ITALMOBILIARE

Consolidated quarterly report at September 30, 2012

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Quarterly report

at September 30, 2012

November 14, 2012

ITALMOBILIARE
Società per Azioni

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

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

Board of Directors

(Term ends on approval of financial statements at 12.31.2013)

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

Board of Statutory Auditors

(Term ends on approval of financial statements at 12.31.2013)

Acting auditors

Francesco Di Carlo	Chairman
Angelo Casò	
Leonardo Cossu	

Substitute auditors

Luciana Ravicini
Enrico Locatelli
Paolo Ludovici

Manager in charge of preparing the company's financial reports

Giorgio Moroni

Independent Auditors

KPMG S.p.A.

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

COMMENTS ON OPERATIONS

Foreword

The quarterly report as at and for the year to September 30, 2012, has been drawn up in compliance with article 154 ter, paragraph 5, of Law no. 58, February 24, 1998, and subsequent amendments. It is also compliant with the measurement and recognition criteria of the International Accounting and Financial Reporting Standards (IAS / IFRS).

The accounting policies adopted are consistent with those used to draw up the Group annual report as at and for the year to December 31, 2011, with the exception of the policies and interpretations endorsed by the European Union and applicable as from January 1, 2012. Specifically, these are the amendments to IFRS 7 “Financial instruments: additional disclosures – transfers of financial assets”, which did not have a material impact on the Group accounts.

With regard to the scope of consolidation, in the first half of 2012 the Group sold the remaining 51% of the capital held in Afyon Cimento (Turkey) and sold the entire equity investment in Fuping Cement (China) to West China Cement; simultaneously the Group acquired a share of approximately 6.25% in West China Cement. Consequently, the sold operations were treated in compliance with IFRS 5 with the presentation of their income statement items under a single specific caption (“Profit (loss) relating to discontinued operations”), both for the periods under review and for the 2011 comparatives; the latter have therefore been restated with respect to the interim figures published last year. A similar treatment was applied to cash flows.

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Information on operations

The world economic upturn that began in early 2012 contracted in the third quarter of 2012, especially in the euro zone, where the instability and recessionary climate in a number of countries weakened even the most solid economies. In the emerging countries too, the economy slowed, although at a more moderate rate, largely as a result of weak international demand and the restrictive measures adopted last year.

Growing awareness of the risks of systemic contagion induced the European economic policy authorities to take a more decisive stance, which has helped reduce spreads on government securities in most of the euro zone countries, contributing to a reduction in bond yields on instruments issued by countries experiencing financial pressure.

The political initiatives taken to strengthen financial stability and the measures introduced to resolve the crisis had a positive impact on the stock markets in the third quarter, both in the euro zone and in the USA, with the vigorous recovery in financial stocks as the key driver.

In the quarter under review, the euro appreciated against the main currencies, the US dollar, Japanese yen and Swiss franc, and depreciated against the British pound and some East European currencies.

In this context, in the third quarter of 2012 the Group posted a **total profit for the period** of 16.0 million euro and a **loss attributable to owners of the parent** of 0.1 million euro compared with a loss attributable to owners of the parent of 17.9 million euro in the third quarter of 2011.

In the year to September 30, 2012, there was a **loss for the period** of 35.3 million euro and a **loss attributable to owners of the parent** of 65.9 million euro, compared with a profit for the period of 167.3 million euro and a profit attributable to owners of the parent of 7.4 million euro for the year to September 30, 2011.

The other main results for the third quarter and the year to September 30, 2012, with the changes from the corresponding year-earlier periods, are set out below:

- **Revenue**: 1,170.8 million euro in the third quarter (-2.5%) and 3,617.4 million euro in the nine months (-3.9%);
- **Recurring EBITDA**: 178.2 million euro in the third quarter (-0.8%) and 512.0 million euro in the nine months (-6.0%);
- **EBITDA**: 179.1 million euro in the third quarter (-0.1%) and 527.7 million euro in the nine months (-6.2%);
- **EBIT**: 62.0 million euro in the third quarter (unchanged from the third quarter of 2011) and 160.5 million euro in the nine months (-22.8%);
- **Finance income and costs** (including exchange-rate differences and derivatives): net costs of 29.5 million euro in the third quarter (-13.9%) and 80.7 million euro in the nine months (+9.4%);
- **Profit (loss) before tax**: 38.3 million euro in the third quarter (+30.9%) and 42.7 million euro in the nine months (-69.8%).

At September 30, 2012, **total equity** stood at 5,346.0 million euro, against 5,539.6 million euro at December 31, 2011, and 5,382.5 million euro at June 30, 2012.

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Net financial debt at September 30, 2012, stood at 2,134.4 million euro, compared with 2,039.6 million euro at December 31, 2011. At June 30, 2012, net financial debt was 2,225.4 million euro.

After the changes in equity and debt, the gearing ratio rose from 36.82% at December 31, 2011, to 39.92% at September 30, 2012.

Italmobiliare Net Asset Value (NAV) at September 30, 2012, was 1,115.7 million euro (981.1 million euro at June 30, 2012, and 1,138.5 million euro at December 31, 2011).

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

- in the third quarter of 2012, the **construction materials** segment, consisting of the Italcementi group, reported a revenue reduction of 3.3% as a result of the fall in sales volumes, despite a positive sales price trend. The decrease in recurring EBITDA (-11.2%) and EBIT (-27.3%) arose on the fall in sales volumes, the rise in energy costs, and the reduction in income from CO_2 emission rights, mitigated in part by the upturn in sales prices and the positive results of measures to contain operating expense. Profit for the third quarter was 16.3 million euro, down by 34.7% from the year-earlier period (+25.0 million euro). For the year to September 30, 2012, the trend in revenue, which fell by 4.4%, was affected by the factors indicated above for the third quarter, with overall growth in sales prices, which, nonetheless, was not sufficient to counter the significant impact of the reduction in sales volumes. Operating results too were affected by the factors that were a feature of the third quarter, with an impact on recurring EBITDA (-11.4%) and EBIT (-34.0%). The profit for the period was 17.1 million euro, compared with 212.8 million euro in the year-earlier period, which benefited from the net capital gain (107.4 million euro) on the sale of Group operations in Turkey headed by Set Group;

- in the third quarter of 2012 the **food packaging and thermal insulation segment** consisting of the Sirap Gema group posted revenue of 62.4 million euro (59.9 million euro in the third quarter of 2011), reflecting an improvement both in food packaging (+4.0%), and in thermal insulation (+5.0%). As in the first half of the year, results in the third quarter were affected by the increase in the cost of raw materials and by weak demand on the group core markets. Third-quarter EBITDA was 3.9 million euro (2.7 million euro in the third quarter of 2011), while EBIT was 1.2 million euro compared with negative EBIT of 0.1 million euro in the third quarter of 2011. After finance costs of 1.1 million euro, the period showed a loss of 0.7 million euro (-2.1 million euro in the third quarter of 2011). For the year to September 30, 2012, revenue rose by 1.6% thanks to the progress in the food packaging business. EBITDA was 10.4 million euro, an important improvement on the figure to September 30, 2011 (7.2 million euro), which included non-recurring expense of approximately 1.7 million euro. After amortization, depreciation and impairment for 7.8 million euro, EBIT was 2.6 million euro (negative EBIT of 1.3 million euro at September 30, 2011). The loss for the period of 2.5 million euro (a loss of 5.7 million euro in the first nine months of 2011) included net finance costs of 3.6 million euro and tax of 1.5 million euro;

- the **financial segment**, which includes the parent company Italmobiliare and the wholly owned financial companies, reported a profit for the third quarter of 1.0 million euro (a loss of 16.8 million euro in the third quarter of 2011), thanks to the upturn on the financial markets, particularly in the banking and financial areas. The heavy losses reported in the first half of the year generated a loss for the year to September 30, 2012, of 28.9 million euro (-8.2 million euro at September 30, 2011), largely as a result of impairment losses on bank stocks (22.2 million euro) and the loss on associates of

26.5 million euro, offset only in part by gains on cash investments. The financial segment is held 100% by the Group and its result is therefore reflected in full on the result for the period attributable to the owners of the parent;

- the **banking segment,** which comprises the operations of Finter Bank Zürich and Crédit Mobilier de Monaco, reported a small third-quarter profit of 0.2 million euro compared with a loss in the year-earlier period of 2.5 million euro. For the year to September 30, 2012, operating income was 23.5 million euro, in line with the first nine months of 2011, while action to contain operating expense generated a gross operating profit of 1.0 million euro (loss of 2.0 million euro at September 30, 2011). After allowances of approximately 3.0 million euro for impairment on client receivables (4.1 million euro in the first nine months of 2011), the segment reported a loss for the period of 4.9 million euro (-10.1 million euro at September 30, 2011);
- **the property, services, other segment** is not of material importance within the global context of the Group. The segment's operating results for the third quarter of 2012 are of negligible size and do not have a particular significance. For the year to September 30, 2012, the segment posted a profit of 291 thousand euro (190 thousand euro at September 30, 2011).

Summary of consolidated situation

Third quarter

(in millions of euro)		Q3 2012	Q3 2011 (IFRS5)	Change %	Q3 2011 published
Revenue		**1.170,8**	**1.200,7**	***(2,5)***	**1.215,4**
Recurring EBITDA		**178,2**	**179,7**	***(0,8)***	**178,1**
% of revenue		*15,2*	*15,0*		*14,7*
Other income (expense)		0,9	(0,3)	*n.s.*	(0,3)
EBITDA		**179,1**	**179,4**	***(0,1)***	**177,8**
% of revenue		*15,3*	*14,9*		*14,6*
Amortization and depreciation		(116,9)	(117,0)	-	(118,4)
Impairment (losses)		(0,2)	(0,4)	*(50,0)*	(0,4)
EBIT		**62,0**	**62,0**	**-**	**59,0**
% of revenue		*5,3*	*5,2*		*4,9*
Net finance costs		(29,5)	(34,3)	*(13,9)*	(35,1)
Impairment (losses) on financial assets		-	(3,2)	*n.s.*	(3,2)
Share of profit (loss) of equity-accounted investees		5,8	4,7	*22,5*	4,7
Profit (loss) before tax		**38,3**	**29,2**	***30,9***	**25,4**
% of revenue		*3,3*	*2,4*		*2,1*
Income tax (expense)		(22,2)	(20,5)	*7,8*	(20,5)
Profit (loss) relating to continuing operations		**16,1**	**8,7**	***85,3***	**4,9**
Profit (loss) relating to discontinued operations		(0,1)	(5,5)	*(98,1)*	(1,7)
Profit (loss) for the period		**16,0**	**3,2**	***n.s.***	**3,2**
attributable to:	**Owners of the parent**	**(0,1)**	**(17,9)**	***(99,6)***	**(17,9)**
	Non-controlling interests	16,1	21,1	(23,9)	21,1

n.s. not significant

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

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

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

Revenue and operating results by segment and geographical area
Third quarter

	Revenue		Recurring EBITDA		EBITDA		EBIT	
Operating segment	**Q3 2012**	**% change vs. Q3 11**	**Q3 2012**	**% change vs. Q3 11**	**Q3 2012**	**% change vs. Q3 11**	**Q3 2012**	**% change vs. Q3 11**
Construction materials	1.095,9	*(3,3)*	171,8	*(11,2)*	172,7	*(11,3)*	59,1	*(27,3)*
Packaging and insulation	62,4	*4,2*	3,9	*(11,4)*	3,9	*43,1*	1,2	*n.s.*
Finance	9,3	*n.s.*	3,1	*n.s.*	3,1	*n.s.*	3,0	*n.s.*
Banking	8,9	*1,0*	1,0	*n.s.*	1,0	*n.s.*	0,2	*n.s.*
Property, services, other	0,3	*1,7*	(0,1)	*88,5*	-	*n.s.*	-	*(88,1)*
Inter-segment eliminations	(6,0)	*19,4*	(1,5)	*11,4*	(1,6)	*11,5*	(1,5)	*10,0*
Total	**1.170,8**	***(2,5)***	**178,2**	***(0,8)***	**179,1**	***(0,1)***	**62,0**	**-**
Geographical area								
European Union	671,4	*(7,5)*	83,0	*(6,7)*	84,4	*(4,0)*	27,6	*5,2*
Other European countries	14,7	*10,4*	1,2	*n.s.*	1,2	*n.s.*	0,3	*n.s.*
North America	126,9	*1,1*	20,1	*70,5*	20,1	*71,9*	2,9	*n.s.*
Asia and Middle East	148,0	*20,8*	23,8	*2,6*	23,6	*1,9*	10,7	*(5,6)*
Africa	195,1	*(0,5)*	57,2	*(2,5)*	57,2	*(2,6)*	30,6	*(10,6)*
Trading	47,6	*7,5*	1,8	*59,9*	1,7	*46,4*	0,9	*96,8*
Others	81,2	*(25,7)*	(8,2)	*n.s.*	(8,4)	*n.s.*	(10,5)	*n.s.*
Inter-area eliminations	(114,1)	*(16,2)*	(0,7)	*n.s.*	(0,7)	*n.s.*	(0,5)	*n.s.*
Total	**1.170,8**	***(2,5)***	**178,2**	***(0,8)***	**179,1**	***(0,1)***	**62,0**	**-**

n.s. not significant

In the third quarter of 2012 Group consolidated **revenue** was 1,170.8 million euro, a decrease of 2.5% from the third quarter of 2011 (1,200.7 million euro) reflecting the business slowdown in the construction materials segment, whereas the contributions from all the other Group segments were positive, especially in the financial segment and in food packaging and thermal insulation.

