ITALMOBILIARE

SOCIETA' PER AZIONI

PRESS RELEASE

BOARD EXAMINES CONSOLIDATED RESULTS FOR FIRST QUARTER OF 2013

- **REVENUE: 1,029.2 MILLION EURO (1,137.2 MILLION EURO IN Q1 2012)**
- **RESULT ATTRIBUTABLE TO OWNERS OF THE PARENT: -48.9 MILLION EURO (-23.5 MILLION EURO AT MARCH 31, 2012)**
- **EQUITY: 4,616.6 MILLION EURO (4,719.8 MILLION EURO AT DECEMBER 31, 2012)**
- **NET DEBT: 2,042.3 MILLION EURO (2,129.3 MILLION EURO AT MARCH 31, 2012). GEARING RATIO 44.2%**
- **FINANCIAL SEGMENT NET FINANCIAL POSITION REFLECTS CASH OF 116.8 MILLION EURO (96 MILLION EURO AT 31 MARCH 2012)**
- **NET ASSET VALUE: 1,065.8 MILLION EURO (1,075.8 MILLION EURO AT DECEMBER 31, 2012)**

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Milan, May 14, 2013 – *The Italmobiliare S.p.A. Board of Directors examined and approved the consolidated quarterly report for the year to March 31, 2013.*

In the industrial sector, the first quarter of the year was a period of stagnating demand due to the recession in the European countries, and, in the construction materials segment in particular, to a business slowdown caused by adverse weather conditions in March. After two positive months, in the third month of the quarter the financial markets experienced a partial decline, which, on the Italian stock market, was more significant among banking stocks.

In this scenario, the Italmobiliare Group reported first-quarter revenue of 1,029.2 million euro (1,137.2 million euro in the year-earlier period) and recurring EBITDA of 91.2 million euro (138.6 million euro), a result also influenced by the absence of income from the sale of CO_2 rights (18 million euro in the first quarter of 2012) at the subsidiary Italcementi. After losses on equity-accounted investees in the financial segment amounting to more than 15 million euro, the Group posted a loss attributable to owners of the parent of 48.9 million euro (-23.5 million euro in the year-earlier period).

Specifically, the construction materials segment, where the Group operates through its main subsidiary Italcementi (which published its results on May 3), reported revenue of 964.8 million euro, a decrease of 9.3% from the year-earlier period. In addition to the impact of adverse weather conditions in March, the first quarter was affected by the recession in the Group's European countries, whereas the recovery in the USA was confirmed. Among the emerging nations, the Asian countries recorded a positive overall performance. Operating results were affected by the fall in revenue, whose impact was more than offset by the reduction in fixed costs. Recurring EBITDA (down by 32.7% to 88.5 million euro) reflected the absence of income from management of CO_2 emission rights and the rise in energy costs in some countries. After a notable reduction in finance costs (-34.3%), the group posted a loss for the period of 58.5 million euro (a loss of 34.4 million euro in the first quarter of 2012).

In the food packaging and thermal insulation segment, represented by the Sirap Gema group, despite continuing market difficulties, revenue at 53.3 million euro was *substantially in line with the first quarter of 2012. The rise in costs for raw materials and energy drove a contraction of 8.4% in recurring EBITDA to 2.4 million euro. After amortization and depreciation charges of 2.7 million euro, the segment posted negative EBIT of 0.3 million euro (-0.1 million euro at March 31, 2012). After an increase of 16.3% in net finance costs, largely due to a negative exchange-rate effect, there was a loss for the period of 1.8 million euro (-1.4 million euro).*

In the financial segment, which includes the parent Italmobiliare and Société de Participation Financière Italmobiliare S.A., the financial markets made a small recovery, although the segment posted a loss for the period of 15.3 million euro (a loss of 0.4 million euro for the quarter to March 31, 2012), largely due to the loss reported by the equity-accounted investee RCS MediaGroup (-14.1 million euro).

