ITALMOBILIARE

SOCIETA' PER AZIONI

PRESS RELEASE

BOARD OF DIRECTORS EXAMINES FINANCIAL STATEMENTS FOR 2011

ITALMOBILIARE GROUP

- **REVENUE: 5,016.0 MILLION EURO (5,016.4 MILLION EURO IN 2010)**
- **TOTAL LOSS FOR THE YEAR OF 60.6 MILLION EURO (PROFIT OF 187.8 MILLION EURO) AFTER EXTRAORDINARY WRITE-DOWNS OF 235 MILLION EURO GENERATED BY THE EFFECTS OF THE CRISIS ON THE MARKETS**

- **NET DEBT: 2,039.6 MILLION EURO (2,095.5 MILLION EURO)**
- **TOTAL EQUITY: 5,539.6 MILLION EURO (5,932.8 MILLION EURO)**

- **POSITIVE NET FINANCIAL POSITION OF 105.2 MILLION EURO FOR PARENT COMPANY AND FINANCIAL COMPANIES (170.6 MILLION EURO)**

- **NET ASSET VALUE: 1,138.5 MILLION EURO AT DECEMBER 31, 2011 (1,654.9 MILLION EURO AT THE END OF 2010)**

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Milan, March 28, 2012 – *The Board of Directors of Italmobiliare S.p.A. today examined and approved the consolidated financial statements and the draft separate financial statements for financial year 2011.*

The worsening crisis in the euro zone as a result of some countries' sovereign debt difficulties had a severe impact on the financial markets, with significant repercussions on share and debenture prices. This situation, which was particularly marked in the second half of the year, necessarily led to value adjustments on securities in portfolio, with a material effect on results in the financial and banking sectors.
Results in the industrial sector were adversely affected by the resurgence of inflationary pressure, especially on the cost of energy and raw materials, and, in construction materials, by the continuing uncertainty on the Egyptian market as a result of the local political situation.
Under these conditions, income was materially impacted by the extraordinary effects of significant impairment losses of 148.1 million euro on fixed assets and goodwill and 86.6 million euro on financial assets, in banking and publishing in particular. The re-measurements applied in accordance with by the IAS/IFRS standards – which provide for the losses to be reflected in the income statement – have an impact only at accounting level, but no effects on cash and may be reversed should markets improve. Considering these impairment losses for a total of approximately 235 million euro, the Italmobiliare Group posted a loss for 2011 of 60.6 million euro compared with profit of 187.8 million euro in 2010.
The market upturn that emerged in the early months of 2012 has, however, already made possible a partial reversal of the measurement losses recognized in 2011: since the

beginning of the year the stock market index has risen by approximately 8.2% compared with the 2011 full-year fall of 24.3%; specifically, the index for the banking sector, of significance to Group equity investments, rose by approximately 10.5% in the first three months of 2012, compared with a fall of 43.9% in 2011.

Among the sectors in which the Group operates, the financial sector, which comprises the parent company and the wholly owned financial subsidiaries, reported the worst performance, due to the high volatility on the financial markets: after important impairment losses of 94.1 million euro on securities in portfolio, the sector reported a loss for the year of 96.2 million euro, compared with profit of 26.7 million euro in 2010.

In the banking sector, the intermediation margin of 33.3 million euro reflected the reduction in commission income at Finter Bank Zurich. After provisions for bad debts of approximately 4.4 million euro and impairment of 11.4 million euro, the sector posted a loss for the year of 23.1 million euro (a loss of 4.1 million euro in 2010).

Looking at the Group's industrial operations, the construction materials sector formed by the Italcementi group (which published its results on March 2) posted revenue of 4,720.5 million euro (+1.3% on 2010). Operating results, supported by industrial efficiency but adversely affected by higher energy costs and impairment on a number of acquisitions in previous years in Spain, Greece and Italy, were down on 2010: recurring EBITDA was 697.3 million euro (-17.2%), while EBIT was 129.0 million euro (- 65.2%). A profit was posted for the year of 91.2 million euro, thanks to the capital gain on the sale of the main group operations in Turkey.

The food packaging and thermal insulation sector, consisting of the Sirap Gema group, reported revenue for 235.6 million euro (239.3 million euro in 2010); trends differed between food packaging, where revenue fell by 3.0%, and thermal insulation, where revenue rose by 3.0%. Operating results, affected by an average 12% increase in the cost of raw materials and a series of write-downs in rigid packaging, were down on 2010, with recurring EBITDA at 14.5 million euro and negative EBIT of 2.1 million euro. A loss of 8.9 million euro was reported for the year (profit of 3.5 million euro in 2010).