Recurring EBITDA (178.2 million euro) and **EBIT** (62.0 million euro) were substantially unchanged from the third quarter of 2011. There was a significant improvement in operating results in the financial and banking segments in the third quarter of 2012, but a slowdown in construction materials due to the fall in sales volumes and the rise in commodity and energy prices, offset in part by containment of operating expense and the positive trend in sales prices.

The breakdown of recurring EBITDA by geographical area reflects growth in North America, Egypt and Thailand, while the largest decreases in absolute terms were in some EU countries and Morocco.

The third quarter had a profit of 16.0 million euro, a strong improvement on the year-earlier period (3.2 million euro).

Year to September 30, 2012

(in millions of euro)	Year to 09.30.12	Yr to 09.30.11 (IFRS 5)	% change	Yr to 09.30.11 published
Revenue	**3.617,4**	**3.765,4**	***(3,9)***	**3.813,5**
Recurring EBITDA	**512,0**	**544,8**	***(6,0)***	**543,6**
% of revenue	*14,2*	*14,5*		*14,3*
Other income (expense)	15,7	17,6	*(10,5)*	17,6
EBITDA	**527,7**	**562,4**	***(6,2)***	**561,2**
% of revenue	*14,6*	*14,9*		*14,7*
Amortization and depreciation	(350,9)	(354,7)	*(1,1)*	(359,3)
Impairment (losses)	(16,3)	0,2	*n.s.*	0,2
EBIT	**160,5**	**207,9**	***(22,8)***	**202,1**
% of revenue	*4,4*	*5,5*		*5,3*
Net finance costs	(80,7)	(73,7)	*9,4*	(75,4)
Impairment (losses) on financial assets	(22,2)	(2,0)	*n.s.*	(2,0)
Share of profit (loss) of equity-accounted investees	(14,9)	9,3	*n.s.*	9,3
Profit (loss) before tax	**42,7**	**141,5**	***(69,8)***	**134,0**
% of revenue	*1,2*	*3,8*		*3,5*
Income tax (expense)	(86,3)	(74,0)	*16,7*	(73,7)
Profit (loss) relating to continuing operations	**(43,6)**	**67,5**	***n.s.***	**60,3**
Profit (loss) relating to discontinued operations	8,3	99,8	*(91,7)*	107,0
Profit (loss) for the period	**(35,3)**	**167,3**	***n.s.***	**167,3**
attributable to: **Owners of the parent**	**(65,9)**	**7,4**	***n.s.***	**7,4**
Non-controlling interests	30,6	159,9	*(80,9)*	159,9
Employees at period end (heads)	**20.561**	**21.387**	***(3,9)***	**21.832**

n.s. not significant

(in millions of euro)	September 30 2012	June 30 2012	December 31 2011
Total equity	5.346,0	5.382,5	5.539,6
Equity attributable to owners of the parent	2.039,5	2.021,8	2.108,4
Net financial debt	2.134,4	2.225,4	2.039,6

Revenue and operating results by segment and geographical area
Year to September 30

	Revenue		Recurring EBITDA		EBITDA		EBIT	
Operating segment	**Sept.30 2012**	**%change 09.30.11**	**Sept.30 2012**	**%change 09.30.11**	**Sept.30 2012**	**%change 09.30.11**	**Sept.30 2012**	**%change 09.30.11**
Construction materials	3.395,7	*(4,4)*	500,5	*(11,4)*	516,7	*(11,6)*	159,8	*(34,0)*
Packaging and insulation	178,4	*1,6*	10,7	*21,0*	10,4	*44,6*	2,6	*n.s.*
Finance	46,9	*5,2*	20,9	*n.s.*	20,6	*n.s.*	20,3	*n.s.*
Banking	25,9	*(1,7)*	(2,6)	*(58,8)*	(2,5)	*(60,6)*	(4,8)	*(50,4)*
Property, services, other	1,2	*(21,1)*	(0,1)	*n.s.*	(0,1)	*n.s.*	(0,1)	*n.s.*
Inter-segment eliminations	(30,7)	*(11,8)*	(17,4)	*(22,6)*	(17,4)	*(22,6)*	(17,3)	*(22,9)*
Total	**3.617,4**	***(3,9)***	**512,0**	***(6,0)***	**527,7**	***(6,2)***	**160,5**	***(22,8)***
Geographical area								
European Union	2.070,1	*(8,9)*	228,7	*(11,4)*	244,0	*(11,3)*	53,7	*(39,7)*
Other European countries	42,2	*7,8*	(2,2)	*(66,1)*	(2,1)	*(67,9)*	(4,5)	*(55,0)*
North America	331,5	*11,4*	26,7	*n.s.*	26,8	*n.s.*	(23,7)	*(48,6)*
Asia and Middle East	438,2	*11,5*	68,1	*(14,6)*	68,0	*(15,0)*	29,5	*(33,2)*
Africa	671,4	*(2,8)*	202,3	*(9,5)*	202,7	*(9,2)*	124,6	*(16,7)*
Trading	159,2	*17,5*	6,7	*(6,4)*	6,6	*(8,2)*	4,5	*(8,9)*
Others	257,8	*(23,2)*	(17,7)	*(1,1)*	(17,6)	*4,4*	(23,1)	*5,3*
Inter-area eliminations	(353,0)	*(11,5)*	(0,6)	*(64,1)*	(0,7)	*(65,4)*	(0,5)	*(72,5)*
Total	**3.617,4**	***(3,9)***	**512,0**	***(6,0)***	**527,7**	***(6,2)***	**160,5**	***(22,8)***

n.s. not significant

In the year to September 30, 2012, **revenue** totaled 3,617.4 million euro, a decrease of 3.9% from the first nine months of 2011 (3,765.4 million euro). This reduction arose from:

- the business slowdown for 5.3%;
- the negative impact of the change in the scope of consolidation, for 0.5%.
- the positive exchange-rate effect for 1.9%, largely as a result of the appreciation against the euro of the US dollar, Egyptian pound, Thai baht and Swiss franc.

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

The negative consolidation effect related in the main to the construction materials segment and was offset in part by the positive contribution of the food packaging and thermal insulation segment as a result of the acquisition of the Austrian company Dorner Pack GmbH.

Revenue by geographical area showed a downturn in the European Union, mainly in Italy, France, Belgium and Spain, and in Egypt and Morocco, against improvements in North America and Thailand.

Recurring EBITDA in the first nine months was 512.0 million euro, down by 32.8 million euro from September 30, 2011 (544.8 million euro). This decrease arose in construction materials, while there was a strong improvement in the financial segment (20.9 million euro compared with negative recurring EBITDA of 0.7 million euro in the year-earlier period), the banking segment, whose negative recurring EBITDA of 2.6 million euro was an improvement of 3.8 million euro from the year-earlier period, and food packaging and thermal insulation, which in 2011 posted non-recurring expense of approximately 1.3 million euro.

After a positive net balance of 15.7 million euro (+17.6 million euro at September 30, 2011) on non-recurring income and expense, relating mainly to the construction materials segment as a result of the capital gain on the sale of some equity investments and of restructuring expense, **EBITDA** was down by 34.7 million euro (to 527.7 million euro from 562.4 million euro at September 30, 2011).

After a reduction in amortization and depreciation charges of 3.8 million euro from September 30, 2011 (350.9 million euro compared with 354.7 million euro), **EBIT** fell by 22.8%, passing from 207.9 million euro to 160.5 million euro. The geographical analysis reflects a strong decline in all the main countries where the Group operates.

Finance costs, other components and profit (loss) for the period

Net finance costs amounted to 80.7 million euro, an increase of 9.4% from the year-earlier period (73.7 million euro), largely as a result of lower income on equity investments (8.0 million euro compared with 25.7 million euro at September 30, 2011, relating essentially to the capital gains in the construction materials segment on the sale of Goltas and Bursa shares), offset in part by the positive balance on exchange-rate differences, which, net of hedging, reflected a gain of 1.4 million euro (a loss of 11.1 million euro in the first nine months of 2011). Interest expense on net financial debt amounted to 66.5 million euro, a small increase from September 30, 2011 (64.9 million euro).

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

Impairment losses on financial assets amounted to 22.2 million euro, compared with losses of 2.0 million euro at September 30, 2011, and referred to the impairment losses in the financial segment, mainly on bank stocks.

The **share of profit (loss) of associates** reflected a loss of 14.9 million euro (profit of 9.3 million euro at September 30, 2011) due to the losses posted by the associates in the financial segment for 26.4 million euro, of which 25.8 million euro relating to the Italmobiliare share of the result of RCS MediaGroup net of the capital gain on the sale of Flammarion in the third quarter of 2012. A profit was reflected for associates in the construction materials segment, for 11.5 million euro.

After **income tax** expense for 86.3 million euro, up 16.7% from September 30, 2011 (74.0 million euro), the Group posted a **loss relating to continuing operations** of 43.6 million euro compared with a profit of 67.5 million euro in the year-earlier period.

The profit of 8.3 million euro relating to discontinued operations reduced the **loss for the period** to 35.3 million euro (profit of 167.3 million euro in the year-earlier period of which 107.0 million euro from the capital gain on the sale of Set Group); after a profit attributable to non-controlling interests of 30.6 million euro (159.9 million euro at September 30, 2011), the **loss attributable to owners of the parent** was 65.9 million euro (profit of 7.4 million euro at September 30, 2011).

Total comprehensive income

Starting from the loss for the period, the components of comprehensive income for the period January 1 – September 30, 2012, showed a negative balance of 19.1 million euro (-234.8 million euro in the year-earlier period), arising from the following positive components:

- translation gains of 3.4 million euro,
- share of other comprehensive income of associates for 4.3 million euro,

and the following negative components:

- fair value losses on available-for-sale assets for 10.2 million euro,
- fair value losses on derivatives for 18.2 million euro

and a positive tax effect of 1.6 million euro.

Considering the loss for the period of 35.3 million euro, described in the previous section, and the components indicated above, total comprehensive income was negative at 54.4 million euro (expense of 70.8 million euro attributable to owners of the parent and income of 16.4 million euro attributable to non-controlling interests), compared with total expense of 67.6 million euro in the year-earlier period (-125.4 million euro attributable to owners of the parent and +57.8 million euro attributable to non-controlling interests).

The statement of comprehensive income is set out among the consolidated financial statements.

Net financial debt

At September 30, 2012, net financial debt stood at 2,134.4 million euro, an increase of 94.8 million euro from December 31, 2011 (2,039.6 million euro).

The key factors were the high capital expenditure in the period (280.4 million euro) and dividends paid (104.8 million euro), offset only in part by cash flows from operating activities (206.8 million euro), proceeds from the sale of assets (61.6 million euro) and cash flows relating to discontinued operations (44.4 million euro).

(in millions of euro)	September 30 2012	June 30 2012	December 31 2011
Cash, cash equivalents and current financial assets	(1.393,5)	(1.398,2)	(1.693,2)
Short-term financing	1.573,1	1.526,4	1.567,5
Medium/long-term financial assets	(193,2)	(168,7)	(167,4)
Medium/long-term financing	2.148,0	2.265,9	2.332,7
Net financial debt	**2.134,4**	**2.225,4**	**2.039,6**

Financial ratios

(absolute amounts in millions of euro)	September 30 2012	June 30 2012	December 31 2011
Net financial debt	2.134,4	2.225,4	2.039,6
Consolidated equity	5.346,0	5.382,5	5.539,6
Gearing	**39,92%**	**41,35%**	**36,82%**
Net financial debt	2.134,4	2.225,4	2.039,6
EBITDA before other income and expense [1]	649,4	649,3	681,0
Leverage	**3,29**	**3,43**	**2,99**

[1] 12-month rolling basis

Capital expenditure

Group capital expenditure at September 30, 2012, totaled 280.4 million euro, down by 60.9 million euro from September 30, 2011.

Investments in property, plant and equipment, investment property and intangible assets, relating largely to the construction materials segment and, on a smaller scale, to the food packaging and thermal insulation segment, amounted to 265.2 million euro, down by 40.5 million euro from September 30, 2011 (305.7 million euro).

Investments in non-current financial assets, at 15.2 million euro (35.6 million euro in the first nine months of 2011), referred principally to the financial segment for 13.6 million euro and the food packaging and thermal insulation segment for 1.2 million euro.

