an equal number of Mittel bonds, held in the trading portfolio for an overall amount of 15.4 million euro, equal to their nominal amount. The transaction was completed in early July 2013 and led to the adjustment of the carrying amount of the investment at June 30, 2013 to the consideration for the bonds received, generating an impairment loss of 18.9 million euro and classification of the investment under non-current discontinued operations.

Equity and liabilities

Share capital, reserves and retained earnings

9) Share capital

At June 30, 2013, the fully paid-up share capital of the parent amounted to 100,166,937 euro represented by 38,525,745 shares with a nominal amount of 2.6 euro each, as follows:

Number of shares	June 30, 2013	December 31, 2012	Change
Ordinary shares	22,182,583	22,182,583	
Savings shares	16,343,162	16,343,162	
Total	**38,525,745**	**38,525,745**	

10) Reserves

Available-for-sale fair value reserve – attributable to owners of the parent

The decrease, gross of deferred tax of 15,424 thousand euro, amounted to 19,749 thousand euro and, besides the effects of the changes described in note 4, arose chiefly from application of the official share prices at June 30, 2013 to measure the available-for-sale listed companies (Mediobanca for -13,007 thousand euro, Unicredito for -3,297 thousand euro, UBI for -1,850 thousand euro and Fin Priv for – 1,181 thousand euro) and, for a smaller amount, from fair value measurement of the non-listed available-for-sale investments.

Translation reserve – attributable to owners of the parent

This reserve, in which exchange rate differences on the translation of the financial statements of consolidated foreign operations are recognized, reflected a negative balance at June 30, 2013 of 19.5 million euro, relating to the following currencies:

(in millions of euro)	June 30, 2013	December 31, 2012	Change
Egypt (Pound)	(42.8)	(27.0)	(15.8)
USA and Canada (Dollar)	5.4	7.2	(1.8)
Thailand (Baht)	15.1	15.6	(0.5)
Morocco (Dirham)		0.1	(0.1)
India (Rupee)	(22.3)	(16.5)	(5.8)
Turkey (Lira)		(0.5)	0.5
Switzerland (Franc)	23.2	15.1	8.1
Other countries	1.9	2.9	(1.0)
Net amount	**(19.5)**	**(3.1)**	**(16.4)**

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

Dividends paid

The parent Italmobiliare S.p.A. paid no dividends in 2013 and 2012.

11) Treasury shares

At June 30, 2013, treasury shares in portfolio amounted to 21,226 thousand euro, unchanged from December 31, 2012. The amount is deducted against equity reserves. Treasury shares were as follows:

	N° ordinary shares	Carrying amount (000 euro)	N° savings shares	Carrying amount (000 euro)	Total carrying amount
At December 31, 2012	**871,411**	**20,830**	**28,500**	**396**	**21,226**
At June 30, 2013	**871,411**	**20,830**	**28,500**	**396**	**21,226**

Ordinary treasury shares in portfolio at June 30, 2013 service stock option plans for directors and managers.

Non-current and current liabilities

12) Provisions

Non-current and current provisions totaled 242,634 thousand euro at June 30, 2013 (249,900 thousand euro at December 31, 2012). They consisted largely of amounts accrued for environmental restoration of quarries, for the re-organization of industrial operations and for tax and legal disputes.
In the first half of 2013, the decrease in provisions of 7.3 million euro was due for 4.0 million euro to the release of surplus provisions.

13) Financial liabilities

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

(in thousands of euro)	June 30, 2013	December 31, 2012	Change
Amounts due to banks	410,796	721,906	(311,110)
Bonds	1,819,611	1,335,010	484,601
Other financial backers	80,208	136,556	(56,348)
Finance lease payables	2,163	3,136	(973)
Non-current financial liabilities	**2,312,778**	**2,196,608**	**116,170**
Fair value of hedges derivatives	17,471	33,194	(15,723)
Total non-current financial liabilities	**2,330,249**	**2,229,802**	**100,447**
Amounts due to banks	499,984	652,629	(152,645)
Current portion of borrowings	102,377	119,843	(17,466)
Bonds	15,000	15,000	
Other financial backers	403,202	554,400	(151,198)
Finance lease payables	2,292	2,418	(126)
Accrued interest expense	34,562	55,661	(21,099)
Amounts due to banks and current financial liabilities	**1,057,417**	**1,399,951**	**(342,534)**
Fair value of hedges derivatives	6,102	5,108	994
Total current financial liabilities	**1,063,519**	**1,405,059**	**(341,540)**
Total financial liabilities	**3,393,768**	**3,634,861**	**(241,093)**

The construction materials segment covers its financial requirements resorting to diversified instruments and, besides the recourse to medium/long-term lines of credit and borrowings, it covers its long-term financing requirements through bond issues.
In 2010 Italcementi S.p.A. launched a Euro Medium Term Notes (EMTN) program for qualified investors on the European market, for a maximum amount of 2 billion euro, replacing the program previously in place at Ciments Français S.A..