In 2011 ***revenue*** *amounted to 5,016.0 million euro, unchanged from 5,016.4 million euro in 2010 reclassified in compliance with IFRS 5 to take account of the sale of operations in Turkey in March 2011.*

Recurring EBITDA *at 681.0 million euro was down by 203.2 million euro from 2010. All the sectors contributed to the reduction, but the largest decreases in absolute terms were in construction materials (-144.4 million euro) and the financial sector (-36.1 million euro).*

EBIT *fell by 80.0% to 79.5 million euro, after an increase in* ***amortization and depreciation*** *(491.1 million euro, compared with 477.0 million euro in 2010) and material* ***impairment losses*** *(148.1 million euro compared with 7.9 million euro in 2010). Impairment related to goodwill (99.4 million euro), property, plant and equipment (33.6 million euro) and intangible assets (15.1 million euro), in the construction materials sector (134.3 million euro), the banking sector (11.4 million euro) and the food packaging and thermal insulation sector (2.4 million euro).*

Impairment losses on financial assets *amounted to 86.6 million euro (23.2 million euro in 2010) and referred chiefly to equity investments in Unicredit, Rcs MediaGroup and UBI held by the financial sector (-94.1 million euro). A positive factor (+7.5 million euro) was the reversal of the impairment loss recognized on the Calcestruzzi group at December 31, 2010, in the fair value reserve and taken to income in 2011 after the group was included in the consolidation as from January 1, 2011.*

Continuing operations *showed a* ***loss*** *of 167.1 million euro (a gain of 206.6 million euro in 2010). After capital gains of 106.5 million euro on the sale of Set Group in Turkey, the*

*Group posted a **loss for the year** of 60.6 million euro (profit of 187.8 million euro). The **loss attributable to owners of the parent**, after profit of 87.1 million euro attributable to non-controlling interests (166.5 million euro in 2010), was 147.7 million euro (profit of 21.3 million euro).*
*At December 31, 2011, Italmobiliare Group **total equity** amounted to 5,539.6 million euro compared with 5,932.8 million euro at December 31, 2010. Year-end **net debt** stood at 2,039.6 million euro, an improvement of approximately 56 million euro from the end of 2010; the **gearing** ratio was 36.82% at December 31, 2011, from 35.32% at the end of 2010, while **leverage** stayed below 3% (2.99% compared with 2.37% at the end of 2010).*
*The **net financial position of Italmobiliare and the wholly owned financial companies** was positive at the end of 2011, at 105.2 million euro (170.6 million euro at December 31, 2010).*

*The parent company **Italmobiliare S.p.A.** reported a loss for the year of 57.3 million euro, compared with a profit of 35.2 million euro for the year to December 31, 2010. The loss arose substantially from impairment losses of 80.4 million euro on equity instruments and the reduction in capital gains obtained in 2011 compared with the previous year.*

*Italmobiliare **Net Asset Value** (NAV) was 1,138.5 million euro at December 31, 2011 (1,654.9 million euro at December 31, 2010).*

*In consideration of the effects generated by the economic and financial crisis, the Italmobiliare Board of Directors will propose at the Shareholders' Meeting called for May 28 and 29, 2012 (first and second call respectively) that no **dividend** be paid out for financial year 2011.*

***<u>Outlook</u>** – The conflicting economic and financial projections for full-year 2012 and the changing macroeconomic situation are factors of uncertainty preventing formulation today of reliable guidance on overall Group results for the current year.*

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FOURTH QUARTER 2010

The fourth quarter reported a slight increase in **revenue** compared with the year-earlier period, driven by the positive contribution of the construction materials sector (+2.9%), against decreases in all the other sectors, notably the financial sector (-37.6%).
Recurring EBITDA was significantly down (-21.7%) on the fourth quarter of 2010, due to high energy costs and the increase in raw material costs in the Group's industrial sectors, and higher operating expenses in the banking sector.
Fourth-quarter **EBIT** was negative at 122.5 million euro (positive EBIT of 49.2 million euro in the year-earlier period), essentially as a result of material impairment losses on fixed assets and goodwill at the Italcementi group, Finter Bank Zürich and Sirap Gema S.p.A. for a total of 148.3 million euro. Specifically, impairment referred to goodwill (104.6 million euro), property, plant and equipment (28.6 million euro) and intangible assets (15.1 million euro) and arose in the construction materials sector (134.4 million euro), the banking sector (11.4 million euro) and the food packaging and thermal insulation sector (2.5 million euro).
After impairment losses in the quarter on securities and equity investments in the financial sector for 84.6 million euro and finance costs of 30.8 million euro, the 2011 fourth quarter posted a **loss** of 227.9 million euro (profit of 43.3 million euro in the fourth quarter of 2010); the result reflected negative contributions from all Group sectors with the exception of the property, services and other sector, whose impact on aggregate Group results is marginal. The share of the fourth-quarter **loss attributable to owners of the parent** was -155.1 million euro (profit of 2.7 million euro in the year-earlier period); a significant decrease was also reported in the share of the **loss attributable to non-controlling interests**, at -72.8 million euro (profit of 40.6 million euro in the year-earlier period).

FINANCIAL STATEMENTS AT DECEMBER 31, 2011

For full-year 2011, Italmobiliare Group consolidated **revenue** amounted to 5,016.0 million euro (5,016.4 million euro in 2010).
The marginal change in **revenue** arose from the downturn in business performance for 2.5%, a negative exchange-rate effect of 2.0% and a positive change in the scope of consolidation for 4.5%.
The business slowdown arose in all Group sectors, notably in the financial sector (-61.7%) and the banking sector (-16.4%), which were particularly exposed to the tensions on the financial markets.
The negative exchange-rate effect arose primarily from the depreciation against the euro of the Egyptian pound, the US dollar, the Indian rupee and the Polish zloty, while the Swiss franc appreciated significantly.
The consolidation effect referred to the construction materials sector in Italy, as a result of the re-inclusion of the Calcestruzzi group in the scope of consolidation.
Net of intersector eliminations, the geographical revenue breakdown showed growth in Asia-Middle East and North America, and declines in non-EU countries and Africa.