Construction materials segment

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

Third quarter

(in millions of euro)		Q3 2012	Q3 2011 (IFRS5)	Change %	Q3 2011 published
Revenue		**1.095,9**	**1.133,5**	***(3,3)***	**1.148,2**
Recurring EBITDA		**171,8**	**193,5**	***(11,2)***	**191,8**
% of revenue		*15,7*	*17,1*		*16,7*
Other income (expense)		0,9	1,2	*(24,3)*	1,2
EBITDA		**172,7**	**194,7**	***(11,3)***	**193,0**
% of revenue		*15,8*	*17,2*		*16,8*
Amortization and depreciation		(113,4)	(113,0)	*0,4*	(114,4)
Impairment (losses)		(0,2)	(0,4)		(0,4)
EBIT		**59,1**	**81,3**	***(27,3)***	**78,3**
% of revenue		*5,4*	*7,2*		*6,8*
Net finance costs		(29,0)	(33,8)	*(14,1)*	(34,6)
Impairment (losses) on financial assets		-	-		-
Share of profit (loss) of equity-accounted investees		7,6	4,8	*56,7*	4,8
Profit (loss) before tax		**37,6**	**52,3**	***(28,0)***	**48,5**
% of revenue		*3,4*	*4,6*		*4,2*
Income tax (expense)		(21,2)	(21,9)	*(2,9)*	(21,8)
Profit (loss) relating to continuing operations		**16,4**	**30,4**	***(46,1)***	**26,7**
Profit (loss) relating to discontinued operations		(0,1)	(5,5)	98,1	(1,7)
Profit (loss) for the period		**16,3**	**25,0**	***(34,7)***	**25,0**
attributable to:	**Owners of the parent**	**(2,3)**	**8,2**	*n.s.*	**8,2**
	Non-controlling interests	18,6	16,7	***11,0***	16,7

n.s. not significant

In the construction sector, the differences in performance among the areas where the group operates widened, as did the differences among individual countries within each area: among the mature countries, the long-standing phase of extreme weakness affecting the southern euro zone countries continued, while signs of weakening were confirmed in France and Belgium. In North America too, where the recovery in the construction sector is now a general trend, business activity slowed in the summer quarter, although this does not appear to herald a new downturn. In the group's emerging countries, on the other hand, business activity in the sector produced generally lively results, with the exception of Morocco where the cyclical slowdown became more evident in the summer months.

2012 third-quarter **revenue** amounted to 1,095.9 million euro, down 3.3% (-5.1% at constant size and exchange rates) from the year-earlier period, due to the fall in sales volumes, offset only in part by the overall positive sales price effect.

Recurring EBITDA, at 171.8 million euro, was down 11.2% from the year-earlier third quarter, while the reduction in **EBIT**, to 59.1 million euro, was 27.3%.

Operating results were affected by the reduction in sales volumes, the negative dynamic in variable costs caused by the rise in the prices of energy factors in some countries, and the decrease in income from CO_2 emission rights. The main positive factors were the rise in sales prices and the significant reduction in operating expense, with a positive dynamic that was even stronger than in the first half

In more analytical terms, the largest increases in recurring EBITDA with respect to the third quarter of 2011 were in North America, Egypt and Thailand. The largest reductions in absolute values were in France-Belgium, Spain and Morocco.

Profit for the period was 16.3 million euro, a decrease of 34.7% from the third quarter of 2011 (25.0 million euro).

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Year to September 30

(in millions of euro)		Year to 09.30.12	Yr to 09.30.11 (IFRS 5)	% change	Yr to 09.30.11 published
Revenue		**3.395,7**	**3.552,1**	***(4,4)***	**3.600,2**
Recurring EBITDA		**500,5**	**565,2**	***(11,4)***	**564,0**
% of revenue		*14,7*	*15,9*		*15,7*
Other income (expense)		16,2	19,4	*(16,4)*	19,4
EBITDA		**516,7**	**584,5**	***(11,6)***	**583,4**
% of revenue		*15,2*	*16,5*		*16,2*
Amortization and depreciation		(340,5)	(342,6)	*(0,6)*	(347,3)
Impairment (losses)		(16,4)	0,1	*n.s.*	0,1
EBIT		**159,8**	**242,0**	***(34,0)***	**236,2**
% of revenue		*4,7*	*6,8*		*6,6*
Net finance costs		(78,3)	(71,0)	*10,3*	(72,6)
Impairment (losses) on financial assets		-	7,5	*n.s.*	7,5
Share of profit (loss) of equity-accounted investees		11,5	11,4	*1,2*	11,4
Profit (loss) before tax		**93,0**	**190,0**	***(51,0)***	**182,5**
% of revenue		*2,7*	*5,3*		*5,1*
Income tax (expense)		(84,2)	(77,3)	*8,9*	(77,1)
Profit (loss) relating to continuing operations		**8,8**	**112,6**	***(92,2)***	**105,4**
Profit (loss) relating to discontinued operations		8,3	100,2	*(91,7)*	107,4
Profit (loss) for the period		**17,1**	**212,8**	***(92,0)***	**212,8**
attributable to:	**Owners of the parent ***	(39,7)	123,2	*n.s.*	123,2
	Non-controlling interests	56,8	89,6	*(36,6)*	89,6
Employees (heads)		19.055	19.856	*(4,0)*	20.301

n.s. not significant

(in millions of euro)	September 30 2012	June 30 2012	December 31 2011
Total equity	4.737,2	4.802,0	4.894,9
Equity attributable to owners of the parent *	3.401,3	3.435,2	3.494,9
Net financial debt	2.199,9	2.283,5	2.093,0

* Italcementi S.p.A.

Revenue amounted to 3,395.7 million euro, a decrease of 4.4% from the year-earlier period, owing to slower business performance (-5.7%), a positive exchange-rate effect (1.9%) and a negative consolidation effect (0.6%).

Performance reflected the fall in sales volumes in both the first half and the third quarter, offset in part by an overall increase in sales prices.

At constant size and exchange rates, revenue increased mainly in India, Trading, Thailand and North America, while performance was negative chiefly in Italy, France-Belgium, Spain, Egypt and Morocco.

The positive exchange-rate effect was linked substantially to the appreciation against the euro of the US dollar, the Egyptian pound and the baht. The negative consolidation effect arose above all from the sale of Axim operations in a number of countries at the end of 2011

Recurring EBITDA was 500.5 million euro, down 11.4% from the year-earlier period. After a positive net balance of 16.2 million euro on non-recurring income and expense, generated chiefly by the capital gains on the sale of the Pontassieve cement plant and of Silos Granari della Sicilia S.r.l. and by restructuring expense, **EBITDA** was 516.7 million euro, a decrease of 11.6% on the year-earlier period. **EBIT**, at 159.8 million euro, was down 34.0% from the year-earlier period.

As in the third quarter, the main factors affecting performance in operating results were the fall in sales volumes, the negative trend in variable costs (energy factors) and the reduction in income from CO_2 emission rights.

The overall trend in sales prices was positive, and thanks to incisive action to boost efficiency a significant reduction was achieved in fixed costs and other operating expense.

At individual country level, the strongest progress in recurring EBITDA was reported in North America and Italy; the largest decreases were in France-Belgium, Spain and Egypt.

Net finance costs amounted to 78.3 million euro, an increase of 10.3% from the first nine months of 2011 (71.0 million euro). Given the substantial stability in net interest expense on net financial debt (63.8 million euro), the difference was largely the result of net income on equity investments for 7.6 million euro, down from 25.6 million euro in the first nine months of 2011, consisting largely of the capital gains on the sale of Goltas and Bursa shares and exchange-rate gains of 11.7 million euro.

The share of profit of equity-accounted investees was 11.5 million euro (11.4 million euro in the year-earlier period).

In the year to September 30, 2012, **profit before tax** was 93.0 million euro (190.0 million euro in the year-earlier period).

Profit relating to continuing operations showed profit of 8.8 million euro compared with profit of 112.6 million euro in the first nine months of 2011.

Profit for the period was 17.1 million euro (profit of 212.8 million euro in 2011) with a **loss attributable to owners of the parent** of 39.7 million euro (profit of 123.2 million euro in 2011) and profit attributable to non-controlling interests of 56.8 million euro (89.6 million euro in 2011).

Net financial debt at September 30, 2012, stood at 2,199.9 million euro, an increase of 106.9 million euro from December 31, 2011 (2,093.0 million euro) and a decrease of 83.6 million euro from June 30, 2012 (2,283.5 million euro).

In the year to the end of September, given positive cash flows from operating activities of 211.8 million euro and proceeds from the sale of fixed assets of 38.7 million euro, the increase in net financial debt reflected capital expenditure of 258.4 million euro (relating almost entirely to property, plant and equipment) and distribution of dividends for 120.5 million euro.

Sales volumes and internal transfers

The figures and changes set out below, for the third quarter and for the year to September 30, do not include sales volumes at Afyon Cimento (Turkey) and Fuping Cement (China), which have been classified as discontinued operations and were sold in the second quarter of 2012.

Third quarter

Sales volumes	Q3 2012	% change vs Q3 2011	
		Historic	At constant size
Cement and clinker *(millions of mt)*	11,2	*(7,1)*	*(7,1)*
Aggregates[1] *(millions of mt)*	8,5	*(8,0)*	*(8,0)*
Ready mixed concrete *(millions of m³)*	3,1	*(12,5)*	*(13,3)*

[1] excluding outgoes on work-in-progress account

In the **cement and clinker** segment, the reduction in sales volumes with respect to the year-earlier period was only slightly smaller than in the first half of the year. Against the generalized decline in the European countries, North America, Morocco and Egypt, growth was reported in Asia driven by a strong improvement in Thailand and India as well as by trading operations.

In **aggregates**, the fall was determined by Central Western Europe, where the improvement in France and Belgium counterbalanced only in part the very sharp decline in Spain, Greece and Italy. Among the other markets, healthy growth was reported in North America.

In the **ready mixed concrete** segment too, the decline arose chiefly in Central Western Europe, with all countries reporting a slackening, with the exception of the France-Belgium area, where the fall was only marginal. North America reported a contained slowdown, while the situation for the Emerging Europe, North Africa and Middle East area was stable overall. Asia achieved growth, although absolute values for sales volumes were modest.

Year to September 30

Sales volumes	Year to 09.30.2012	% change vs. 09.30.2011	
		Historic	At constant size
Cement and clinker *(millions of mt)*	34,6	*(7,3)*	*(7,3)*
Aggregates[1] *(millions of mt)*	25,6	*(11,8)*	*(11,8)*
Ready mixed concrete *(millions of m³)*	9,7	*(11,7)*	*(12,5)*

[1] excluding outgoes on work-in-progress account

In **cement and clinker**, Central Western Europe reported a generalized decline, which was slightly smaller than that of the first half, mainly thanks to the stability of sales volumes in the France-Belgium area in the last three months of the period. The decline in North America in the third quarter mentioned above offset the progress made in the first half of the year. In Emerging Europe, North Africa and Middle East, the fall in Egypt, Morocco and Kuwait was countered only in part by healthy progress in Bulgaria. Sales volumes grew in Asia, thanks to the lively performance in India and Thailand and in Trading operations.

In **aggregates** and **ready mixed concrete**, the decline was substantially due to Central Western Europe, largely as a result of Spain's extremely negative performance.

Significant events in the period

In March the revamping program began at the Devnya Cement cement plant, which is scheduled to begin operations in 2015, delivering significant efficiency gains and cutting environmental impact.

In April the new Italcementi i.lab. Research & Innovation Center was opened. Situated in the Kilometro Rosso science park in Bergamo, the center houses engineers, technical specialists and researchers from CTG S.p.A. and the Italcementi S.p.A. Innovation Division.

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

On May 31, Ciments Français S.A. closed the sale to Cimsa Cimento Sanayi ve Ticaret A.S. of the outstanding 51% of the capital of Afyon Cimento Sanayii Turk A.S..

On June 26, the investment in Fuping Cement, including the 35% equity interest in Shifeng Cement, was sold to West China Cement (WCC), a company listed in Hong Kong; simultaneously, through a reserved share capital increase at WCC, the Italcementi group became the third-largest shareholder of the company, with a stake of 6.25%.

Italcementi S.p.A. sold to third parties Silos Granari della Sicilia S.r.l. (January) and, under its production re-organization plan, the Pontassieve cement plant (June).

No significant events took place in the third quarter.