The banking segment, which comprises the operations of Finter Bank Zürich and Crédit Mobilier de Monaco, posted a small loss of 0.4 million euro compared with the loss of 1.6 million euro in the first quarter of 2012. This performance was essentially due to the significant reduction in operating expense at Finter Bank Zürich, which made it possible to post a gross operating profit of 0.3 million euro (a loss of 0.6 million euro), despite a reduction in assets under management and operating income.

Group net debt at March 31, 2013, amounted to 2,042.3 million euro, an improvement of 87 million euro from the position at March 31, 2012. The net financial position of the financial segment at the end of March 2013 reflected cash of 116.8 million euro.

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*Consolidated **revenue** for the first quarter of 2013 amounted to 1,029.2 million euro, compared with 1,137.2 million euro in the first quarter of 2012, a decrease of 9.5% arising from the business slowdown for 7.7% and a negative exchange-rate effect for 1.8%. All the Group core segments contributed to the business slowdown, while the revenue breakdown by geographical area highlights the continuing recession in the Group's European countries. In the emerging countries, where the construction materials segment operates, the Asian countries made a positive contribution.*

The negative exchange-rate effect arose mainly from the depreciation of the euro against the Egyptian pound and Indian rupee.

***Recurring EBITDA** at 91.2 million euro fell significantly from the first quarter of 2012 (138.6 million euro). In addition to the decrease in revenue, the reduction stemmed from the absence of income on CO_2 emission rights and the rise in operating expense in the construction materials segment, while the increase in costs for raw materials was a negative factor in the food packaging and thermal insulation segment. The decline in the financial segment was chiefly due to the comparison with the particularly strong performance of the bond market in the first quarter of 2012, while the banking segment, despite a small loss, reported a stronger performance compared with the year-earlier period.*

*After net non-recurring income of 0.8 million euro (8.5 million euro at March 31, 2012), **EBITDA** was 92.0 million euro (147.1 million euro in the first quarter of 2012).*

*After a 6.6% reduction in amortization and depreciation charges from the first quarter of 2012 and impairment reversals of 0.1 million euro (losses of 0.3 million euro in the first quarter of 2012), **EBIT** was negative at 16.5 million euro, compared with positive EBIT of 30.5 million euro in the first quarter of 2012.*

***Net finance costs** were down by 9.9 million euro, from 30.6 million euro in the first quarter of 2012 to 20.7 million euro at March 31, 2013. Against a small increase in interest expense relating to net debt (from 22.1 million euro in the first quarter of 2012 to 22.4 million euro in the period under review), there was a significant gain of 10.2 million euro arising largely from exchange-rate differences and the effects of hedging transactions.*

The ***share of profit (loss) of equity-accounted investees*** *reflected a loss of 15.2 million euro (-0.6 million euro in 2012), owing to the results of the equity-accounted investees in the financial segment, chiefly the heavy loss posted by the investee RCS MediaGroup (an amount of -14.1 million euro was taken to equity).*

After income tax expense for 23.5 million euro (-26.6 million euro in the first quarter of 2012), the ***loss for the period*** *was 75.9 million euro compared with a loss of 38.1 million euro for the first quarter of 2012; the loss attributable to non-controlling interests was 27.0 million euro (-14.7 million euro at March 31, 2012), while the* ***loss attributable to owners of the parent*** *was 48.9 million euro (-23.5 million euro in the first quarter of 2012).*