Revenue and operating results by geographical area

(in millions of euro)	Revenue		Recurring EBITDA		EBITDA		EBIT	
	2011	**% change vs 2010**	**2011**	**% change vs 2010**	**2011**	**% change vs 2010**	**2011**	**% change vs 2010**
European Union	2,980.4	*7.3*	333.1	*(15.6)*	363.3	*(8.1)*	(9.2)	*(105.9)*
Other European countries	73.6	*(14.0)*	(12.1)	*n.s.*	(10.0)	*n.s.*	(27.5)	*n.s.*
North America	405.1	*(2.5)*	16.3	*(35.6)*	23.0	*5.8*	(45.4)	*(5.8)*
Asia and Middle East	553.2	*10.6*	88.4	*20.3*	89.5	*22.7*	39.6	*101.7*
Africa	904.7	*(18.8)*	281.8	*(28.9)*	282.8	*(28.0)*	178.9	*(37.6)*
Trading	183.4	*(20.0)*	10.6	*(25.6)*	10.7	*(25.5)*	6.8	*(40.0)*
Other countries	423.9	*(0.2)*	(35.2)	*n.s.*	(36.5)	*n.s.*	(59.6)	*n.s.*
Inter-area eliminations	(508.3)	*(4.0)*	(1.9)	*(87.1)*	(4.1)	*(72.5)*	(4.1)	*(72.5)*
Total	**5,016.0**	**-**	**681.0**	***(23.0)***	**718.7**	***(18.5)***	**79.5**	***(80.0)***

n.s. not significant

Revenue and operating results by sector

(in millions of euro)	Revenue		Recurring EBITDA		EBITDA		EBIT	
	2011	**% change vs 2010**	**2011**	**% change vs 2010**	**2011**	**% change vs 2010**	**2011**	**% change vs 2010**
Construction materials	4,720.5	*1.3*	697.3	*(17.2)*	738.1	*(12.1)*	129.0	*(65.2)*
Packaging and insulation	235.6	*(1.6)*	14.5	*(34.5)*	12.0	*(45.8)*	(2.1)	*n.s.*
Financial	62.4	*(45.3)*	2.2	*(94.4)*	1.6	*(95.7)*	1.5	*(95.9)*
Banking	34.9	*(4.9)*	(10.6)	*n.s.*	(8.4)	*n.s.*	(24.3)	*n.s.*
Property, services, other	2.0	*(28.9)*	0.3	*(67.2)*	0.3	*(77.4)*	0.3	*(80.2)*
Intersector eliminations	(39.4)	*7.9*	(22.7)	*18.5*	(24.9)	*28.7*	(24.9)	*28.7*
Total	**5,016.0**	**-**	**681.0**	***(23.0)***	**718.7**	***(18.5)***	**79.5**	***(80.0)***

n.s.: not significant

Recurring EBITDA was 681.0 million euro, down by 203.2 million euro from 2010 (884.2 million euro). Decreases were reported in all the sectors, but the largest reductions in absolute terms were in construction materials (-144.4 million euro), due to higher energy costs, and the financial sector (-36.1 million euro).
By geographical area, the strongest growth in recurring EBITDA was in Asia and Middle East, while in absolute terms the EU countries and Africa were once again the largest contributors to both revenue and recurring EBITDA.
After non-recurring net income of 37.7 million euro (net expense of 2.6 million euro in 2010), relating mainly to the construction materials sector as a result of capital gains on the sale of operations and net expense for corporate restructuring, **EBITDA** was down by 162.9 million euro (718.7 million euro compared with 881.6 million euro in 2010).
After an increase in amortization and depreciation charges (491.1 million euro from 477.0 million euro in 2010) and material impairment losses (148.1 million euro from 7.9 million euro in 2010), **EBIT** fell by 80.0%, from 396.7 million euro to 79.5 million euro. The impairment losses related to goodwill (99.4 million euro), property, plant and equipment (33.6 million euro) and intangible assets (15.1 million euro), in construction materials

(134.3 million euro), the banking sector (11.4 million euro) and food packaging and thermal insulation (2.4 million euro).

Net finance costs, affected in 2010 by non-recurring charges for redemption of the Notes issued in the USA, were down 5.4 million euro, from 111.5 million euro in 2010 to 106.1 million euro at December 31, 2011. Interest expense on net debt amounted to 88.2 million euro, an improvement of 4.8% from 2010 thanks to lower average debt, while exchange-rate differences, net of hedging, showed a loss of 11.4 million euro (a gain of 8.6 million euro in 2010). The sale of a number of equity investments in the construction materials sector was a positive factor (capital gain of 25.0 million euro).

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

Impairment on financial assets reflected a loss of 86.6 million euro (-23.2 million euro in 2010), relating chiefly to impairment on the equity investments in Unicredit, Rcs MediaGroup and UBI held by the financial sector (-94.1 million euro). A positive factor (+7.5 million euro) was the reversal of the impairment loss posted in the fair value reserve for the Calcestruzzi group at December 31, 2010, and taken to 2011 income after the re-inclusion of the group in the scope of consolidation as from January 1, 2011.