Performance by geographical area

Third quarter

(in millions of euro)	Revenue		Recurring EBITDA		EBITDA		EBIT	
Geographical area	**Q3 2012**	**%change Q3 11**	**Q3 2012**	**%change Q3 11**	**Q3 2012**	**%change Q3 11**	**Q3 2012**	**%change Q3 11**
Central Western Europe	592,5	*(9,4)*	72,9	*(21,6)*	74,2	*(20,7)*	22,3	*(39,9)*
North America	126,9	*1,1*	20,1	*70,5*	20,1	*71,9*	2,9	*n.s.*
Emerging Europe, North Africa and Middle East	226,1	*1,8*	62,7	*(8,0)*	62,9	*(7,8)*	33,1	*(18,2)*
Asia	134,8	*18,3*	23,2	*4,4*	22,9	*3,3*	11,0	*(1,5)*
Cement and clinker trading	47,6	*7,5*	1,8	*59,8*	1,7	*46,3*	0,9	*96,0*
Others	81,2	*(25,7)*	(8,8)	*(>100)*	(9,0)	*(>100)*	(11,1)	*(>100)*
Inter-area eliminations	(113,2)	*n.s.*	-	-	-	-	-	-
Total	**1.095,9**	***(3,3)***	**171,8**	***(11,2)***	**172,7**	***(11,3)***	**59,1**	***(27,3)***

n.s. not significant

Year to September 30

(in millions of euro)	Revenue		Recurring EBITDA		EBITDA		EBIT	
Geographical area	**Sept.30 2012**	**%change 09.30.11**	**Sept.30 2012**	**%change 09.30.11**	**Sept.30 2012**	**%change 09.30.11**	**Sept.30 2012**	**%change 09.30.11**
Central Western Europe	1.845,0	*(10,3)*	199,4	*(18,6)*	215,2	*(18,5)*	39,2	*(59,9)*
North America	331,5	*11,4*	26,7	*>100*	26,8	*>100*	(23,7)	*48,6*
Emerging Europe, North Africa and Middle East	759,2	*(1,1)*	221,3	*(12,9)*	221,8	*(12,6)*	134,6	*(19,1)*
Asia	393,4	*11,5*	64,8	*(13,0)*	64,6	*(13,4)*	29,0	*(30,0)*
Cement and clinker trading	159,2	*17,5*	6,7	*(6,4)*	6,6	*(8,2)*	4,5	*(8,9)*
Others	257,8	*(23,2)*	(17,8)	*1,1*	(17,6)	*(4,5)*	(23,1)	*(5,3)*
Inter-area eliminations	(350,5)	*n.s.*	(0,7)	*n.s.*	(0,7)	*n.s.*	(0,6)	*n.s.*
Total	**3.395,7**	***(4,4)***	**500,5**	***(11,4)***	**516,7**	***(11,6)***	**159,8**	***(34,0)***

n.s. not significant

In Central Western Europe, the revenue decrease arose largely from the significant fall in sales volumes. Operating results were down in both the third quarter and the nine months, affected above all by the reduction in sales volumes in the three segments and by the rise in the cost of fuel, offset only in part by a positive effect in sales prices and by measures to contain fixed costs.

Cement consumption on the group markets in the USA declined in the third quarter, although overall it remained positive in the first nine months, buoyed by a modest upturn in the residential and commercial sectors. Recurring EBITDA in the third quarter and the first nine months showed an important improvement compared with 2011, thanks to the growth in revenue driven by prices and volumes and the containment of operating expense as a result of the measures taken since the end of 2011 to cut fixed costs.

Among the emerging countries, the downturn in operating results in the nine months was closely linked to the fall in revenue (sales volumes and sales prices) and the rise in energy costs, offset in part by the positive third-quarter results in Egypt, thanks to the upturn in consumption assisted by the residential sector.

In Asia, in a still positive market environment, cement and clinker sales volumes showed healthy growth thanks to the contributions of Thailand and India in the third quarter and the nine months. Overall, operating results in the year to September 30 were down, mainly owing to the increase in energy costs.

E-business

In the first nine months of 2012, despite stagnant domestic and international economic conditions, the BravoSolution group reported healthy revenue growth, although this was accompanied by a downturn in operating results. Consolidated revenue for the period totaled 43.4 million euro (+11.3%); EBITDA was 3.2 million euro (4.3 million euro in the year-earlier period), while EBIT was negative at 0.4 million euro (positive EBIT of 1.3 million euro in 2011).

Disputes and pending proceedings

Regarding the proceedings that begin in India in 2006, in July 2012 the local antitrust authority imposed a fine on a single cement producer, which is not a member of the group. Zuari Cement Limited was not fined.

Significant events after September 30, 2012

No events have taken place since September 30, 2012, that require changes to or additional comments on this quarterly report.

Outlook

In some of the markets where the group operates, the decline in demand intensified in the third quarter, indicating the need for greater caution in projecting the full-year results.

Thanks to the measures taken by the group to support its sales revenue and cut costs, fourth-quarter EBITDA should, subject to currently unforeseeable events, be in line with that of the year-earlier fourth quarter. However, given performance in the first nine months, the overall full-year result will be down on the 2011 result. Efficient control of cash flows from operating activities and a careful investment policy will enable the group to keep net financial debt substantially unchanged from the 2011 year-end levels.

In addition to completing the investments and efficiency measures planned during the year, the group is readying new rationalization measures designed to achieve a further significant reduction in operating expense.

Food packaging and thermal insulation segment

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

Third quarter

(in millions of euro)		Q3 2012	Q3 2011	% change
Revenue		**62,4**	**59,9**	***4,2***
Recurring EBITDA		**3,9**	**4,4**	***(11,4)***
% of revenue		*6,3*	*7,4*	
Other income (expense)		-	(1,7)	*n.s.*
EBITDA		**3,9**	**2,7**	***43,1***
% of revenue		*6,3*	*4,6*	
Amortization and depreciation		(2,7)	(2,8)	*(3,8)*
Impairment (losses)		-	-	-
EBIT		**1,2**	**(0,1)**	***n.s.***
% of revenue		*2,0*	*0,1*	
Net finance costs		(1,1)	(1,5)	*(25,0)*
Profit (loss) before tax		**0,1**	**(1,6)**	***n.s.***
% of revenue		*0,1*	*2,7*	
Income tax (expense)		(0,8)	(0,5)	*34,0*
Profit (loss) for the period		**(0,7)**	**(2,1)**	***(69,2)***
attributable to:	**Owners of the parent**	**(0,7)**	**(2,1)**	***(69,4)***
	Non-controlling interests	n.s.	n.s.	

n.s. not significant

The continuing economic complexity and uncertainty prolonged market difficulties in all the main countries where the group operates: weak demand continued to affect performance in the third quarter, whose margins were also penalized by the rise in the cost of polymers and, in Italy, of energy. In the first case, there was a clear upward trend in costs, after a first half below 2011 levels; in the second case, energy costs in Italy were aggravated above all by the increase in excise tax and had a significant impact on the group’s international competitiveness.

Revenue in the third quarter (62.4 million euro) improved by 4.2%, of which approximately 2.1% arising from changes in the scope of consolidation.

Despite the increase in variable production costs, **EBITDA** at 3.9 million euro showed a significant improvement from 2011 (2.7 million euro), when the group posted non-recurring expense of 1.7 million euro for the re-organization of rigid food packaging production operations.

Third-quarter **EBIT** was positive at 1.2 million euro (-0.1 million euro in 2011), reflecting amortization and depreciation in line with the year-earlier period.

Finance costs (1.1 million euro) were down on 2011 (1.5 million euro) due to the positive change in exchange-rate differences (exchange-rate losses in 2011).

The third quarter showed a consolidated **loss for the period** of 0.7 million euro (-2.1 million euro in the third quarter of 2011).

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Year to September 30

(in millions of euro)		Year to 09.30.12	Year to 09.30.11	% change
Revenue		**178,4**	**175,7**	***1,6***
Recurring EBITDA		**10,7**	**8,9**	***21,0***
% of revenue		*6,0*	*5,0*	
Other income (expense)		(0,3)	(1,7)	*(79,7)*
EBITDA		**10,4**	**7,2**	***44,6***
% of revenue		*5,8*	*4,1*	
Amortization and depreciation		(7,9)	(8,6)	*(8,4)*
Impairment (losses)		0,1	0,1	-
EBIT		**2,6**	**(1,3)**	***n.s.***
% of revenue		*1,5*	*(0,8)*	
Net finance costs		(3,6)	(3,8)	*(3,8)*
Profit (loss) before tax		**(1,0)**	**(5,1)**	***(80,3)***
% of revenue		*(0,6)*	*(2,9)*	
Income tax (expense)		(1,5)	(0,6)	*n.s.*
Profit (loss) for the period		**(2,5)**	**(5,7)**	***(55,8)***
attributable to:	**Owners of the parent**	**(2,5)**	**(5,7)**	***(55,5)***
	Non-controlling interests	n.s.	n.s.	*n.s.*
Employees at period end (heads)		**1.336**	**1.329**	***0,5***

(in millions of euro)	September 30 2012	June 30 2012	December 31 2011
Total equity	38,3	38,6	40
Equity attributable to owners of the parent	37,9	38,2	39,6
Net financial debt	129,8	130,8	128,6

n.s. not significant

Revenue for the period (178.4 million euro) showed an improvement of 1.6% compared with the year-earlier period (175.7 million euro).

As in the third quarter, **EBITDA** for the year to September 30, at 10.4 million euro, reflected a significant improvement from the 2011 figure (7.2 million euro), when the group had expense of 1.7 million euro for the re-organization of rigid food packaging production.

EBIT was positive at 2.6 million euro (-1.3 million euro in 2011).

Total **finance costs** (3.6 million euro) were slightly down on the year-earlier period (3.8 million euro) due to the positive change in exchange-rate differences (exchange-rate losses in 2011).

There was a consolidated **loss for the period** of 2.5 million euro (-5.7 million euro in 2011) after income tax expense of 1.5 million euro (0.6 million euro in 2011).

Net financial debt amounted to 129.8 million euro and was substantially aligned with the figure at December 31, 2011 (128.6 million euro).

Equity attributable to owners of the parent (37.9 million euro) reflected a net decrease of 1.7 million euro arising from the loss for the period offset in part by the increase in reserves mainly from currency translation differences.

Significant events in the period

The significant events in the first half of the year, previously described in the half-year report at June 30, are set out below.

The re-organization of the "rigid" division led at the end of 2011 to the closure of the Corciano factory (Perugia) and the re-allocation of production operations to the Castelbelforte site (Mantua). For further improvements in operating efficiency, marketing and logistics support operations were transferred to the central Sirap Gema S.p.A. site in Verolanuova. After the agreement signed with the unions (a mobility scheme for up to 12 people), at September 30, 11 people had left the workforce.

On January 1, 2012, the Sirap Gema group gave its formal approval to an Environmental Policy document designed to give visibility to its commitment to environmental protection and related activities in the countries where it operates

At the end of April, the Austrian subsidiary Petruzalek GmbH acquired 100% of the Interpack GmbH company, which in turn is the sole owner of the Dorner Pack GmbH operating company, which assembles and markets food packaging machinery.

Performance by operating segment and geographical area

Third quarter

(in millions of euro)	Revenue		Recurring EBITDA		EBITDA		EBIT	
	Q3 2012	% change vs. Q3 11	Q3 2012	% change vs. Q3 11	Q3 2012	% change vs. Q3 11	Q3 2012	% change vs. Q3 11
Food packaging								
Italy	21,6	*(6,4)*	0,8	*(42,4)*	0,8	*n.s.*	(0,7)	*63,4*
France	6,4	*10,7*	0,9	*n.s.*	0,9	*n.s.*	0,6	*n.s.*
Other EU countries	16,0	*5,9*	0,4	*(28,6)*	0,4	*(28,6)*	-	*n.s.*
Other non-EU countries	6,2	*27,7*	0,3	*n.s.*	0,3	*n.s.*	0,3	*n.s.*
Eliminations	(3,4)		(0,1)		(0,1)		-	
Total	**46,8**	***4,0***	**2,3**	***(2,3)***	**2,3**	***n.s.***	**0,2**	***n.s.***
Thermal insulation-Italy	**15,7**	***5,0***	**1,6**	***(22,4)***	**1,6**	***(22,4)***	**1,1**	***(26,2)***
Eliminations	(0,1)		-		-		(0,1)	
Total	**62,4**	***4,2***	**3,9**	***(11,4)***	**3,9**	***43,1***	**1,2**	***n.s.***

n.s. not significant

Year to September 30

(in millions of euro)	Revenue		Recurring EBITDA		EBITDA		EBIT	
	Sept.30 2012	%change 09.30.11	Sept.30 2012	%change 09.30.11	Sept.30 2012	%change 09.30.11	Sept.30 2012	%change 09.30.11
Food packaging								
Italy	64,6	*(4,3)*	2,6	*26,0*	2,3	*n.s.*	(2,1)	*54,9*
France	18,4	*0,8*	2,2	*30,1*	2,2	*30,1*	1,4	*25,6*
Other EU countries	45,1	*0,7*	2,0	*91,0*	2,0	*91,0*	0,8	*n.s.*
Other non-EU countries	17,4	*27,0*	0,8	*n.s.*	0,8	*n.s.*	0,7	*n.s.*
Eliminations	(10,3)		-		-			
Total	**135,2**	***2,1***	**7,6**	***52,0***	**7,3**	***n.s.***	**0,8**	***n.s.***
Thermal insulation-Italy	**43,6**	***(0,1)***	**3,1**	***(19,0)***	**3,1**	***(19,0)***	**1,8**	***(19,4)***
Eliminations	(0,4)		-		-		-	
Total	**178,4**	***1,6***	**10,7**	***21,0***	**10,4**	***(44,6)***	**2,6**	***n.s.***

n.s. not significant

Food packaging

The economic crisis and climate of great uncertainty continued to have a negative impact on household propensity to consume, although the situation varied depending upon the difficulties facing individual countries.

In Italy the reduction in revenue (-4.3% in the nine months and -6.4% in the third quarter) arose from the closure of the Corciano factory (Perugia), which involved the termination of a number of production lines, and from a sharp fall in consumer spending, which had a stronger impact on rigid containers than on foamed containers; the recurring EBITDA trend in the third quarter reflected the rise in polymer costs (a downward trend in the year-earlier period) while the subsequent margin levels benefited from the reduction in restructuring expense.