Revenue and operating results by segment

(in millions of euro)	Revenue		Recurring EBITDA		EBITDA		EBIT	
	Q1 2013	**% change vs Q1 2012**	**Q1 2013**	**% change vs Q1 2012**	**Q1 2013**	**% change vs Q1 2012**	**Q1 2013**	**% change vs Q1 2012**
Construction materials	964.8	*(9.3)*	88.5	*(32.7)*	88.7	*(36.8)*	(16.5)	*n.s.*
Packaging and insulation	53.3	*(1.3)*	2.4	*(8.4)*	2.4	*(8.4)*	(0.3)	*n.s.*
Finance	8.9	*(45.5)*	0.6	*(89.8)*	0.8	*(85.3)*	0.7	*(86.5)*
Banking	5.9	*(27.6)*	(0.1)	*(92.1)*	0.2	*n.s.*	(0.4)	*(76.4)*
Property, services, other	0.5	*58.2*	0.1	*n.s.*	0.1	*n.s.*	0.1	*n.s.*
Inter-segment eliminations	(4.2)	*(14.5)*	(0.3)	*(18.6)*	(0.2)	*(18.3)*	(0.1)	*(20.2)*
Total	**1,029.2**	***(9.5)***	**91.2**	***(34.2)***	**92.0**	***(37.5)***	**(16.5)**	***n.s.***

n.s. not significant

At March 31, 2013, ***net debt*** *was 2,042.3 million euro, an increase of 111.8 million euro from December 31, 2012 (2,129.3 million euro at March 31, 2012). The main factors were capital expenditure for the period (66.0 million euro), cash flows from operating activities (48.2 million euro), counterbalanced only in part by proceeds from the sale of non-current industrial and financial assets (11.4 million euro).*
The ***net financial position of Italmobiliare and the wholly owned financial companies*** *at March 31, 2013, reflected cash of 116.8 million euro (115.5 million euro at December 31, 2012).*
At the end of March 2013 ***total equity*** *was 4,616.6 million euro, compared with 4,719.8 million euro at December 31, 2012.*
The ***gearing*** *ratio (net debt / equity) at the end of the first quarter rose from 40.9% at the end of December 2012 to 44.2% at March 31, 2013.*
Italmobiliare ***Net Asset Value (NAV)*** *at the end of the first quarter of 2013 was 1,065.8 million euro, substantially unchanged from the end of 2012 (1,075.8 million euro).*

The economic situation in the main developed countries outside the euro zone and in the main emerging countries where the Group industrial segments operate is showing signs of recovery, counterbalancing the fall in demand on the European markets.
The slow improvement observed on the financial markets in the early months of the year will depend upon the ability of the euro zone countries to introduce structural reforms designed to favor growth in markets, services and employment, against an increasingly expansionary monetary policy by the ECB and the main central banks.

Should the positive signs described above fail to consolidate, the Group is in a position to focus its efforts on its core businesses, continuing the processes introduced to improve production, commercial and organizational efficiency and align the Group structure with the European and international economic scenario.

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 press release corresponds to the document results, books and accounting entries.

Disclaimer

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Attachments: condensed income statement and financial data

Income statement (in thousands of euro)	Q1 2013	%	Q1 2012 re-stated	%	% change
Revenue	**1,029,207**	**100.0**	**1,137,225**	**100.0**	**-9.5**
Other revenue	11,987		13,335		
Change in inventories	14,181		19,578		
Internal work capitalized	4,757		3,997		
Raw materials and supplies	(442,945)		(488,695)		
Services	(257,042)		(278,993)		
Employee expense	(235,900)		(253,799)		
Other operating income (expense)	(33,063)		(14,033)		
Recurring EBITDA	**91,182**	**8.9**	**138,615**	**12.2**	**-34.2**
Net gains from sale of non-current assets	2,633		10,976		
Non-recurring employee expense for re-organizations	(2,061)		(2,186)		
Other non-recurring income (expense)	217		(289)		
EBITDA	**91,971**	**8.9**	**147,116**	**12.9**	**-37.5**
Amortization and depreciation	(108,564)		(116,261)		
Impairment	47		(310)		
EBIT	**(16,546)**	**-1.6**	**30,545**	**2.7**	**n.s.**
Finance income	8,356		6,298		
Finance costs	(35,133)		(35,925)		
Exchange-rate differences and derivatives	6,093		(965)		
Impairment on financial assets			(5,978)		
Share of profit (loss) of equity-accounted investees	(15,190)		(563)		
Profit (loss) before tax	**(52,420)**	**-5.1**	**(6,588)**	**-0.6**	**n.s.**
Income tax expense	(23,462)		(26,589)		
Profit (loss) relating to continuing operations	**(75,882)**	**-7.4**	**(33,177)**	**-2.9**	**n.s.**
Profit (loss) relating to discontinued operations			(4,928)		
Profit (loss) for the period	**(75,882)**	**-7.4**	**(38,105)**	**-3.4**	**-99.1**
Attributable to:					
Owners of the parent	**(48,924)**	**-4.8**	**(23,452)**	**-2.1**	**n.s.**
Non-controlling interests	(26,958)	-2.6	(14,653)	-1.3	-84.0