Share of profit (loss) of associates reflected profit of 9.7 million euro (+8.6 million euro in 2010) arising from the profit reported by the associates in the construction materials sector for 18.6 million euro, offset in part by the losses posted by associates in the financial sector (-8.9 million euro).

Profit before tax was negative at 103.5 million euro compared with profit of 270.6 million euro in 2010.

Despite the negative result, **income tax** reflected expense of 63.6 million euro (64.0 million euro in 2010), chiefly on income from countries with higher tax rates and as a result of the change in the tax rate in Egypt, which in 2011 was raised from 20% to 25%.

Continuing operations reflected a loss of 167.1 million euro (gain of 206.6 million euro in 2010).

After capital gains of 106.5 million euro on the sale of Set Group in Turkey, the Group posted a **loss** for the year of 60.6 million euro (profit of 187.8 million euro in 2010). After profit of 87.1 million euro attributable to non-controlling interests, a **loss** of 147.7 million euro was **attributable to the owners of the parent** (profit of 21.3 million euro in 2010).

Total equity at December 31, 2011, amounted to 5,539.6 million euro, a decrease of 393.2 million euro from December 31, 2010. The net reduction arose from: the loss for the period of 60.6 million euro; dividends paid for 148.2 million euro; the reduction in the fair value reserve on equity investments and derivatives for 137.0 million euro; the negative exchange-rate effect of 26.3 million euro and other changes arising from purchases/sales of interests in consolidated companies with a negative impact of 21.1 million euro.

At December 31, 2011, **net debt** stood at 2,039.6 million euro, down by 55.9 million euro from the situation at December 31, 2010, despite the negative effect of 217.7 million euro from the consolidation of the Calcestruzzi group and the reduction in cash flows on operations. The improvement arose essentially from the sale of Italcementi group operations no longer considered of core importance.

<u>Performance in the core businesses</u>

Performance in the **construction materials sector**, headed by the Italcementi group (Italmobiliare's main industrial activity) was affected by the continuing difficulties in the international economic situation in 2011. Sales volumes were down, especially in cement and aggregates, while a small improvement was reported in ready mixed concrete. In this context, revenue, at 4,720.5 million euro, was up 1.3% on 2010 (-1.3% at constant size and exchange rates). The revenue decrease reflected the fall in sales volumes, offset in part by a favorable trend in sales prices in some countries, notably India, Italy, Thailand and Morocco. Operating results were supported by industrial efficiency and the positive impact of operations in CO_2 emission rights, but adversely affected by events on the Egyptian market, the consolidation of the Calcestruzzi group, large impairment losses and higher energy costs. Operating results were down on 2010: recurring EBITDA, at 697.3 million euro, decreased by 17.2%, while EBIT, at 129.0 million euro, was down 65.2%, after amortization and depreciation and material impairment of 609.1 million euro (469.2 million euro in 2010). After a 13.5% increase in income tax expense from 2010, continuing operations showed a loss of 15.8 million euro (gain of 215.8 million euro in 2010), while a profit of 91.2 million euro was posted for the year, thanks to the capital gain on the sale of the main group operations in Turkey.

Performance in the **food packaging and thermal insulation sector,** consisting of the Sirap Gema group, was affected by a particularly difficult market situation in terms of demand and of raw material prices, which were higher than in 2010. In this situation, the group reported revenue of 235.6 million euro, a reduction from 2010 (239.3 million euro), with a downturn of 3.0% in food packaging and an improvement of 3.0% in thermal insulation. Recurring EBITDA was positive at 14.5 million euro (22.2 million euro in 2010), while EBIT was negative for 2.1 million euro, with a reduction of 12.9 million euro from December 31, 2010. These material decreases were due to the rise of approximately 12% in the average cost of polymer raw materials, which was transferred only in part to food packaging sales prices. The group also posted non-recurring expense of approximately 3.7 million euro and goodwill impairment of 5.3 million euro at the rigid packaging division, offset only in part by impairment reversals of 2.9 million euro on some assets. After finance costs of 5.4 million euro and income tax expense of 1.4 million euro, the sector posted a loss for the period of 8.9 million euro (profit of 3.5 million euro in 2010).

The **financial sector,** which includes the parent company Italmobiliare and the wholly owned financial companies, was affected by the high volatility on the financial markets generated by concern over the sovereign debt crisis in the euro zone. In this context, the sector posted a loss for the period of 96.2 million euro, a sharp decline with respect to profit of 26.7 million euro in 2010. The significant fall in the market prices of securities in portfolio at the end of 2011 led to impairment losses on trading instruments (debentures and, to a lesser degree, equities) and on long-standing equity investments in banking and publishing. Since the financial sector is owned 100% by the Group, its profit for the period is reflected in full on profit attributable to owners of the parent.

The **banking sector** comprises Finter Bank Zürich and Crédit Mobilier de Monaco. The intermediation margin made a slight improvement, from 32.7 million euro to 33.3 million euro at December 31, 2011, as a result of the depreciation of the euro against the Swiss franc. Net of this effect, the margin would show a reduction of 8.9%. The increase in the loss for the period in the banking sector compared with 2010 arose from the negative performance of Finter Bank Zürich, caused largely by the reduction in commission income and the decrease in third-party assets under management. After provisions for bad debts of approximately 4.4 million euro and impairment losses of 11.4 million euro, the sector posted a loss for the period of 23.1 million euro (a loss of 4.1 million euro in 2010).