On the French market, despite difficulties, revenue in the third quarter was up on 2011 (+10.7%), easily making up the decline reported in the first half. The gradual shift in the mix toward better performing trays with higher added value (barrier trays to store food in a modified atmosphere) was confirmed. EBIT made a strong improvement (+10.7% in the third quarter and +30.1% in the nine months) thanks to the improvement in the sales mix and greater production efficiency.

In Poland operations continued to benefit from a situation of relative economic growth, even as more players entered the competitive arena. Revenue for the period amounted to 16.3 million euro (5.4 million euro in the third quarter), achieving healthy growth thanks to increased volumes and despite the negative exchange-rate effect.

In the other Central East European countries covered by the Petruzalek group, there was an upturn in sales of packaging machinery accompanied by a substantially steady result in container and film sales. Revenue at constant size increased by 3.8% in the nine months and by 2.7% in the third quarter. Thanks to the increased revenue and action to rationalize the operating structure, mainly in 2011, profit margins also improved.

Thermal insulation

At a time of great difficulty in the real estate sector, especially in Italy, demand for extra-thick insulating panels (required under energy-saving regulations) and increasingly strong export operations (especially to Switzerland, Austria and Germany) enabled the group to keep revenue in line with 2011.

In the third quarter in particular, revenue (15.7 million euro) grew by 5% from the year-earlier period, permitting a full recovery of the reduction reported in the first quarter as a result not only of the usual seasonal trend but also of difficult atmospheric conditions.

The segment margins were down on the year-earlier period and were affected by the increase in the cost of raw materials and energy as well as by a change in the revenue mix to the detriment of prefabricated elements, products with high added value used as roof insulation.

The difficult financial situation of many building construction companies requires careful monitoring of customer solvency, leading the group to forego higher volumes in some instances.

Disputes and pending proceedings

On September 28, 2012, a notice of charges was served on Sirap Gema S.p.A. by the European Commission. This is part of the Commission investigation begun in 2008 into a number of European plastic food packaging producers, specifically foam polystyrene and rigid polypropylene trays. The notice of charges was also served on Sirap France SAS and Petruzalek GmbH, on the latter also with regard to its subsidiaries in the Czech Republic, Slovakia and Hungary.

The notice of charges was also served on Italmobiliare S.p.A. in its capacity as parent company of Sirap Gema, and therefore, under the current interpretation of community laws, jointly liable with Sirap Gema (and its subsidiaries) for payment of any fine imposed in the final ruling, even though Italmobiliare has committed no infraction.

With the notice, the Commission informs the companies involved in the proceeding of its conclusion (preliminary) regarding the alleged infractions for which they are under investigation and indicates the evidence on which it bases its conclusions, without quantifying the amount of the fine.

Italmobiliare, Sirap Gema and its subsidiaries are examining the notice and the other documents provided by the Commission, with the assistance of their lawyers, and will present their observations by mid-January 2013.

Significant events after September 30, 2012

No significant events took place.

Outlook

In general, the economic situation on the Sirap group core markets is still weak and no signs can be seen indicating a significant recovery in the short/medium term in consumption and consequently in sales.

In both of the group’s business segments, the cost of polymers is expected to rise in the fourth quarter of 2012, so that the annual average is prudently estimated above the 2011 average, itself at a record high.

Financial segment

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

Third quarter

(in millions of euro)	Q3 2012	Q3 2011	% change
Revenue	9,3	3,2	*n.s.*
Recurring EBITDA	3,1	(15,6)	*n.s.*
EBITDA	3,1	(15,4)	*n.s.*
EBIT	3,0	(15,4)	*n.s.*
Profit (loss) for the period	**1,0**	**(16,8)**	***n.s.***

n.s. not significant

Results in accordance with the financial model

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

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

Third quarter

(in millions of euro)	Q3 2012	Q3 2011	% change
Net gains (losses) on investments	(0,5)	(2,3)	*(77,9)*
Net gains (losses) on investments of cash	6,3	(11,2)	*n.s.*
Net borrowing costs	(0,8)	(1,4)	*(47,2)*
Total finance income (costs)	**5,0**	**(14,9)**	*n.s.*
Other income (expense)	(3,9)	(3,9)	-
Income tax (expense)	(0,1)	2,0	*n.s.*
Profit (loss) for the period	**1,0**	**(16,8)**	***n.s.***

n.s. not significant

The segment's positive performance in the third quarter of 2012 was essentially driven by the upturn on the financial markets in the period, especially in the banking and financial areas, leading to capital gains and measurement gains. Compared with the previous quarters of 2012, which saw significant impairment losses on bank stocks, an impairment reversal was recorded in the related equity reserve in the third quarter.

The small **net loss on investments** (-0.5 million euro) arose from the loss on associates mitigated only in part by the dividends collected during the third quarter. The result was an improvement on the 2011 third-quarter figure (-2.3 million euro) when impairment losses were taken on bank stocks.

There was a strong improvement in **net gains on investments of cash,** which totaled 6.3 million euro (net loss of 11.2 million euro in the third quarter of 2011), largely as a result of the gains on trading securities for 2.7 million euro (-1.4 million euro in the third quarter of 2011) and measurement gains of 3.5 million euro in the quarter (losses of 10.3 million euro in the third quarter of 2011) .

After **other expense** of 3.9 million euro (unchanged from the year-earlier period) and **income tax** expense of 0.1 million euro, the quarter showed a **profit** of 1.0 million euro compared with a loss of 16.8 million euro in the third quarter of 2011.

Year to September 30

(in millions of euro)	Year to 09.30.2012	Year to 09.30.2011	% change
Revenue	46,9	44,6	*5,2*
Recurring EBITDA	20,9	(0,7)	*n.s.*
EBITDA	20,6	(0,8)	*n.s.*
EBIT	20,3	(0,9)	*n.s.*
Profit (loss) for the period	**(28,9)**	**(8,2)**	***n.s.***
Employees at period end (heads)	59	55	*7,3*

n.s. not significant

(in millions of euro)	September 30 2012	June 30 2012	December 31 2011
Equity	1.032,4	1.004,4	1.060,8
Net financial position	116,3	114,9	105,2

The results reclassified in accordance with the financial model as described above in the section on the third quarter are set out below:

(in millions of euro)	Year to 09.30.2012	Year to 09.30.2011	% change
Net gains (losses) on investments	(29,8)	15,1	*n.s.*
Net gains (losses) on investments of cash	18,5	(8,6)	*n.s.*
Net borrowing costs	(4,7)	(4,9)	*(3,7)*
Total finance income (costs)	**(16,0)**	**1,6**	***n.s.***
Other income (expense)	(12,5)	(14,3)	*(12,9)*
Income tax (expense)	(0,4)	4,5	*n.s.*
Profit (loss) for the period	**(28,9)**	**(8,2)**	***n.s.***

n.s. not significant

The segment’s negative half-year results due to the high volatility of the stock markets and pressures on liquidity had an impact on its results for the nine months to September 30, 2012. Specifically, **net gains (losses) on investments**, reflecting a loss of 29.8 million euro (+15.1 million euro at September 30, 2011), were influenced by the significant impairment losses on equity instruments in the first half of the year of 22.2 million euro (-9.5 million euro at September 30, 2011), and the losses on associates of 26.5 million euro (-2.1 million euro at September 30, 2011). A decrease was also recorded on dividends collected at September 30, 2012 (17.6 million euro against 25.8 million euro) due to the contraction in the dividend distribution policy of the main equity investments held in the financial segment.

A strong improvement was recorded in **net gains (losses) on investments of cash,** which in the first nine months of the year reflected a gain of 18.5 million euro compared with a loss of 8.6 million euro at September 30, 2011, thanks to capital gains and measurement gains on trading securities totaling 14.3 million euro (-13.2 million euro in the first nine months of 2011).

Net borrowing costs totaled 4.7 million euro, a small reduction from the first nine months of 2011 (4.9 million euro).

Other expense, net of other income, was down by 12.9%, thanks to the containment of operating expense, which amounted to 12.2 million euro compared with 14.0 million euro at September 30, 2011.

After a tax charge of 0.4 million euro (tax income of 4.5 million euro at September 30, 2011), the segment posted a **loss for the period** of 28.9 million euro (-8.2 million euro in the first nine months of 2011).

The companies in the financial segment hold substantial equity investments, the majority classified as “available-for-sale”. The fair value changes in these investments, excluding consolidated investments carried at cost adjusted for impairment in the separate financial statements, are recognized in equity under the “Fair value reserve”, or in the income statement when it is ascertained that the corresponding financial assets have been impaired, consistently with Italmobiliare Group accounting policies. At September 30, 2012, the consolidated fair value reserve in the financial segment reflected a negative balance of 74.1 million euro, compared with -75.1 million euro at December 31, 2011.

As illustrated in the half-year report as at June 30, 2012, the Group has changed the criteria used to establish the materiality and duration thresholds for impairment of investments classified as available-for-sale financial assets, making a distinction between bank stocks and non-bank stocks. The reader is referred to the note for further details.

Significant events in the period

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

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

In closing its tax inspection on the 2007 tax year, the Lombardy regional office of the Italian inland revenue served a procès-verbal (PVC, *processo verbale di constatazione*) on Italmobiliare S.p.A., indicating, on one hand, a violation of withholding agent requirements, in the erroneously deemed attribution of the qualification of withholding agent to the parent company, and, on the other, higher taxable income for IRES as the result of an equally erroneously deemed assessment of the non-relevance of a negative income component. The notice of assessment arising from the PVC has not yet been served on the company.

Net financial position of Italmobiliare and the financial segment

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

(in thousands of euro)	September 30, 2012		June 30, 2012		December 31, 2011	
	Italmobiliare	Financial segment[1]	Italmobiliare	Financial segment[1]	Italmobiliare	Financial segment[1]
Cash, cash equivalents and current financial assets	15.964	294.093	15.513	328.652	21.780	345.107
Short-term financing	(123.800)	(50.520)	(125.959)	(92.916)	(119.371)	(101.965)
Short-term net financial position	**(107.836)**	**243.573**	**(110.446)**	**235.736**	**(97.591)**	**243.142**
Medium/long-term financial assets	5.771	37.271	5.779	37.279	6.628	41.628
Medium/long-term financing	(164.553)	(164.553)	(158.112)	(158.112)	(179.531)	(179.531)
Medium/long-term net financial position	**(158.782)**	**(127.282)**	**(152.333)**	**(120.833)**	**(172.903)**	**(137.903)**
Net financial position	**(266.618)**	**116.291**	**(262.779)**	**114.903**	**(270.494)**	**105.239**

[1] Comprising: Italmobiliare S.p.A. - Italmobiliare International Finance Ltd - Société de Participation Financière S.A.

The net financial position of Italmobiliare at the end of September 2012 reflects debt of 266.6 million euro (270.5 million euro at December 31, 2011), a downturn of 3.8 million euro from June 2012 largely as a result of investments in equity investments, finance costs and current operations.

The consolidated net financial position of the financial segment, which includes the parent Italmobiliare, was positive at 116.3 million euro (105.2 million euro at December 31, 2011), an improvement of 1.4 million euro from June 2012.

Significant events after September 30, 2012

No significant events took place.

Outlook

The general economic scenario continues to be dominated by the search for political and economic solutions to the structural problems affecting the world economy: the US fiscal question, safeguards for the European single currency, the property bubble and the conversion of China's growth from export-led to domestic.

In this scenario the main central bank levers have been activated with a cash injection on a scale unprecedented in the history of the financial markets.

Low interest rates, the record growth in profit margins in some of the main economies and the reduction of private-sector debt are drivers providing fundamental support for the global performance of high-risk financial assets (equities and debentures with credit risk).

Nevertheless, the persistent reflationary action of the central banks and the problems in management of public debt are a potential source of systemic events that could hit the markets for current risk-free government securities (USA, Germany, Japan, UK) and consequently destabilize the global equities markets. The level of investor uncertainty is linked to the degree of perception of such risks.

For these reasons, we continue to take an active approach to management of our equity investments and cash, but it is difficult to draw up reliable projections for the 2012 full-year results of the financial segment.

Banking segment

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

Third quarter

(in millions of euro)	Q3 2012	Q3 2011	% change
Revenue	8,9	8,8	*1,0*
Recurring EBITDA	1,0	(1,2)	*n.s.*
EBITDA	1,0	(1,2)	*n.s.*
EBIT	0,2	(2,4)	*n.s.*
Profit (loss) for the period	**0,2**	**(2,5)**	*n.s.*

n.s. not significant

Results in accordance with the banking model

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

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

Third quarter

(in millions of euro)	Q3 2012	Q3 2011	% change
Net interest income	1,3	1,8	*(27,3)*
Operating income	8,0	7,9	*1,4*
Gross operating profit (loss)	1,0	(1,1)	*n.s.*
Profit (loss) from operations	0,2	(2,4)	*n.s.*
Profit (loss) for the period	**0,2**	**(2,5)**	***n.s.***

n.s. not significant

The upturn on the financial markets in the third quarter of 2012 and continuous action to contain operating expense generated a gross operating profit of 1.0 million euro (-1.1 million euro in the third quarter of 2011) thanks to operating income, higher trading revenue and a decrease in fixed costs of 21.9%.

After provisions and tax totaling 0.8 million euro (1.3 million euro in the third quarter of 2011), the segment posted a profit for the period of 0.2 million euro (loss of 2.5 million euro in the third quarter of 2011).