Under this program, on February 14, 2013, Italcementi Finance S.A., a French subsidiary of Italcementi S.p.A., issued a five-year bond with a fixed annual coupon of 6.125% and yield to maturity of 6.25%, for a nominal amount of 350 million euro. The bond is listed on the Luxembourg Stock Exchange. Placement was handled by Banca IMI, BNP Paribas, Crédit Agricole CIB, Natixis, Unicredit.

On May 14, 2013, Italcementi Finance S.A. re-opened the placement with an additional issue for a nominal amount of 150 million euro, at a price of 108.261 and a yield to maturity of 4.169%.
The bonds are unconditionally guaranteed by Italcementi S.p.A. and will mature on February 21, 2018.
The proceeds from the issues have been used by Italcementi S.p.A. to refinance debt maturities through medium/long-term intercompany loans.

In June 2013, Italcementi Finance S.A. re-negotiated two bilateral lines of credit with international banks for an aggregate amount of 100 million euro at 364 days. At June 30, 2013 no drawings had been made on these lines.

In June 2013, Italcementi S.p.A. re-negotiated a multi-tranche bilateral line of credit for an aggregate amount of 260 million euro, composed as follows:

- the maturity of the 50 million euro tranche was extended to two years, from September 2014 to September 2016;
- the 150 million euro tranche maturing in September 2015 was reduced by an aggregate amount of 50 million euro. Of the residual 100 million euro, the maturity on 50 million euro was extended from September 2015 to September 2016, while the original maturity was retained on the outstanding 50 million euro. Drawings at June 30, 2013 totaled 50 million euro;
- the final 60 million euro tranche maturing in September 2019 was not modified..

The three transactions have enabled Italcementi S.p.A. to improve its medium-term maturity profile.

During the half year the parent:

- fully repaid the 37.1 million euro loan guaranteed by Unicredit shares arranged with Société Générale, thereby releasing the shares;
- re-opened a loan with Banca Leonardo for 24.2 million euro to replace the previous loan of 21.6 million euro;
- repaid the first tranche of the loan arranged with Banca Intesa for 18.6 million euro;
- made drawings of 153.9 million euro on the revolving lines of credit arranged with Banca Intesa, Credito Bergamasco and Banca Popolare di Bergamo.

Non-current financial liabilities by currency are as follows:

(in thousands of euro)	June 30, 2013	December 31, 2012	Change
Euro	2,221,594	2,099,732	121,862
Indian rupee	64,200	70,400	(6,200)
US and Canadian dollar	16,800	16,000	800
Polish zloty	2,000	2,367	(367)
Egyptian pound	1,200	1,000	200
Hungarian florin	183	219	(36)
Other	6,801	6,890	(89)
Total	**2,312,778**	**2,196,608**	**116,170**

Non-current financial liabilities by maturity are as follows:

(in thousands of euro)	within 2 years	within 3 years	within 4 years	within 5 years	beyond	Total
Total financial liabilities at June 30, 2013	256,155	31,532	626,054	508,740	890,297	2,312,778

At June 30, 2013 loans secured by mortgages and liens on property, plant and equipment amounted to 100.5 million euro (98.3 million euro at December 31, 2012), 77.3 million euro of which relating to the Indian subsidiaries.

Net financial debt

Net financial debt at June 30, 2013 was as follows:

(in thousands of euro)	Statement of fin.pos. caption	Non net financial debt	Net financial debt	Current assets	Current liabilities	Non-current assets	Non-current liabilities
Trade receivables and other non-current assets	214,482	67,961	146,521	42		146,479	
Other current assets including derivatives	357,550	292,687	64,863	64,863			
Financial assets and equity investments held for trading	370,817	268	370,549	370,549			
Cash and cash equivalents	882,126		882,126	882,126			
Non-current financial liabilities	(2,312,778)		(2,312,778)				(2,312,778)
Other non-current liabilities	(24,451)	(6,980)	(17,471)				(17,471)
Bank loans and borrowings	(499,984)		(499,984)		(499,984)		
Current financial liabilities	(232,644)		(232,644)		(232,644)		
Other liabilities	(906,142)	(575,251)	(330,891)		(330,891)		
Total	**(2,151,024)**	**(221,315)**	**(1,929,709)**	**1,317,580**	**(1,063,519)**	**146,479**	**(2,330,249)**