<u>THE PARENT COMPANY</u> – The parent company Italmobiliare S.p.A. closed financial year 2011 with a loss of 57.3 million euro, compared with a profit of 35.2 million euro for the year to December 31, 2010. The loss was substantially due to impairment losses of 80.4 million euro on equities and a reduction in capital gains posted in 2011 compared with 2010 for 20.8 million euro.
For the year to December 31, 2011, Italmobiliare reported revenue of 49.2 million euro compared with 67.7 million euro in 2010. The strong decrease in revenue in 2011 arose essentially after the capital gains posted in 2010 on the sale of Unicredit shares. After operating expenses and finance costs of 31.5 million euro (33.2 million euro at December 31, 2010), EBITDA and EBIT amounted to 17.7 and 17.6 million euro respectively, both down by 16.8 million euro from 2010. The reduction in the margins, largely the result of the sharp decrease in revenue, was mitigated slightly by the decrease in operating expenses.
The negative performance of the stock markets in 2011 generated significant impairment losses on Italmobiliare equity investments, specifically:
a) the alignment of the investments in Unicredit and in UBI with year-end market values generated impairment losses totaling 43.7 million euro,
b) the adjustment of the investment in RCS Media Group to the evaluation performed by an independent specialist, who estimated the associate's value in use at 0.900 euro per share; this generated an impairment loss of 36.3 million euro.
After income tax income of 5.5 million euro (1.0 million euro at December 31, 2010), the parent company posted a loss for the year of 57.3 million euro.
Italmobiliare S.p.A. equity was down 189.4 million euro from December 31, 2010, decreasing from 1,075.7 million euro to 886.3 million euro; this reflected the decrease of 110.8 million euro in reserves, largely caused by the reduction in the value of available-for-sale financial assets (for 111.6 million euro net of deferred tax); dividends distributed in compliance with the shareholders' resolution of May 25, 2011, for 21.3 million euro, and the loss for the period (57.3 million euro).
Net debt amounted to 270.5 million euro, up from 220.9 million euro at December 31, 2010. Italmobiliare S.p.A. cash flows are analyzed in the comments on the financial sector in the directors' report on Group operations.

Italmobiliare **Net Asset Value** (NAV) at December 31, 2011, was 1,138.5 million euro (1,654.9 million euro at December 31, 2010) on capitalization of 475.4 million euro, reflecting a discount of 58.2% compared with 49.0% at December 31, 2010.
NAV was computed considering: the year-end market price of investments in listed companies; RCS MediaGroup was valued on the basis of value in use determined by an independent evaluation; the value of non-listed companies determined, when possible, on the basis of market multiples or specific valuations; the equity of the other equity investments, determined with IAS/IFRS policies, where available, or with local accounting policies; the increased value of any real estate assets; and taking account of the fiscal effect.

In consideration of the effects generated by the economic and financial crisis, the Italmobiliare Board of Directors will propose at the Shareholders' Meeting called for May 28 and 29, 2012 (on first and second call respectively) that no **dividend** be paid out for financial year 2011.

<u>OUTLOOK</u> – The economic growth outlook for 2012 is expected to be modest due to the moderate expansion of demand at world level, the persistent rise in the cost of raw materials, the pressures on the sovereign debt markets in the euro zone and their impact on credit conditions. These factors continue to slow the underlying economic growth trend, especially in the euro zone, while the emerging countries are still reporting sustained growth, although at a more moderate pace due to weakening international and domestic demand.
The Group’s industrial sectors are working to mitigate the effects of weak demand in the mature countries and increasingly tough competition in the emerging countries, through measures to improve industrial and commercial efficiency and re-organization programs designed to cut costs.
The improvement on the financial markets, supported by moderate monetary expansion in the first months of 2012, will in any case be subject to the ability of the euro zone countries to introduce major structural reforms and thus strengthen the prospects for growth and competitiveness on the European markets. These developments could have positive impacts on results in the Group’s financial and banking sectors.
In this context, the conflicting economic and financial projections and the changing macroeconomic situation are factors of uncertainty preventing formulation today of reliable guidance on overall Group results for 2012.

<u>DEBENTURE ISSUES AND MATURITIES</u> – No new debentures were issued during the year and no issues are due to mature in the 18 months after closure of the 2011 financial statements with the exception of those illustrated by the subsidiary Italcementi S.p.A. in its press release of March 2, 2012.