Year to September 30

(in millions of euro)	Year to 09.39.2012	Year to 09.39.2011	% change
Revenue	25,9	26,4	*(1,7)*
Recurring EBITDA	(2,6)	(6,4)	*(58,8)*
EBITDA	(2,5)	(6,4)	*(60,6)*
EBIT	(4,8)	(9,7)	*(50,4)*
Profit (loss) for the period	**(4,9)**	**(10,1)**	***(51,6)***
Employees at period end (heads)	**98**	**131**	***(25,2)***

(in millions of euro)	September 30 2012	June 30 2012	December 31 2011
Total equity	83,4	82,4	86,8
Equity attributable to owners of the parent	82,9	82,0	86,3
Net financial position	76,6	72,3	72,4

The figures reclassified in accordance with the banking model based on the items described in the comment on the segment's third quarter are set out below:

(in millions of euro)	Year to 09.39.2012	Year to 09.39.2011	% change
Net interest income	4,3	5,2	*(16,9)*
Operating income	23,5	23,7	*(1,1)*
Gross operating profit (loss)	1,0	(2,0)	*n.s.*
Profit (loss) from operations	(4,9)	(9,8)	*(50,2)*
Profit (loss) for the period	**(4,9)**	**(10,1)**	***(51,6)***

n.s. not significant

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

Finter Bank Zürich

The third quarter of 2012 reflected a small profit of 0.1 million Swiss francs compared with a loss of 2.9 million Swiss francs in the third quarter of 2011, mainly thanks to positive performance in trading operations, the capital gain on the sale of the subsidiary Finter Bank & Trust Ltd. (Bahamas) and the reduction in operating expense.

The positive performance of the third quarter of 2012 also had an impact on results to September 30, 2012, which reflect a recovery thanks largely to continuous action to cut operating expense. The gross operating profit of 0.8 million Swiss francs (loss of 2.9 million Swiss francs at September 30, 2011) was achieved thanks to containment of service expense (-17.6% from September 30, 2011) and employee expense (-13.8% from

September 30, 2011). The consolidated loss after amortization and depreciation charges totaling 2.7 million Swiss francs and provisions for 4.3 million Swiss francs, including 3.6 million Swiss francs of allowances for impairment on client loan receivables, was 6.1 million Swiss francs, compared with a loss of 12.7 million Swiss francs in the first nine months of 2011.

Consolidated equity decreased from 98.5 million Swiss francs at December 31, 2011, to 93.9 million Swiss francs at September 30, 2012.

Third-party assets under management at the end of the first nine months amounted to 2.9 billion Swiss francs (excluding assets invested in own funds), a decrease from 2011 caused chiefly by client asset outflows and the sale of the equity investment in Finter Bank & Trust Ltd (Bahamas).

Crédit Mobilier de Monaco

Il Crédit Mobilier de Monaco is a bank in Monaco whose main activity is guarantee-backed loans. In the first nine months of 2012 the improvement in net interest income (+12.3% from September 30, 2011) generated an increase in gross operating profit from 271 thousand euro at September 30, 2011, to 344 thousand euro at September 30, 2012. After impairment losses and a 36.9% increase in income tax from the first nine months of 2011, the bank posted a profit for the period of 179 thousand euro (175 thousand euro at September 30, 2011).

Performance was also positive in the third quarter of 2012, with a profit of 85 thousand euro, up by 32.8% from the year-earlier period (64 thousand euro).

Significant events in the period

No significant events took place.

Significant events after September 30, 2012

No significant events took place.

Property segment, services, other

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

At September 30, 2012, segment revenue was 1.2 million euro, down from the year-earlier period (1.5 million euro).

After income tax of 48 thousand euro, the profit for the period was 291 thousand euro, an improvement from the year-earlier period (190 thousand euro).

Transactions with related parties

With reference to the Group consolidated situation, transactions with related parties in the period January 1 – September 30, 2012, concerned:

- 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 Voluntary Code of Conduct.

In the Italmobiliare S.p.A. consolidated financial statements, the size of transactions with related parties is immaterial.

No atypical and/or unusual transactions took place during the period under review.

Transactions with subsidiaries, joint ventures, associates and their subsidiaries

Transactions with subsidiaries, joint ventures, associates and their subsidiaries are of a financial and commercial nature (exchange of goods and/or services).

Transactions with other related parties

Transactions with other related parties in the third quarter concerned:

- administrative, financial, contractual and fiscal consultancy services, as well as support for corporate restructuring operations supplied to the Italmobiliare Group by Finsise S.p.A., whose majority shareholder is Italo Lucchini, Deputy Chairman of Italmobiliare, for considerations totaling approximately 270,500 euro;

- legal consultancy, judicial and extrajudicial assistance provided to the Italmobiliare Group by the Grimaldi law firm, of which Italmobiliare director Luca Minoli is a partner, for considerations totaling approximately 80,900 euro;

At September 30, 2012, the Italmobiliare S.p.A. Group made an endowment of 900,000 euro to the Italcementi Cav. Lav. Carlo Pesenti foundation. Italcementi S.p.A. charged the foundation for an amount of approximately 145,000 euro for the supply of administrative-corporate services and other services.

Disputes and pending proceedings

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

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

Outlook

World economic prospects are still influenced by the uncertainty over the evolution of the crisis in the euro zone and the intensity of the business slowdown in the emerging economies, as well as by the effects of a possible restrictive budget policy in the USA.

In this situation, the Group's industrial segments will again be conditioned by the continuing downturn in demand recorded in some of the core markets and the increased cost of raw materials with negative repercussions on results, mitigated only in part by ongoing action to cut operating expense and structural costs.

Results in the financial and banking segments will be influenced by trends on the euro zone markets, which in turn will be affected in part by political decisions in a scenario made more difficult by the growing social tensions in some countries.

In this context, and in light of the results for the first nine months, the Group expects to post a total loss for the year.

Milan, November 14, 2012

for the Board of Directors
The Chairman
Giampiero Pesenti

Financial statements

Income statement

(in thousands of euro)	Q3 2012	%	Q3 2011 (IFRS 5)	%	Change	%	Q3 2011 (published)	%
Revenue	**1.170.787**	**100,0%**	**1.200.745**	**100,0%**	**(29.958)**	**-2,5%**	**1.215.418**	**100,0%**
Other revenue	12.484		10.354		2.130		10.356	
Change in inventories	6.321		18.795		(12.474)		18.048	
Internal work capitalized	4.879		2.537		2.342		2.537	
Goods and utilities expense	(479.580)		(488.560)		8.980		(500.702)	
Service expense	(290.064)		(301.081)		11.017		(302.606)	
Employee expense	(238.265)		(247.453)		9.188		(248.996)	
Other operating income (expense)	(8.374)		(15.634)		7.260		(15.992)	
Recurring EBITDA	**178.188**	**15,2%**	**179.703**	**15,0%**	**(1.515)**	**-0,8%**	**178.063**	**14,7%**
Net capital gains on sale of fixed assets	2.072		368		1.704		373	
Non-recurring employee expense for re-organizations	(1.176)		854		(2.030)		854	
Other non-recurring income (expense)	50		(1.535)		1.585		(1.535)	
EBITDA	**179.134**	**15,3%**	**179.390**	**14,9%**	**(256)**	**-0,1%**	**177.755**	**14,6%**
Amortization and depreciation	(116.916)		(116.973)		57		(118.378)	
Impairment (losses)	(197)		(394)		197		(394)	
EBIT	**62.021**	**5,3%**	**62.023**	**5,2%**	**(2)**	**0,0%**	**58.983**	**4,9%**
Finance income	11.841		13.542		(1.701)		13.692	
Finance costs	(39.216)		(43.877)		4.661		(44.792)	
Net exchange-rate differences and derivatives	(2.131)		(3.932)		1.801		(3.950)	
Impairment (losses) on financial assets			(3.216)		3.216		(3.216)	
Share of profit (loss) of associates	5.747		4.692		1.055		4.692	
Profit (loss) before tax	**38.262**	**3,3%**	**29.232**	**2,4%**	**9.030**	**30,9%**	**25.409**	**2,1%**
Income tax (expense)	(22.131)		(20.525)		(1.606)		(20.483)	
Profit (loss) relating to continuing operations	**16.131**	**1,4%**	**8.707**	**0,7%**	**7.424**	**85,3%**	**4.926**	**0,4%**
Profit (loss) relating to discontinued operations	(103)		(5.484)		5.381		(1.703)	
Profit (loss) for the period	**16.028**	**1,4%**	**3.223**	**0,3%**	**12.805**	**n.s.**	**3.223**	**0,3%**
Attributable to:								
owners of the parent	**(66)**	**0,0%**	**(17.938)**	**-1,5%**	**17.872**	**-99,6%**	**(17.938)**	**-1,5%**
non-controlling interests	**16.094**	**1,4%**	**21.161**	**1,8%**	**(5.067)**	**-23,9%**	**21.161**	**1,8%**

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Income statement

(in thousands of euro)	Year to 09.30.2012	%	Year to 09.30.2011 (IFRS 5)	%	Change	%	Year to 09.30.2011 (published)	%
Revenue	**3.617.419**	**100,0%**	**3.765.392**	**100,0%**	**(147.973)**	**-3,9%**	**3.813.527**	**100,0%**
Other revenue	38.784		33.716		5.068		33.721	
Change in inventories	28.046		4.873		23.173		4.631	
Internal work capitalized	18.436		16.455		1.981		16.455	
Goods and utilities expense	(1.511.181)		(1.542.455)		31.274		(1.581.029)	
Service expense	(874.059)		(905.589)		31.530		(910.384)	
Employee expense	(751.921)		(765.551)		13.630		(770.180)	
Other operating income (expense)	(53.550)		(62.082)		8.532		(63.165)	
Recurring EBITDA	**511.974**	**14,2%**	**544.759**	**14,5%**	**(32.785)**	**-6,0%**	**543.576**	**14,3%**
Net capital gains on sale of fixed assets	27.823		19.950		7.873		19.954	
Non-recurring employee expense for re-organizations	(11.491)		(568)		(10.923)		(568)	
Other non-recurring income (expense)	(590)		(1.791)		1.201		(1.791)	
EBITDA	**527.716**	**14,6%**	**562.350**	**14,9%**	**(34.634)**	**-6,2%**	**561.171**	**14,7%**
Amortization and depreciation	(350.919)		(354.674)		3.755		(359.292)	
Impairment (losses)	(16.290)		183		(16.473)		183	
EBIT	**160.507**	**4,4%**	**207.859**	**5,5%**	**(47.352)**	**-22,8%**	**202.062**	**5,3%**
Finance income	32.228		56.926		(24.698)		57.401	
Finance costs	(108.880)		(114.335)		5.455		(116.409)	
Net exchange-rate differences and derivatives	(4.007)		(16.300)		12.293		(16.361)	
Impairment (losses) on financial assets	(22.181)		(1.977)		(20.204)		(1.977)	
Share of profit (loss) of associates	(14.954)		9.297		(24.251)		9.297	
Profit (loss) before tax	**42.713**	**1,2%**	**141.470**	**3,8%**	**(98.757)**	**-69,8%**	**134.013**	**3,5%**
Income tax (expense)	(86.320)		(73.950)		(12.370)		(73.762)	
Profit (loss) relating to continuing operations	**(43.607)**	**-1,2%**	**67.520**	**1,8%**	**(111.127)**	**n.s.**	**60.251**	**1,6%**
Profit (loss) relating to discontinued operations	8.316		99.731		(91.415)		107.000	
Profit (loss) for the period	**(35.291)**	**-1,0%**	**167.251**	**4,4%**	**(202.542)**	**n.s.**	**167.251**	**4,4%**
Attributable to:								
owners of the parent	**(65.856)**	**-1,8%**	**7.410**	**0,2%**	**(73.266)**	**n.s.**	**7.410**	**0,2%**
non-controlling interests	**30.565**	**0,8%**	**159.841**	**4,2%**	**(129.276)**	**-80,9%**	**159.841**	**4,2%**

Statement of comprehensive income

(in thousands of euro)	Year to 09.30.2012	%	Year to 09.30.2011 (IFRS 5)	%	Change	%	Year to 09.30.2011 (published)
Profit (loss) for the period	**(35.291)**	**-1,0**	**167.251**	**4,4**	**(202.542)**	**n.s.**	**167.251**
Fair value gains (losses) on:							
Available-for-sale financial assets	(10.217)		(142.772)		132.555		(143.065)
Derivatives	(18.197)		13.188		(31.385)		13.188
Translation differences	3.441		(92.240)		95.681		(104.343)
Tax on other comprehensive income	1.542		(592)		2.134		(583)
Share of other comprehensive income of associates	4.273		(6.331)		10.604		
Other comprehensive income on continuing operations	**(19.158)**		**(228.747)**		**209.589**		**(234.803)**
Other comprehensive income on discontinued operations			(6.056)		6.056		
Total comprehensive income (expense)	**(54.449)**	**-1,5**	**(67.552)**	**-1,8**	**13.103**	**-19,4%**	**(67.552)**
Attributable to:							
owners of the parent	(70.809)		(125.377)		54.568		(125.377)
non-controlling interests	16.360		57.825		(41.465)		57.825