Net financial debt at June 30, 2013 stood at 1,929,709 thousand euro, as follows:

(in thousands of euro)	June 30, 2013	December 31, 2012	Change
Current financial assets	**1,317,580**	**1,505,060**	**(187,480)**
Cash and cash equivalents	882,126	957,573	(75,447)
Derivatives	10,877	21,065	(10,188)
Other current financial assets	424,577	526,422	(101,845)
Current financial liabilities	**(1,063,519)**	**(1,405,059)**	**341,540**
Loans and borrowings	(499,984)	(652,629)	152,645
Current financial liabilities	(557,433)	(747,322)	189,889
Derivatives	(6,102)	(5,108)	(994)
Non-current financial assets	**146,479**	**199,313**	**(52,834)**
Non-current financial assets	60,418	72,520	(12,102)
Non-current derivatives	86,061	126,793	(40,732)
Non-current financial liabilities	**(2,330,249)**	**(2,229,802)**	**(100,447)**
Non-current financial liabilities	(2,312,778)	(2,196,608)	(116,170)
Non-current derivatives	(17,471)	(33,194)	15,723
Net financial debt	**(1,929,709)**	**(1,930,488)**	**779**

Net financial debt at June 30, 2013, computed in compliance with Consob communication no. DEM 6064293/2006 of July 28, 2006 (i.e., not including non-current financial assets) amounted to 2,076,188 thousand euro (2,129,801 thousand euro at December 31, 2012).

Pursuant to the currency regulations in force in Egypt, Morocco, Thailand and India, the holding Ciments Français S.A. does not have immediate access to the cash and cash equivalents of the Group companies in these countries; the assets in question totaled 345.0 million euro at June 30, 2013 (336.5 million euro at December 31, 2012).

Comparison between fair value and carrying amount

The table below compares the carrying amount and the fair value of financial assets and liabilities at June 30, 2013:

	June 30, 2013		December 31, 2012	
(in thousands of euro)	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Assets at fair value through profit and loss				
Cash and cash equivalents	882,126	882,126	957,573	957,573
Short-term derivatives	*9,999*	*9,999*	*20,752*	*20,752*
Banking derivatives	*878*	*878*	*313*	*313*
Medium/long-term derivatives	*86,061*	*86,061*	*126,793*	*126,793*
Derivatives	96,938	96,938	147,858	147,858
Equity investments, bonds and financial assets	370,817	370,817	465,300	465,300
Banking and other receivables	64,023	64,023	71,257	71,257
Loans and receivables				
Trade receivables	827,411	827,411	810,437	810,437
Receivables and other non-current assets	128,274	128,274	135,975	135,975
Available-for-sale assets				
Non-current equity investments	262,234	262,234	306,397	306,397
Held-to-maturity investments				
Total	**2,631,823**	**2,631,823**	**2,894,797**	**2,894,797**
Financial liabilities				
Trade payables	640,904	640,904	651,591	651,591
Current financial liabilities	*732,628*	*732,628*	*878,564*	*878,564*
Other financial liabilities	*324,789*	*324,789*	*521,387*	*521,387*
Total current financial liabilities	1,057,417	1,057,417	1,399,951	1,399,951
Short-term derivatives	*4,953*	*4,953*	*2,587*	*2,587*
Banking derivatives	*1,149*	*1,149*	*2,521*	*2,521*
Medium/long-term derivatives	*17,471*	*17,471*	*33,194*	*33,194*
Total derivatives	23,573	23,573	38,302	38,302
Non-current financial liabilities	2,312,778	2,362,178	2,196,608	2,279,508
Total	**4,034,672**	**4,084,072**	**4,286,452**	**4,369,352**

Trade receivables and payables are represent assets and liabilities and their carrying amounts are reasonably approximated at fair value.
Derivatives are measured and recognized at fair value. The fair value of interest rate contracts is determined by discounting future cash flows using the zero coupon curve.
The fair value of forward foreign-currency purchase contracts is based on the current exchange rates for contracts with similar maturity profiles.
The fair value of foreign-currency assets and liabilities is determined using the closing rates. The fair value of fixed-rate assets and liabilities is determined using a fixed rate, net of transaction costs directly attributable to the financial assets and financial liabilities.