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In addition to the 2011 separate financial statements, the Board of Directors also agreed to present to the ***<u>ordinary session</u>*** of the forthcoming Shareholders' Meeting:

1) the **Remuneration Report,** drawn up pursuant to Legislative Decree no. 58, February 24, 1998 (TUF, consolidated law on finance), art. 123-ter;

2) subject to revocation of the shareholder resolution of May 25, 2011, authorizing the purchase of treasury shares, a proposal for the **renewal of the authorization for the purchase and disposal of treasury shares** for a period of 18 months as from the resolution date. Shares may be purchased in order to:

- hold treasury shares:
  - * for sale to employees and/or directors in connection with stock option plans reserved for employees and/or directors;
  - * for medium/long-term investment purposes;
- intervene, in compliance with current regulations, directly or through intermediaries, in order to limit anomalous movements in share prices and to regularize trends in trading and share prices in response to momentary distortions caused by excessive volatility or low trading liquidity;;
- build a treasury stock portfolio to service extraordinary financial transactions or for other purposes deemed to be in the financial, business and/or strategic interests of the company;
- offer shareholders an additional tool to monetize their investments.

The proposal provides that the per-share purchase price shall not be more than 15% above or below the average reference price on the same regulated market in the three trading sessions prior to each transaction; the overall amount paid by the company for buy-backs shall not exceed 50 million euro; the overall nominal value of the maximum number of bought-back ordinary and/or treasury shares, including treasury shares already held as of today by the company and by the subsidiaries, shall not exceed one tenth of the share capital.

Furthermore:

- buy-backs shall normally be conducted in a manner that ensures equitable treatment of shareholders and does not allow offers to purchase to be directly matched with predetermined offers to sell, or, taking account of the various possible objectives, in any other manner allowed under current laws and regulations governing the stock market on which the transaction is performed;
- the shares shall be disposed of in any manner deemed suitable to achieve the objectives pursued, directly or through intermediaries, in compliance with the current applicable community and national laws and regulations;
- share buy-back and sale transactions shall be performed in compliance with applicable laws and, specifically, with current laws and regulations.

As of today, the company holds 871,411 ordinary treasury shares and 28,500 ordinary savings shares, representing, respectively, 3.93% of ordinary share capital and 0.17% of savings share capital.

The directors will also propose, at an ***extraordinary session*** of the Shareholders' Meeting, an amendment to the by-laws in order to **(i)** comply with the dispositions introduced by Law no. 120 of July 12, 2011, concerning equality of access to the governance and control bodies of companies listed on regulated markets **(ii)** renew the powers granted to the directors, pursuant to arts. 2443 and 2420-ter Italian Civil Code, to raise the share capital and issue convertible debentures with warrants, on one or more occasions, by a maximum overall nominal amount of 260,000,000 euro, and **(iii)** cancel the powers granted to the directors, ex art. 2443 Italian Civil Code, to raise the share capital to be reserved for directors and managers of the company or its subsidiaries, so as to reflect the resolution carried by the Board of Directors on March 30, 2011, to make no further grants under the stock option plans for directors and managers, which were therefore deemed closed, without prejudice to the terms under which each beneficiary would be able to exercise options that had already been granted.

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The Board of Directors ascertained that the directors Mauro Bini, Gabriele Galateri di Genola, Jonella Ligresti, Gianemilio Osculati, Giorgio Perolari and Paolo Sfameni meet the independence requirements set out in the company’s Voluntary Code of Conduct (also with regard to directors Mauro Bini and Giorgio Perolari, waiving the criterion regarding term of office).

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

Disclaimer

This press release may contain forward-looking statements. These statements are based on the Group's current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future, and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: continued volatility and further deterioration of capital and financial markets, changes in commodity prices, changes in general economic conditions, economic growth and other changes in business conditions, changes in legislation and government regulation (in each case, in Italy or abroad), and many other factors, most of which are beyond the Group’s control.

Attachments. pre-audit income statements and statements of financial position

Italmobiliare Group					
Income statement (in thousands of euro)	**2011**	**%**	**2010 IFRS 5**	**%**	**% change**
Revenue	**5,016,035**	**100.0**	**5,016,403**	**100.0**	**0.0**
Other revenue	44,438		41,183		
Change in inventories	1,216		29,333		
Internal work capitalized	32,229		59,598		
Goods and utilities expense	(2,105,741)		(2,058,889)		
Service expense	(1,194,331)		(1,102,359)		
Employee expense	(1,033,649)		(982,100)		
Other operating income (expense)	(79,183)		(118,955)		
Recurring EBITDA	**681,014**	**13.6**	**884,214**	**17.6**	**-23.0**
Net capital gains on sale of fixed assets	66,274		9,385		
Non-recurring employee expense for re-orgs	(26,467)		(11,850)		
Other non-recurring income / (expense)	(2,097)		(160)		
EBITDA	**718,724**	**14.3**	**881,589**	**17.6**	**-18.5**
Amortization and depreciation	(491,101)		(477,036)		
Impairment	(148,099)		(7,871)		
EBIT	**79,524**	**1.6**	**396,682**	**7.9**	**-80.0**
Finance income	74,372		47,369		
Finance costs	(162,280)		(163,568)		
Net exchange-rate differences and derivatives	(18,230)		4,706		
Impairment on financial assets	(86,562)		(23,211)		
Share of profit/(loss) of associates	9,709		8,592		
Profit before tax	**(103,467)**	**-2.1**	**270,570**	**5.4**	**-138.2**
Income tax (expense)	(63,659)		(64,017)		
Gains(losses) relating to continuing operations	**(167,126)**	**-3.3**	**206,553**	**4.1**	**n.s.**
Gains (losses) relating to discontinued operations	106,502		(18,777)		
Profit/(loss) for the period	**(60,624)**	**-1.2**	**187,776**	**3.7**	**-132.3**
Attributable to:					
Owners of the parent	**(147,707)**	**-2.9**	**21,269**	**0.4**	**n.s.**
Non-controlling interests	**87,083**	**1.7**	**166,507**	**3.3**	**-47.7**
Earnings per share					
- Basic					
ordinary shares	(3.926) €		0.531 €		
savings shares	(3.926) €		0.609 €		
- Diluted					
ordinary shares	(3.926) €		0.531 €		
savings shares	(3.926) €		0.609 €		