Summary of changes in total net financial position

(in thousands of euro)	09/30/2012	09/30/2011 (IFRS 5)
Opening net financial position	**(2.039.619)**	**(2.095.456)**
Cash flow from operating activities before change in working capital	290.927	336.928
Change in working capital	(84.145)	(90.854)
Total cash flow from operating activities	**206.782**	**246.074**
Capital expenditure (PPE, investment property + intangible assets)	(211.382)	(232.840)
Change in payables for PPE, inv.prop. + intang.asset purchases	(53.780)	(72.801)
Cash flow net of capital expenditure on PPE, inv.prop. + intangible assets	**(58.380)**	**(59.567)**
Capital expenditure (equity investments)	(15.978)	(35.644)
Change in payables for equity investment purchases	769	1
Proceeds from sale of fixed assets	61.648	111.981
Dividends paid	(104.803)	(147.453)
Net debt of Calcestruzzi group at January 1, 2011	-	(217.688)
Net flows on discontinued operations	44.440	266.192
Other changes	(22.453)	18.992
Change in net financial position	**(94.757)**	**(63.186)**
Closing net financial position	**(2.134.376)**	**(2.158.642)**

Financial position

(in thousands of euro)	September 30 2012	June 30 2012	December 31 2011	Change Sept. 30, 2012 Dec. 31, 2011	% change
Cash, cash equivalents and current financial assets	(1.393.579)	(1.398.176)	(1.693.184)	299.605	(17,7)
Short-term financing	1.573.136	1.526.444	1.567.469	5.667	0,4
Medium/long-term financial assets	(193.198)	(168.750)	(167.400)	(25.798)	15,4
Medium/long-term financing	2.148.017	2.265.884	2.332.734	(184.717)	(7,9)
Net financial debt	**2.134.376**	**2.225.402**	**2.039.619**	**94.757**	**4,6**
Total equity	**5.345.978**	**5.382.491**	**5.539.564**	**(193.586)**	**(3,5)**

Net financial debt at September 30, 2012, computed in compliance with Consob communication no. DEM/6064293 of July 28, 2006 (i.e., not including medium/long-term financial assets) amounted to 2,327,574 thousand euro (2,207,019 thousand euro at December 31, 2011).

Comments on the financial statements

The Italmobiliare S.p.A. quarterly report as at and for the year to September 30, 2012, was approved by the Board of Directors on November 14, 2012. At the meeting, the Board authorized publication of a press release dated November 14, 2012, containing key information from the report.

The quarterly report as at and for the year to September 30, 2012, has been drawn up in accordance with the provisions of article 154 ter, paragraph 5, of Legislative Decree no. 58 of February 24, 1998, and subsequent amendments. It has also been prepared using the measurement and recognition criteria of the International Financial Reporting Standards (IFRS).

The consolidated financial statements are based on the accounts of the consolidated companies as at and for the year to September 30, 2012.

Declaration of compliance with the IFRS – Accounting policies

The quarterly report has been drawn up in compliance with the International Financial Reporting Standards (IFRS) applicable at September 30, 2012, adopted by the EC Commission.

The accounting policies used to draw up the quarterly report as at and for the year to September 30, 2012, are consistent with those used to draw up the Group annual report as at and for the year to December 31, 2011, and in addition with the policies that have come into effect and been adopted as from January 1, 2012:

- Amendments to IFRS 7 financial instruments: additional disclosures – transfers of financial assets.

These amendments did not have a material impact in the period under review.

Subjective evaluations and use of estimates

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

In view of the exceptional effects of the financial crisis, which has led to a significant and general reduction in share prices, as well as a considerable increase in share price volatility, especially among bank stocks, the Group, as indicated in the quarterly report at March 31, 2012, and the half-year report at June 30, 2012, has conducted a detailed analysis of share price dynamics over the past ten years, also on a sector-by-sector basis. This has enabled it to reformulate more precisely the materiality and duration thresholds beyond which a reduction in the value of equity investments classified as available-for-sale financial assets is deemed objective evidence of impairment.

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

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

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

As a result of these analyses, the materiality threshold for bank stocks has been re-established at 60%, while the threshold for non-bank stocks has been confirmed at 35%.
On the basis of the qualitative and quantitative analyses described above, the criterion used to define the duration threshold for loss of value has also been amended for stocks in the bank sector, from 24 to 36 months. The limit of 24 months remains valid for non-bank companies.

As a result of the above review, the impairment losses on bank stocks recognized in the income statement for the first nine months of 2012 totaled approximately 58.7 million euro gross of tax less than the amount that would have been recognized had the previous 35% materiality threshold been applied.

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

Discontinued operations

During the first nine months of 2012 the Group sold the following operations:

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

The operations in question have therefore been accounted for in compliance with IFRS 5 "Non-current assets held for sale and discontinued operations", presenting separate items in the income statement and the statement of cash flows reflecting the earnings and the cash flows arising from the sale.

Also in compliance with IFRS 5, the amounts in the income statement and the statement of cash flows for the first nine months of 2011 have been restated accordingly.
To ensure clarity, the comparative information on the face of the income statement and the statement of comprehensive income is presented both restated as required by IFRS 5, and as published in the quarterly report as at and for the year to September 30, 2011.

Exchange rates used to translate the financial statements of foreign operations

Exchange rates for 1 euro:

Currencies	Average rate			Closing rate		
	Sept. 30 2012	Full year 2011	Sept. 30 2011	Sept. 30 2012	December 31 2011	Sept. 30 2011
Thai baht	39,98619	42,43201	42,65033	39,81100	40,99100	42,04800
Czech crown	25,13717	24,59142	24,36038	25,14100	25,78700	24,75400
Kuwaiti dinar	0,35828	1,71332	0,38858	0,36312	1,62823	0,37379
Libyan dinar	1,61035	101,96300	1,72898	1,61780	106,17700	1,67030
Serbian dinar	112,89700	0,38460	101,89300	114,79600	0,36056	101,40400
Moroccan dirham	11,09117	11,26142	11,28299	11,11350	11,11290	11,20370
Canadian dollar	1,28422	1,37598	1,37943	1,26840	1,32150	1,41050
US dollar	1,28129	1,39213	1,40701	1,29300	1,29390	1,35030
Hungarian florin	291,27600	279,35900	271,30500	284,89000	314,58000	292,55000
Swiss franc	1,20434	1,23297	1,23423	1,20990	1,21560	1,21700
Ukraine hrivna	10,30610	11,10830	11,21800	10,43620	10,36920	10,79430
Croatian kuna	7,51875	7,43873	7,41925	7,44680	7,53700	7,49950
Albanian lek	138,78433	140,32192	140,42218	140,17500	139,03600	140,99800
Moldavian leu	15,44120	16,32856	16,48750	16,01390	15,15860	16,09110
Bulgarian lev	1,95583	1,95583	1,95583	1,95583	1,95583	1,95583
Egyptian pound	7,75507	8,27659	8,34486	7,88286	7,80328	8,05565
Bosnian mark	1,95583	1,95583	1,95583	1,95583	1,95583	1,95583
New Turkish lira	2,29931	2,32564	2,27920	2,29290	2,45920	2,51570
New Romanian leu	4,43535	4,23816	4,20558	4,53830	4,32330	4,35750
Mauritanian ouguiya	378,44860	391,22452	392,24278	391,46900	374,09200	385,38200
Mexican peso	16,94359	17,28784	16,92743	16,60860	18,05120	18,59360
Chinese renminbi	8,10814	8,99687	9,14126	8,12610	8,15880	8,62070
Qatar riyal	4,66521	5,22099	5,12346	4,70788	4,85236	4,91601
Saudi riyal	4,80517	5,06924	5,27680	4,84891	4,71164	5,06415
Russian ruble	39,78290	40,88300	40,49280	40,14000	41,76500	43,35000
Indian rupee	68,05751	64,90042	63,68637	68,34800	68,71300	66,11900
Sri Lanka rupee	162,72825	153,84847	154,91674	167,26900	147,38600	148,78300
Pound sterling	0,81216	0,86785	0,87151	0,79805	0,83530	0,86665
Kazakh tenge	190,48260	204,12404	205,71881	193,86800	191,88500	199,86100
Polish zloty	4,20831	4,12052	4,02038	4,10380	4,45800	4,40500

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

Scope of consolidation

Changes in the scope of consolidation

The main changes in the scope of consolidation with respect to September 2011 are as follows:

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

Revenue

Revenue from sales and services amounted to 1,170,787 thousand euro in the third quarter of 2012 and 3,617,419 thousand euro at September 30, 2012, as follows:

(in thousands of euro)	Q3 2012	Q3 2011	Change	% change
Industrial revenue				
Product sales	1.108.151	1.158.154	(50.003)	-4,3%
Services provided	47.654	33.638	14.016	41,7%
Total	**1.155.805**	**1.191.792**	**(35.987)**	**-3,0%**
Financial revenue				
Interest	1.528	2.582	(1.054)	-40,8%
Dividends	146	205	(59)	-28,8%
Capital gains and other revenue	5.384	(2.107)	7.491	n.s.
Total	**7.058**	**680**	**6.378**	**n.s.**
Bank revenue				
Interest	1.246	1.585	(339)	-21,4%
Commissions	5.584	5.886	(302)	-5,1%
Other revenue	1.023	717	306	42,7%
Total	**7.853**	**8.188**	**(335)**	**-4,1%**
Property and service revenue	**71**	**85**	**(14)**	**-16,5%**
Grand total	**1.170.787**	**1.200.745**	**(29.958)**	**-2,5%**

(in thousands of euro)	Year to 09.30.2012	Year to 09.30.2011	Change	% change
Industrial revenue				
Product sales	3.428.130	3.597.108	(168.978)	-4,7%
Services provided	138.897	124.472	14.425	11,6%
Total	**3.567.027**	**3.721.580**	**(154.553)**	**-4,2%**
Financial revenue				
Interest	5.361	7.575	(2.214)	-29,2%
Dividends	1.587	4.976	(3.389)	-68,1%
Capital gains and other revenue	19.512	6.499	13.013	n.s.
Total	**26.460**	**19.050**	**7.410**	**38,9%**
Bank revenue				
Interest	3.923	4.302	(379)	-8,8%
Commissions	16.889	18.066	(1.177)	-6,5%
Other revenue	2.942	1.832	1.110	60,6%
Total	**23.754**	**24.200**	**(446)**	**-1,8%**
Property and service revenue	**178**	**562**	**(384)**	**-68,3%**
Grand total	**3.617.419**	**3.765.392**	**(147.973)**	**-3,9%**

The breakdown of consolidated revenue by business segment and geographical area is set out below:

by segment:

(in thousands of euro)	Q3 2012	Q3 2011	Change	
			Amount	%
Construction materials	1.093.407	1.131.458	(38.051)	-3,4%
Packaging and insulation	62.388	59.871	2.517	4,2%
Finance	6.271	857	5.414	n.s.
Banking	8.634	8.521	113	1,3%
Property, services, other	87	38	49	n.s.
Total	**1.170.787**	**1.200.745**	**(29.958)**	**-2,5%**

(in thousands of euro)	Year to 09.30.2012	Year to 09.30.2011	Change	
			Amount	%
Construction materials	3.388.362	3.545.696	(157.334)	-4,4%
Packaging and insulation	178.441	175.710	2.731	1,6%
Finance	25.031	17.876	7.155	40,0%
Banking	25.212	25.547	(335)	-1,3%
Property, services, other	373	563	(190)	-33,7%
Total	**3.617.419**	**3.765.392**	**(147.973)**	**-3,9%**

by geographical area:

(in thousands of euro)	Q3 2012	Q3 2011	Change	
			Amount	%
European Union	647.050	703.645	(56.595)	-8,0%
Other European countries	14.514	13.106	1.408	10,7%
North America	126.767	125.407	1.360	1,1%
Asia and Middle East	147.965	122.490	25.475	20,8%
Africa	184.177	190.335	(6.158)	-3,2%
Trading	33.956	36.257	(2.301)	-6,3%
Other countries	16.358	9.505	6.853	72,1%
Total	**1.170.787**	**1.200.745**	**(29.958)**	**-2,5%**

(in thousands of euro)	Year to 09.30.2012	Year to 09.30.2011	Change	
			Amount	%
European Union	1.994.451	2.201.100	(206.649)	-9,4%
Other European countries	41.505	38.329	3.176	8,3%
North America	331.090	297.123	33.967	11,4%
Asia and Middle East	438.227	393.172	45.055	11,5%
Africa	638.512	679.969	(41.457)	-6,1%
Trading	121.523	99.886	21.637	21,7%
Other countries	52.111	55.813	(3.702)	-6,6%
Total	**3.617.419**	**3.765.392**	**(147.973)**	**-3,9%**

Goods and utilities expense

Goods and utilities expense amounted to 1,511,181 thousand euro, as follows:

(in thousands of euro)	Year to 09.30.2012	Year to 09.30.2011	Change	% change
Raw materials and semifinished goods	414.887	463.007	(48.120)	-10,4%
Fuel	318.226	404.770	(86.544)	-21,4%
Materials and machinery	206.630	228.118	(21.488)	-9,4%
Finished goods	136.316	125.594	10.722	8,5%
Electricity, water, gas	398.194	344.767	53.427	15,5%
Change in inventories of raw materials, consumables, other	36.928	(23.801)	60.729	n.s.
Total	**1.511.181**	**1.542.455**	**(31.274)**	**-2,0%**