Fair Value - hierarchy

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

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

At June 30, 2013, financial instruments measured at fair value were as follows:

(in thousands of euro)	June 30, 2013	Level 1	Level 2	Level3
Derivatives - assets	96,938	1,116	95,822	
Equity investments, bonds and financial assets	295,603	279,141	13,189	3,273
Banking and other receivables	10,010			10,010
Receivables and other non-current assets	5,246	146	5,100	
Non-current equity investments	262,234	180,662	9,758	71,814
Derivatives - liabilities	(23,573)	(14)	(23,083)	(476)

	Level 3	Increases						Decreases							Level 3
(in thousands of euro)	12/31/2012	Purchases	Gains in income statement	Other gains in income statement	Gains in equity	Other increases	Transfers from other levels	Sales	Repayments	Losses in income statement	Other losses in income statement	Losses in equity	Other decreases	Transfers to other levels	06/30/2013
Derivatives - assets															
Equity investments, bonds and financial assets	3,740	21	9			89			(407)	(6)			(173)		3,273
Banking and other receivables	9,867					143									10,010
Non-current equity investments	78,963				6,611			(3,855)			(9,605)	(46)	(254)		71,814
Derivatives - liabilities	(802)			326											(476)

In the current financial year or in the previous financial year, no reclassifications from categories measured at fair value to categories measured at amortized cost were made in the Group's financial asset portfolio.
In the first half to June 30, 2013 no transfers were made to and from level 3.

Covenants

In addition to the customary clauses, some of the loan agreements granted to Group companies (chiefly to Italcementi S.p.A. and Italcementi Finance S.A., and also to Zuari Cement) include covenants requiring compliance with financial ratios, fixed for the most part at the reporting date of the half year and the full year. For bilateral or syndicated lines of credit and borrowings, failure to comply with covenants leads to termination and consequent early repayment; however, these clauses also include a stand-by period before they become effective. Lines of credit and loan agreements do not contain rating triggers that would lead to early repayment. Some loan agreements involve assumption of negative pledges to the counterparty, 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, 2013 lines of credit and loans subject to covenants amounted to 295.5 million euro, expressed at their nominal amounts.

At June 30, 2013, the construction materials segment complied with all contractual commitments; covenant-related financial ratios were within the contractual limits established by the relevant loans, while, as in the previous year, a loan of 6.9 million euro in the packaging and insulation segment did not fully comply with the underlying covenant. The Group expects to comply with its covenants and will provide appropriate information, should its financial situation deteriorate.

Some loan agreements include customary clauses referring to negative pledges, i.e. actions not that should be taken as they could weaken the debtor's financial guarantee (e.g., amendments to the by-laws, change in business, reduction of share capital), and cause the lender to withdraw from the agreement.

Derivatives

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

	June 30, 2013		December 31, 2012	
(in thousands of euro)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Interest rate derivatives hedges cash flow	727	(2,337)		(318)
Interest rate derivatives hedges fair value		(14)		
Interest rate derivatives for trading	4,441	(2,214)	2,234	(1,827)
Interest rate derivatives	**5,168**	**(4,565)**	**2,234**	**(2,145)**
Exchange rate derivatives hedges cash flow	298	(129)	299	(330)
Exchange rate derivatives hedges fair value	4,533	(259)	18,219	(112)
Exchange rate derivatives for trading				
Exchange rate derivatives	**4,831**	**(388)**	**18,518**	**(442)**
Total current instruments	**9,999**	**(4,953)**	**20,752**	**(2,587)**
Interest rate derivatives hedges cash flow	322	(2,021)	(11)	(19,794)
Interest rate derivatives hedges fair value	85,703	(15,450)	126,804	(13,400)
Interest rate derivatives	**86,025**	**(17,471)**	**126,793**	**(33,194)**
Exchange rate derivatives hedges cash flow	36			
Exchange rate derivatives hedges fair value				
Exchange rate derivatives	**36**			
Total long-term instruments	**86,061**	**(17,471)**	**126,793**	**(33,194)**
Bank derivatives - forwards	878	(1,149)	313	(2,521)
Bank derivatives - options				
Bank derivatives	**878**	**(1,149)**	**313**	**(2,521)**
Total	**96,938**	**(23,573)**	**147,858**	**(38,302)**

The fair value of derivatives on commodities risk management is set out below:

	June 30, 2013		December 31, 2012	
(in thousands of euro)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Short-term	-	-	11,147	20,791
Long-term	-	-	-	142
Total	**-**	**-**	**11,147**	**20,933**

All derivative transactions on CO_2 emission rights were settled during the first half of 2013. There are no derivatives hedging commodities.