Italmobiliare Group					
Statement of comprehensive income (in thousands of euro)	**2011**	**%**	**2010 (IFRS 5)**	**%**	**Change**
Profit/(loss) for the period	**(60,624)**	**-1.2**	**187,776**	**3.7**	**(248,400)**
Fair value gains (losses) on:					
Available-for-sale financial assets	(154,228)		(126,112)		(28,116)
Derivatives	20,144		11,749		8,395
Translation differences	(27,502)		195,755		(223,257)
Tax on other comprehensive income	(2,400)		183		(2,583)
Share of other comprehensive income of associates	(712)		11,373		(12,085)
Other comprehensive income	**(164,698)**		**92,948**		**(257,646)**
Other comprehensive income on discontinued operations	-		8,733		**(8,733)**
Total comprehensive income	**(225,322)**	**-4.5**	**289,457**	**5.8**	**(514,779)**
Attributable to:					
owners of the parent	**(271,817)**		**(39,982)**		**(231,835)**
non-controlling interests	**46,495**		**329,439**		**(282,944)**

Italmobiliare Group			
Statement of financial position (in thousands of euro)	**12/31/2011**	**12/31/2010**	**Change**
Non-current assets			
Property, plant and equipment	4,546,850	4,700,014	(153,164)
Investment property	28,596	35,692	(7,096)
Goodwill	1,986,488	2,095,916	(109,428)
Intangible assets	111,914	154,790	(42,876)
Investments in associates	324,662	365,220	(40,558)
Other equity investments	338,886	612,278	(273,392)
Trade receivables and other non-current assets	224,219	180,670	43,549
Deferred tax assets	172,466	117,944	54,522
Non-current amounts due from employees	2,476	2,272	204
Total non-current assets	**7,736,557**	**8,264,796**	**(528,239)**
Current assets			
Inventories	775,622	755,015	20,607
Trade receivables	925,843	811,609	114,234
Other current assets including derivatives	411,129	397,812	13,317
Tax assets	71,972	93,170	(21,198)
Equity investments, debentures and financial assets	759,715	1,033,309	(273,594)
Cash and cash equivalents	821,478	739,217	82,261
Total current assets	**3,765,759**	**3,830,132**	**(64,373)**
Discontinued non-current operations	**3,445**		**3,445**
Total assets	**11,505,761**	**12,094,928**	**(589,167)**
Equity			
Share capital	100,167	100,167	
Share premium	177,191	177,191	
Reserves	4,438	137,468	(133,030)
Treasury shares	(21,226)	(21,226)	
Retained earnings	1,847,828	1,965,835	(118,007)
Equity attributable to owners of the parent	**2,108,398**	**2,359,435**	**(251,037)**
Non-controlling interests	3,431,166	3,573,350	(142,184)
Total equity	**5,539,564**	**5,932,785**	**(393,221)**
Non-current liabilities			
Financial liabilities	2,318,948	2,735,959	(417,011)
Employee benefits	210,548	193,038	17,510
Provisions	261,053	252,685	8,368
Other non-current liabilities	29,830	33,222	(3,392)
Deferred tax liabilities	226,991	246,943	(19,952)
Total non-current liabilities	**3,047,370**	**3,461,847**	**(414,477)**
Current liabilities			
Loans and borrowings	349,436	286,902	62,534
Financial liabilities	538,579	486,239	52,340
Trade payables	690,831	635,440	55,391
Provisions	2,123	3,608	(1,485)
Tax liabilities	44,753	68,196	(23,443)
Other current liabilities	1,292,733	1,219,911	72,822
Total current liabilities	**2,918,455**	**2,700,296**	**218,159**
Total liabilities	**5,965,825**	**6,162,143**	**(196,318)**
Liabilities directly linked to discontinued operations	**372**		**372**
Total equity and liabilities	**11,505,761**	**12,094,928**	**(589,167)**

Italmobiliare Group				
Statement of cash flows (in thousands of euro)	**December 31, 2011**		**December 31, 2010 (IFRS 5)**	
Net debt at beginning of period		**(2,095.5)**		**(2,200.8)**
Cash flow from operating activities		404.3		769.6
Capital expenditure:				
PPE, investment property, intangible assets	*(411.3)*		*(529.9)*	
Non-current financial assets	*(47.0)*		*(44.8)*	
Total capital expenditure		**(458.3)**		**(574.7)**
Proceeds from sale of fixed assets		188.1		87.2
Dividends paid		(147.9)		(150.3)
Calcestruzzi group net debt at January 1, 2011		(217.7)		0.0
Cash flow from discontinued operations (Set Group Holding)		279.2		(6.1)
Others		8.2		(20.4)
Change in net debt		**55.9**		**105.3**
Net debt at end of period		**(2,039.6)**		**(2,095.5)**