Italmobiliare Group					
Consolidated statement of comprehensive income (in thousands of euro)	**Q1 2013**	**%**	**Q1 2012 re-stated**	**%**	**Change**
Profit (loss) for the period	**(75,882)**	**-7.4**	**(38,105)**	**-3.4**	**-99.1**
Other comprehensive income (expense) relating to continuing operations					
Items that will not subsequently be reclassified to the income statement					
Remeasurement of the net liability (asset) for employee benefits			(2,571)		
Income tax			572		
Total items that will not subsequently be reclassified to the income statement			**(1,999)**		
Items that might subsequently be reclassified to the income statement					
Translation reserve on foreign operations	26,230		(49,647)		
Translation reserve on foreign operations – investments in equity-accounted investees	819		(1,540)		
Fair value gains (losses) on cash flow hedging	6,579		(8,489)		
Fair value gains (losses) on cash flow hedging – investments in equity-accounted investees	52		(47)		
Fair value gains (losses) on available-for-sale financial assets	(30,980)		7,741		
Fair value gains (losses) on available-for-sale financial assets – investments in equity-accounted investees	(776)		400		
Income tax	1,071		1,530		
Total items that might subsequently be reclassified to the income statement	**2,995**		**(50,052)**		
Total other comprehensive income (expense) relating to continuing operations net of tax effect	**2,995**		**(52,051)**		
Other comprehensive income (expense) relating to discontinued operations			(46)		
Total other comprehensive income (expense)	**2,995**		**(52,097)**		
Total comprehensive income(expense)	**(72,887)**	**-7.1**	**(90,202)**	**-7.9**	**19.2**
Attributable to:					
Owners of the parent	(56,524)		(31,833)		
Non-controlling interests	(16,363)		(58,369)		

Italmobiliare Group				
Financial position (in thousands of euro)	**March 31, 2013**	**December 31, 2012**	**Change Δ**	**%**
Current financial assets	(1,300,553)	(1,505,060)	204,507	-13.6
Current financial liabilities	1,126,050	1,405,059	(279,009)	-19.9
Non-current financial assets	(155,472)	(199,313)	43,841	-22.0
Non-current financial liabilities	2,372,301	2,229,802	142,499	6.4
Total net debt	**2,042,326**	**1,930,488**	**111,838**	**5.8**

Italmobiliare Group		
Condensed statement of changes in total net debt (in thousands of euro)	**March 31, 2013**	**March 31, 2012 re-stated**
Opening net financial position	**(1,930,488)**	**(2,039,619)**
Cash flow from operating activities before change in working capital	43,568	64,721
Change in working capital	(91,790)	(78,781)
Total cash flow from operating activities	**(48,222)**	**(14,060)**
Investments in PPE, investment property, intangible assets	(52,223)	(65,824)
Change in payables for purchases of PPE, investment prop., intangibles	(13,778)	(17,448)
Cash flow net of investments in PPE, investment property, intangible assets	**(114,223)**	**(97,332)**
Investments in equity investments	(86)	(11,498)
Change in payables for purchases of equity investments	24	(61)
Proceeds from the sale of non-current assets	11,390	23,659
Dividends paid	(668)	(10,126)
Cash flow from discontinued operations	-	36
Other changes	(8,275)	5,656
Change for the period	**(111,838)**	**(89,666)**
Closing net financial position	**(2,042,326)**	**(2,129,285)**