14) Trade payables

The balance of this caption was as follows:

(in thousands of euro)	June 30, 2013	December 31, 2012	Change
Suppliers	629,831	630,082	(251)
Other trade payables	11,073	21,509	(10,436)
Total	**640,904**	**651,591**	**(10,687)**

15) Other liabilities

(in thousands of euro)	June 30, 2013	December 31, 2012	Change
Due to employees	98,731	114,126	(15,395)
Due to social security authorities	57,896	59,531	(1,635)
Due to tax authorities	69,581	47,649	21,932
Accrued expenses and deferred income	40,931	35,019	5,912
Derivatives	4,952	22,552	(17,600)
Amounts due in banking and insurance segment	325,938	523,908	(197,970)
Purchase commitments on non-controlling interests	42,107	45,803	(3,696)
Other	266,006	271,049	(5,043)
Total	**906,142**	**1,119,637**	**(213,495)**

Contingent liabilities

At June 30, 2013, analysis of the main contingent liabilities relating to disputes and proceedings pending at December 31, 2012 found no need to accrue provisions.
The Group is not aware of other disputes, legal controversies or other exceptional facts that might have a material impact on its financial position and results of operations.

Europe
There were no developments in the investigation begun in November 2008 by the European Commission into some cement producers, including Italcementi S.p.A. and the subsidiaries Ciments Français S.A., Ciments Calcia S.A., Compagnie des Ciments Belges (CCB) and, indirectly, through notification to Italmobiliare S.p.A., Societad Financiera Y Minera S.A.. Both the investigation and the proceeding are still underway.

Belgium
As regards the proceeding begun in 2009 by the local Antitrust authority against cement producers, including CCB, of the national industry association and the National Technical Certification Body, there were no developments. A decision is expected by the end of this year.

Italy
As regards the "Ready mixed concrete market in the Province of Milan" proceeding begun in 2003 by the Competition and Market Authority, on July 7, 2009, the *Consiglio di Stato*, the appellate body for rulings issued by the regional administrative courts, upheld in part the appeal filed by Calcestruzzi, confirming the lesser gravity of the alleged infraction and also reducing its duration (this also affected the laws applicable in determining the fine). In June 2013 notified Calcestruzzi of its decision to open a procedure for the re-determination of the amount of the fine.

Kazakhstan

In May 2013 the local Antitrust Authority notified Shymkent Cement that an investigation had begun to ascertain possible unfair trading practices with regard to sales prices. The company has been asked to provide administrative and commercial documentation. The investigation is expected to be completed shortly.

Turkey/Russia

Regarding the dispute begun by Sibconcord against Ciments Français for the missed agreement of 2008 for the sale of the Group’s Turkish operations (Set Group) to its subsidiary Sibcem, on July 10 the court of Kemerovo (Russia) issued a ruling in favor of Ciments Français and clearly stated that the loss of 50 million euro by Sibcem was solely due to the appellant’s failure to comply with the agreements.

Income statement

16) Revenue

Revenue from sales and services totaled 2,292,718 thousand euro, and is as follows:

(in thousands of euro)	H1 2013	H1 2012	Change	% change
Industrial revenue				
Product sales	2,185,178	2,319,979	(134,801)	-5.8%
Services provided	65,884	74,272	(8,388)	-11.3%
Other revenue	15,894	16,971	(1,077)	-6.3%
Total	**2,266,956**	**2,411,222**	**(144,266)**	**-6.0%**
Financial revenue				
Interest	2,980	3,833	(853)	-22.3%
Dividends	2,810	1,441	1,369	95.0%
Gains and other revenue	8,284	14,128	(5,844)	-41.4%
Total	**14,074**	**19,402**	**(5,328)**	**-27.5%**
Bank revenue				
Interest	1,626	2,677	(1,051)	-39.3%
Commissions	8,470	11,305	(2,835)	-25.1%
Other revenue	1,037	1,919	(882)	-46.0%
Total	**11,133**	**15,901**	**(4,768)**	**-30.0%**
Property and service revenue	**555**	**107**	**448**	**n.s.**
Grand total	**2,292,718**	**2,446,632**	**(153,914)**	**-6.3%**

17) Raw materials and supplies

Raw materials and supplies amounted to 937,57 thousand euro, and are as follows:

(in thousands of euro)	H1 2013	H1 2012	Change	% change
Raw materials and semifinished products	279,498	277,921	1,577	0.6%
Fuel	191,126	214,494	(23,368)	-10.9%
Materials and machinery	128,709	143,090	(14,381)	-10.1%
Finished goods	88,271	98,336	(10,065)	-10.2%
Electricity, water and gas	240,370	268,057	(27,687)	-10.3%
Change in inventories of raw materials, consumables and other	9,483	29,703	(20,220)	-68.1%
Total	**937,457**	**1,031,601**	**(94,144)**	**-9.1%**