Service expense

Service expense amounted to 874,059 thousand euro, as follows:

(in thousands of euro)	Year to 09.30.2012	Year to 09.30.2011	Change	% change
External services and maintenance	280.355	284.451	(4.096)	-1,4%
Transport	383.013	396.659	(13.646)	-3,4%
Legal fees and consultancy	34.374	41.548	(7.174)	-17,3%
Rents	63.117	68.235	(5.118)	-7,5%
Insurance	30.967	30.986	(19)	-0,1%
Other expense	82.233	83.710	(1.477)	-1,8%
Total	**874.059**	**905.589**	**(31.530)**	**-3,5%**

Employee expense

Employee expense totaled 751,921 thousand euro, as follows:

(in thousands of euro)	Year to 09.30.2012	Year to 09.30.2011	Change	% change
Wages and salaries	506.125	521.236	(15.111)	-2,9%
Social security and contributions to pension funds	166.447	171.175	(4.728)	-2,8%
Costs of stock option plans	543	2.183	(1.640)	-75,1%
Other	78.806	70.957	7.849	11,1%
Total	**751.921**	**765.551**	**(13.630)**	**-1,8%**

The number of employees is shown below:

(heads)	Year to 09.30.2012	Year to 09.30.2011	Full year 2011
Employees at period end	20.561	21.387	20.965
Average number of employees	20.816	21.659	21.569

Other operating income (expense)

Other operating expense net of other operating income amounted to 53,550 thousand euro, as follows:

(in thousands of euro)	Year to 09.30.2012	Year to 09.30.2011	Change	% change
Other taxes	63.443	62.411	1.032	1,7%
Allowance for impairment on receivables	18.895	20.768	(1.873)	-9,0%
Provision for environmental restoration - quarries, other	43.198	50.378	(7.180)	-14,3%
Interest expense and other expense for companies in the financial and banking segments	12.060	29.704	(17.644)	-59,4%
Miscellaneous income	(84.046)	(101.179)	17.133	-16,9%
Total	**53.550**	**62.082**	**(8.532)**	**-13,7%**

"Interest expense and other expense for companies in the financial and banking segments" measurement losses posted by the companies in the financial segment on trading securities and stocks for 1,688 thousand euro (16,839 at September 30, 2011) and interest expense and other finance costs for 10,372 thousand euro (12,865 thousand euro at September 30, 2011).

"Miscellaneous income" includes net capital gains of 27.8 million euro on CO_2 emissions rights trading (46.4 million euro in the year to September 30, 2011), and income of 4.6 million euro from the reimbursement of "new entry" CO_2 quotas assigned to Italcementi S.p.A. for the period 2008-2012 (18.9 million euro at September 30, 2011).

Non-recurring income and expense

(in thousands of euro)	Year to 09.30.12	Year to 09.30.11
Net capital gains on sale of fixed assets	27.823	19.950
Total employee expense for re-organizations	(11.491)	(568)
Other non-recurring income (expense)	(590)	(1.791)
Total	**15.742**	**17.591**

Non-recurring expense net of non-recurring income amounted to 15,742 thousand euro and consisted largely of the net capital gains on the sale of Silos Granari della Sicilia for 8.4 million euro and the sale of the Pontassieve cement plant for 13.0 million euro.

Expense relating to the re-organization programs in the first nine months of 2012 mainly related to Italy, with net provisions for 8.8 million euro, and Spain for 2.5 million euro.

Amortization and depreciation

The total amount of 350,919 thousand euro (354,674 thousand euro at September 30, 2011) reflects depreciation of property, plant and equipment and investment property for 338,057 thousand euro (341,808 thousand euro at September 30, 2011) and amortization of intangible assets for 12,862 thousand euro (12,866 thousand euro at September 30, 2011).

Impairment (losses)

Impairment losses of 16,290 thousand euro were taken on the Group industrial operations, largely in relation to the re-organization plan for the Italian production network in the construction materials segment.

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

Finance costs net of finance income and net exchange-rate differences and derivatives amounted to 80,659 thousand euro, as follows:

	Year to 09.30.12		Year to 09.39.11	
(in thousands of euro)	Income	Costs	Income	Costs
Interest income	9.886		17.651	
Interest expense		(75.713)		(81.853)
Net dividends	1.251		1.067	
Capital gains on sale of equity investments	6.773	(2)	25.123	(516)
Other finance income	14.318		13.085	
Capitalized interest expense		927		448
Other finance costs		(34.092)		(32.414)
Sub total	**22.342**	**(33.167)**	**39.275**	**(32.482)**
Total finance income (costs)	**32.228**	**(108.880)**	**56.926**	**(114.335)**
Gains (losses) on interest-rate derivatives		(5.371)		(5.250)
Gains (losses) on exchange-rate derivatives	36.739			(9.629)
Net exchange-rate differences		(35.375)		(1.421)
Net exchange-rate differences and derivatives		**(4.007)**		**(16.300)**
Total finance income (costs), net exchange-rate differences and derivatives		**(80.659)**		**(73.709)**

Net costs relating to net financial debt amounted to 71.0 million euro (69.7 million euro at September 30, 2011) and consisted of net interest expense of 66.5 million euro, capitalized finance costs of 0.9 million euro and net losses on interest-rate derivatives for 5.4 million euro.
At September 30, 2012, other income from equity investments included net capital gains on the partial sale of Goltas securities for 6.2 million euro (24 million euro at September 30, 2011).

Impairment (losses) on financial assets

The caption reflects a loss of 22,181 thousand euro (-1,977 thousand euro at September 30, 2011), as follows:

- -21,136 thousand euro for the impairment loss on the equity investment in Unicredito;
- -884 thousand euro for the impairment loss on the equity investment in UBI;
- the residual amount of 161 thousand euro for the impairment losses on other assets (Atmos and Atmos venture).

The impairment losses on listed securities were computed in compliance with IAS 39 and with the Group impairment policy.

Share of profit (loss) of associates

The caption reflects a loss of 14,954 thousand euro, compared with profit of 9,297 thousand euro at September 30, 2011, as follows:

(in thousands of euro)	Year to 09.30.2012	Year to 09.30.2011	Change	% change
Vassiliko (Cyprus)	(900)	(1.488)	588	-39,5%
Asment (Morocco)	5.452	5.964	(512)	-8,6%
Ciment Quebec/Innocon (Canada)	7.051	8.318	(1.267)	-15,2%
Techno Gravel (Egypt)	418	467	(49)	-10,5%
Mittel (Italy)	(26)	(13)	(13)	100,0%
SES (Italy)	(614)	(1.114)	500	-44,9%
RCS MediaGroup (Italy)	(25.810)	(939)	(24.871)	n.s.
Others	(525)	(1.898)	1.373	-72,3%
Total	**(14.954)**	**9.297**	**(24.251)**	**n.s.**

The share of the result of RCS Media Group S.p.A., a loss of 25,810 thousand euro, includes the share attributable to Italmobiliare for the fourth quarter of 2011 and the first half of 2012 and the share of the capital gain arising from the sale of Flammarion during the third quarter of 2012.

Income tax expense

Income tax expense for the period amounted to 86,320 thousand euro, as follows:

(in thousands of euro)	Year to 09.30.2012	Year to 09.30.2011	Change	% change
Current tax	86.906	90.171	(3.265)	-3,6%
Prior-year tax and other net non-recurring fiscal items	(4.648)	(2.362)	(2.286)	96,8%
Deferred tax	4.062	(13.859)	17.921	n.s.
Total	**86.320**	**73.950**	**12.370**	**16,7%**

Profit (loss) relating to discontinued operations

The Group sold the Turkish company Afyon and the Chinese company Fuping Cement to third parties, obtaining net consolidated capital gains of 0.3 million euro and 13.0 million euro respectively.

The income statement of the sold Afyon and Fuping operations is set out below:

(in millions of euro)	Year to 09.30.12		Year to 09.30.11	
Income statement	**Afyon**	**Fuping**	**Afyon**	**Fuping**
Revenue	1,6	8,4	15,6	32,5
Recurring EBITDA	(0,5)	(2,1)	(1,0)	(0,2)
EBITDA	(0,5)	(2,1)	(1,0)	(0,2)
EBIT	(0,9)	(3,3)	(2,2)	(3,6)
Profit before tax	(0,8)	(4,2)	(1,9)	(5,6)
Income tax (expense)			0,10	0,1
Profit (loss) for the period from sold operations	**(0,8)**	**(4,2)**	**(1,8)**	**(5,5)**

In the IFRS 5 income statement at September 30, 2011, the line “Profit (loss) relating to discontinued operations” reflect an amount of 99.7 million euro, which, in addition to the results of Afyon and Fuping, includes the consolidated net capital gain from the sale of Set Group for 107.0 million euro.

Non-recurring transactions

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

(in thousands of euro)	09.30.2012 Equity		Profit (loss) for the period		Net financial debt	
	amount	**%**	**amount**	**%**	**amount**	**%**
Book values	**5.345.978**		**(35.291)**		**(2.134.376)**	
Net capital gains on sale of fixed assets	27.823	0,52%	27.823	78,84%	37.866	1,77%
Non-recurring employee expense for re-organizations	(11.491)	0,21%	(11.491)	32,56%		
Other non-recurring income/(expense)	(590)	0,01%	(590)	1,67%	(300)	0,01%
Income tax on non-recurring transactions	(5.505)	0,10%	(5.505)	15,60%		
Total	**10.237**	**0,19%**	**10.237**	**29,01%**	**37.566**	**1,76%**
Figurative value without non-recurring transactions	**5.335.741**		**(45.528)**		**(2.171.942)**	

(in thousands of euro)	09.30.2011 Equity		Profit (loss) for the period		Net financial debt	
	amount	**%**	**amount**	**%**	**amount**	**%**
Book values	**5.729.800**		**167.251**		**(2.158.642)**	
Net capital gains on sale of fixed assets	19.950	0,35%	19.950	11,93%	32.705	1,52%
Non-recurring employee expense for re-organizations	(568)	0,01%	(568)	0,34%		
Other non-recurring income/(expense)	(1.791)	0,03%	(1.791)	1,07%	(300)	0,01%
Income tax on non-recurring transactions	(2.350)	0,04%	(2.350)	1,41%		
Total	**15.241**	**0,27%**	**15.241**	**9,11%**	**32.405**	**1,50%**
Figurative value without non-recurring transactions	**5.714.559**		**152.010**		**(2.191.047)**	

Capital expenditure

Capital expenditure for the year to September 30, 2012, amounted to 280,371 thousand euro, as follows:

(in thousands of euro)	Year to 09.30.2012	Year to 09.30.2011	Change	
			Amount	%
Investments in intangible assets	8.780	14.152	(5.372)	-38,0%
Investments in PPE and investment property	202.602	218.688	(16.086)	-7,4%
Investments in non-current financial assets	15.978	35.644	(19.666)	-55,2%
Change in payables/receivables for non-current financial asset purchases	(769)	(1)	(768)	n.s.
Change in payables/receivables for PPE, investment property and intangible asset purchases	53.780	72.801	(19.021)	-26,1%
Total	**280.371**	**341.284**	**(60.913)**	**-17,8%**

Investments in property, plant and equipment and investment property at September 30, 2012, of 202,602 thousand euro, were down by 7.4% from the first nine months of 2011 and were mainly in the European Union for 125,062 thousand euro (including Italy 46,577 thousand euro, France 47,312 thousand euro, Bulgaria 11,930 thousand euro, Belgium 8,376 thousand euro), North America for 18,068 thousand euro, Africa for 20,136 thousand euro, Asia and the Middle East for 36,255 thousand euro, including India for 18,489 thousand euro.

Investments in non-current financial assets at September 30, 2012, amounted to 15,978 thousand euro, of which 793 thousand euro in the third quarter.

Financial position

Net financial debt stood at 2,134,376 thousand euro at September 30, 2012 (2,039,619 thousand euro at December 31, 2011), consisting of gross financing for 3,721,153 thousand euro (3,900,203 thousand euro at December 31, 2011) and gross assets of 1,586,777 thousand euro (1,860,584 thousand euro at December 31, 2011).
Gross financing consisted of short-term debt for 1,573,136 thousand euro (1,567,469 thousand euro at December 31, 2011) and medium/long-term financing for 2,148,017 thousand euro (2,332,734 thousand euro at December 31, 2011).

The increase in net financial debt from December 31, 2011, was 94,757 thousand euro, as follows:

(in thousands of euro)	Change from December 31, 2011
Cash and cash equivalents	299.605
Short-term financing	5.667
Change in short-term net financial debt	***305.272***
Medium/long-term financial assets	(25.798)
Medium/long-term financing	(184.717)
Change in medium/long-term financial debt	***(210.515)***
Change in total net financial debt	**94.757**

Events after September 30, 2012

No significant events took place after September 30, 2012, whose impact requires changes to or additional comments on the Group income, capital and financial situation at September 30, 2012.
For further details, the reader is referred to the comments on operations.

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