Italmobiliare Group						
Net financial position (in thousands of euro)	**December 31, 2011**		**December 31, 2010**		**Change**	
Cash, cash equivalents and current financial assets	**1,693,184**		**1,912,071**		**(218,887)**	
Cash and cash equivalents		821,478		739,217		82,261
Derivatives		8,279		6,506		1,773
Other current financial assets		863,427		1,166,348		(302,921)
Short-term financing	**(1,567,469)**		**(1,377,248)**		**(190,221)**	
Bank overdrafts		(349,436)		(286,902)		(62,534)
Short-term borrowings		(1,193,157)		(1,069,461)		(123,696)
Derivatives		(24,876)		(20,885)		(3,991)
M/L financial assets	**167,400**		**134,320**		**33,080**	
Non-current financial assets		72,144		86,564		(14,420)
Derivatives		95,256		47,756		47,500
M/L financing	**(2,332,734)**		**(2,764,599)**		**431,865**	
Long-term borrowings		(2,318,948)		(2,735,959)		417,011
Derivatives		(13,786)		(28,640)		14,854
Net financial position	**(2,039,619)**		**(2,095,456)**		**55,837**	

Italmobiliare S.p.A					
Income statement (euro)	**2011**	**%**	**2010**	**%**	**% change**
Revenue	**49,239,677**	**100.0**	**67,707,046**	**100.0**	**-27.3**
Other revenue	936,516		933,398		
Goods and utilities expense	(146,261)		(119,608)		
Service expense	(5,707,106)		(5,985,939)		
Employee expense	(15,904,607)		(15,723,285)		
Other operating income (expense)	(10,082,195)		(11,657,365)		
Recurring EBITDA	**18,336,024**	**37.2**	**35,154,247**	**51.9**	**-47.8**
Net capital gains on sale of fixed assets	50		-		
Other non-recurring income / (expense)	(617,158)		(600,001)		
EBITDA	**17,718,916**	**36.0**	**34,554,246**	**51.0**	**-48.7**
Amortization and depreciation	(112,442)		(119,093)		
EBIT	**17,606,474**	**35.8**	**34,435,153**	**50.9**	**-48.9**
Finance income and costs	(39,752)		(49,257)		
Impairment on financial assets	(80,411,448)		(190,472)		
Profit before tax	**(62,844,726)**	**n.s.**	**34,195,424**	**50.5**	**n.s.**
Income tax (expense)	5,544,817		1,041,659		
Profit/(loss) for the period	**(57,299,909)**	**n.s.**	**35,237,083**	**52.0**	**n.s.**

Italmobiliare S.p.A

Statement of financial position (euro)	12/31/2011	12/31/2010	Change
Non-current assets			
Property, plant and equipment	3,622,815	3,662,479	(39,664)
Investment property	138,860	96,842	42,018
Intangible assets	62,031	122,483	(60,452)
Investments in subsidiaries and associates	946,408,259	939,168,799	7,239,460
Other equity investments	202,914,352	356,700,945	(153,786,593)
Deferred tax assets	91,875,552	60,064,936	31,810,616
Other non-current assets	8,203,685	9,402,235	(1,198,550)
Total non-current assets	**1,253,225,554**	**1,369,218,719**	**(115,993,165)**
Current assets			
Trade receivables	3,425,425	3,370,600	54,825
Other current assets including derivatives	3,817,181	1,051,602	2,765,579
Tax assets	42,175,367	39,934,016	2,241,351
Equity investments, debentures and financial assets	14,668,881	13,549,449	1,119,432
Cash and cash equivalents	6,508,549	102,192,528	(95,683,979)
Total current assets	**70,595,403**	**160,098,195**	**(89,502,792)**
Total assets	**1,323,820,957**	**1,529,316,914**	**(205,495,957)**
Equity			
Share capital	100,166,937	100,166,937	
Share premium	177,191,252	177,191,252	
Reserves	(52,711,444)	58,071,101	(110,782,545)
Treasury shares	(21,226,190)	(21,226,190)	
Retained earnings	682,902,643	761,492,044	(78,589,401)
Total equity	**886,323,198**	**1,075,695,144**	**(189,371,946)**
Non-current liabilities			
Financial liabilities	179,530,905	135,338,453	44,192,452
Employee benefits	1,543,488	1,463,325	80,163
Provisions	6,045,188	6,045,188	
Other non-current liabilities	117,590,425	86,283,648	31,306,777
Deferred tax liabilities	91,147	1,361,345	(1,270,198)
Total non-current liabilities	**304,801,153**	**230,491,959**	**74,309,194**
Current liabilities			
Loans and borrowings	70,451,000	-	70,451,000
Financial liabilities	48,502,705	210,574,819	(162,072,114)
Trade payables	3,825,599	3,033,240	792,359
Provisions	-	-	-
Tax liabilities	-	-	-
Other current liabilities	9,917,302	9,521,752	395,550
Total current liabilities	**132,696,606**	**223,129,811**	**(90,433,205)**
Total liabilities	**437,497,759**	**453,621,770**	**(16,124,011)**
Total equity and liabilities	**1,323,820,957**	**1,529,316,914**	**(205,495,957)**