18) Services

Services amounted to 553,794 thousand euro, and are as follows:

(in thousands of euro)	H1 2013	H1 2012	Change	% change
External services and maintenance	179,921	189,475	(9,554)	-5.0%
Transport	239,148	255,421	(16,273)	-6.4%
Legal fees and consultancy	22,799	22,822	(23)	-0.1%
Rents	40,890	42,271	(1,381)	-3.3%
Insurance	19,252	20,964	(1,712)	-8.2%
Membership/fees	5,753	5,057	696	13.8%
Other expense	46,031	47,985	(1,954)	-4.1%
Total	**553,794**	**583,995**	**(30,201)**	**-5.2%**

19) Personnel expense

Personnel expense totaled 476,313 thousand euro, and is as follows:

(in thousands of euro)	H1 2013	H1 2012	Change	% change
Wages and salaries	322,945	346,423	(23,478)	-6.8%
Social security contributions	101,881	108,612	(6,731)	-6.2%
Costs of stock option plans	262	364	(102)	-28.0%
Other expense	51,225	52,805	(1,580)	-3.0%
Total	**476,313**	**508,204**	**(31,891)**	**-6.3%**

The number of employees is shown below:

(headcount)	H1 2013	H1 2012	Change
Number of employees at period end	20,163	20,702	(539)
Average number of employees	20,286	20,893	(607)

20) Other operating expense

Other operating expense, net of other operating income amounted to 53,915 thousand euro, as follows:

(in thousands of euro)	H1 2013	H1 2012	Change	% change
Other taxes	41,304	43,826	(2,522)	-5.8%
Allowance for impairment	11,678	12,715	(1,037)	-8.2%
Interest expense and other expense for companies in the financial and banking segments	9,929	10,280	(351)	-3.4%
Provision for environmental restoration, quarries, other	21,355	25,677	(4,322)	-16.8%
Miscellaneous income	(30,351)	(47,321)	16,970	-35.9%
Total	**53,915**	**45,177**	**8,738**	**19.3%**

The decrease in “Miscellaneous income” arose from the absence in the first six months of 2013 of CO_2 emission rights trading, whereas in the year-earlier period the Group recognized net gains of 18.1 million euro and income of 4.3 million euro from reimbursement of “new entry” CO_2 quotas.
“Miscellaneous income” included income of 5.4 million euro from the assignment of white certificates (2.9 million euro in the first half of 2012).

21) Non-recurring income (expense)

Non-recurring expense, net of non-recurring income amounted to 5,535 thousand euro (non-recurring income of 14,796 thousand euro in the first half of 2012), as follows:

(in thousands of euro)	H1 2013	H1 2012	Change	% change
Net gains from sale of non-current assets	6,197	25,751	(19,554)	-75.9%
Non-recurring expense for re-organizations	(11,122)	(10,315)	(807)	7.8%
Other non-recurring expense	(610)	(640)	30	-4.7%
Total	**(5,535)**	**14,796**	**(20,331)**	**n.s.**

Expense for re-organization programs in the first half of 2013 arose mainly in Spain, with net provisions of 6.3 million euro, Italy for 2.1 million euro and CTG for 1.2 million euro, and referred to termination benefits.

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

Net finance costs amounted to 47,669 thousand euro, as follows:

	H1 2013		H1 2012	
(in thousands of euro)	Income	Costs	Income	Costs
Interest income	6,500		6,724	
Interest expense		(52,895)		(50,164)
Dividends	1,374		1,072	
Gains/losses from the sale of equity investments	20	(908)	2,784	
Other finance income	20,931		9,807	
Capitalized finance costs		976		575
Other finance costs		(30,175)		(25,066)
Total finance income (costs)	**28,825**	**(83,002)**	**20,387**	**(74,655)**
Gains/(losses) on interest-rate derivatives	1,916			(2,638)
Gains/(losses) on exchange rate derivatives		(14,045)	17,761	
Net exchange rate differences	18,637			(16,999)
Net exchange rate differences and derivatives		**6,508**		**(1,876)**
Total finance income (costs), exchange rate differences and net gains (losses) on derivatives		**(47,669)**		**(56,144)**

"Other finance costs" included net finance costs of 3,366 thousand euro on employee defined benefit plans (4,991 thousand euro in the first half of 2012).

23) Impairment losses on financial assets

Impairment losses on financial assets totaled 27,859 thousand euro and arose from the impairment loss on the Mittel investment for 18,930 thousand euro, the impairment loss on the Al Badia investment for 8,947 thousand euro, the impairment reversal on RCS Mediagroup stock options for 119 thousand euro, the impairment loss on the UBI investment for 96 thousand euro and the impairment loss on the Atmos investment for 5 thousand euro.

At June 30, 2012, impairment losses on financial assets totaled 22,181 thousand euro and arose from the impairment loss on the Unicredito investment for 21,136 thousand euro, the impairment loss on the UBI investment for 884 thousand euro, the impairment loss on the Atmos Venture investment for 119 thousand euro and the impairment loss on the Atmos investment for 42 thousand euro.

24) Income tax expense

Income tax expense for the first half of 2013 was 65,571 thousand euro, and is composed as follows:

(in thousands of euro)	H1 2013	H1 2012	Change	% change
Current tax	66,478	64,594	1,884	2.9%
Prior-year tax and other net non-recurring tax items	(2,175)	(3,389)	1,214	-35.8%
Deferred tax	1,268	3,110	(1,842)	-59.2%
Total	**65,571**	**64,315**	**1,256**	**2.0%**

25) Other comprehensive expense

(in thousands of euro)	Gross amount	Tax	Net amount
Re-measurement of net liability (asset) for employee benefits	15,853	523	16,376
Fair value gains (losses) on:			
Available-for-sale financial assets	(22,004)	2,032	(19,972)
Derivatives	18,125	(356)	17,769
Translation differences	(103,061)		(103,061)
Other comprehensive expense	**(91,087)**	**2,199**	**(88,888)**

26) Earnings (losses) per share

Earnings (losses) per share at June 30, 2013 and 2012 are determined on the parent's profit (loss) for the respective periods and stated separately for ordinary shares and savings shares.

Basic earnings (losses) per share

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

	H1 2013		H1 2012	
(n° shares in thousands)	Ordinary shares	Savings shares	Ordinary shares	Savings shares
N° 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 shares sold in the period				
Total	**21,311**	**16,315**	**21,311**	**16,315**
Attributable loss in thousands of euro	(44,786)	(34,285)	(37,166)	(28,453)
Basic losses per share	(2.102)	(2.102)	(1.744)	(1.744)

Loss attributable by share category was determined as follows:

	H1 2013		H1 2012	
(in thousands of euro)	Ordinary shares	Savings shares	Ordinary shares	Savings shares
Profit reserved for savings shareholders (euro 0.078 per share)				
Residual loss apportioned to all shares	(44,786)	(34,285)	(37,166)	(28,453)
Total	**(44,786)**	**(34,285)**	**(37,166)**	**(28,453)**

Diluted earnings (losses) per share

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

The weighted average number of shares and attributable loss are set out below:

	H1 2013		H1 2012	
(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				
Total	**21,311**	**16,315**	**21,311**	**16,315**
Attributable loss for the period for diluted earnings in 000 euro	(44,786)	(34,285)	(37,166)	(28,453)
Diluted losses per share in euro	(2.102)	(2.102)	(1.744)	(1.744)

Loss attributable by share category was determined as follows:

	H1 2013		H1 2012	
(in thousands of euro)	Ordinary shares	Savings shares	Ordinary shares	Savings shares
Profit reserved for savings shareholders (euro 0.078 per share)				
Residual loss apportioned to all shares	(44,786)	34,285	(37,166)	(28,453)
Total	**(44,786)**	**34,285**	**(37,166)**	**(28,453)**

27) Transactions with related parties

Transactions with related parties in the first half of 2013 are detailed in the table below:

(in thousands of euro) **Italmobiliare Group**	Revenue (expense)	Trade receivables (payables)	Financial assets (liabilities)	Finance income (costs)	Other operating income (expense)
Subsidiaries and associates	27,173	12,133	40,859	281	
Not consolidated on a line-by-line basis	(13,895)	(4,655)	(274)	(34)	(86)
Other related parties	69	45			19
	(197)	(412)			(304)
Total	**27,242**	**12,178**	**40,859**	**281**	**19**
	(14,092)	**(5,067)**	**(274)**	**(34)**	**(390)**
% impact on captions	1.2%	1.5%	2.8%	1.0%	0.0%
	0.7%	0.8%	0.0%	0.0%	0.7%

The corresponding figures for the first half of 2012 are set out below:

(in thousands of euro) **Italmobiliare Group**	Revenue (expense)	Trade receivables (payables)	Financial assets (liabilities)	Finance income (costs)	Other operating income (expense)
Subsidiaries and associates	28,316	15,633	42,150	341	
Not consolidated an a line-by-line basis	(17,230)	(7,430)	(417)	(4)	(544)
Other related parties	92	67			14
	(249)	(142)			(600)
Total	**28,408**	**15,700**	**42,150**	**341**	**14**
	(17,479)	**(7,572)**	**(417)**	**(4)**	**(1,144)**
% impact on captions	1.2%	1.5%	2.7%	1.7%	0.0%
	0.9%	1.1%	0.0%	0.0%	1.2%

Revenue from and purchases of goods and services with respect to subsidiaries and associates consisted mainly of transactions with companies consolidated proportionately, notably Société des Carrieres du Tournaisis, Société Parisienne de Sablières S.A., Atlantica de Graneles and Les Calcaires Girondins S.a.a. and with equity-accounted investees, including the Ciments Quebec Inc. Group.

At June 30, 2013 other operating expense with respect to "Other related parties" of 304 thousand euro (600 thousand euro at June 30, 2012) included the payments by Italmobiliare S.p.A. and by Italcementi S.p.A. to the Italcementi Cav. Lav. Carlo Pesenti foundation totaling 300 thousand euro (600 thousand euro at June 30, 2012).

Non-recurring transactions

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

	H1 2013					
(in thousands of euro)	Equity		Loss for the period		Net financial debt	
	amount	%	amount	%	amount	%
Carrying amounts	**4,459,751**		**(88,999)**		**(1,929,709)**	
Net gains from the sale of non-current assets	6,197	0.14%	6,197	6.96%	12,208	0.63%
Non-recurring personnel expense for re-organizations	(11,122)	0.25%	(11,122)	12.50%		
Other non-recurring expense	(610)	0.01%	(610)	0.69%	(300)	0.02%
Income tax on non-recurring transactions						
Total	**(5,535)**	**0.12%**	**(5,535)**	**6.22%**	**11,908**	**0.62%**
Figurative amount without non-recurring transactions	**4,465,286**		**(83,464)**		**(1,941,617)**	

	H1 2012					
(in thousands of euro)	Equity		Loss for the period		Net financial debt	
	amount	%	amount	%	amount	%
Carrying amounts	**5,309,663**		**(50,783)**		**(2,225,402)**	
Net gains from the sale of non-current assets	25,751	0.48%	25,751	50.71%	34,848	1.57%
Non-recurring personnel expense for re-organizations	(10,315)	0.19%	(10,315)	20.31%		
Other non-recurring expense	(640)	0.01%	(640)	1.26%	(300)	0.01%
Income tax on non-recurring transactions	(5,194)	0.10%	(5,194)	10.23%		
Non-recurring tax						
Total	**9,602**	**0.18%**	**9,602**	**18.91%**	**34,548**	**1.55%**
Figurative amount without non-recurring transactions	**5,300,061**		**(60,385)**		**(2,259,950)**	

Events after the reporting period

No significant events took place as from the reporting date that require amendments to or additional comments on the Group's financial position and results of operations as at and for the six months ended June 30, 2013.

Milan, August 6, 2013

for the Board of Directors
The Chairman
(signed on the original)

ITALMOBILIARE
SOCIETA' PER AZIONI

(Translation from the original Italian text)

Certification pursuant to art. 154-bis subsection 5 of TUF regarding the condensed interim consolidated 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 financial reporting 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 interim consolidated financial statements**, in the period from January 1st, 2013 to June 30th, 2013.

2. The assessment of the adequacy of the administrative and accounting procedures adopted for the preparation of condensed half-year consolidated financial statements as of June 30th, 2013 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 interim consolidated financial statements as of June 30th , 2013:

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

August 6th, 2013

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 2013, comprising the statement of financial position, income statement, statement of comprehensive income, consolidated 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 and condensed interim consolidated financial statements for comparative purposes. As disclosed in the note "Statement of compliance with the IFRS", in applying IAS 19 Employee Benefits, the parent's directors restated some of the corresponding figures. We respectively audited and reviewed the prior year annual consolidated and condensed interim consolidated financial statements and issued our reports thereon on 12 April 2013 and 7 August 2013. We have examined the methods used to restate the prior year corresponding figures and related disclosures for the purposes of preparing this report.

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 2013 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 2013

KPMG S.p.A.

(signed on the original)

Luisa Polignano
Director of Audit

September 2013
Project of LSVmultimedia
Olginate - Lecco