

BOARD OF DIRECTORS EXAMINES 2017 FINANCIAL STATEMENTS

ITALMOBILIARE SPA

- > **NAV (Net Asset Value) 1,545.2 million euro, up by more than 45 million euro from the 2016 year-end pro-forma figure (net of expenditure of 100 million euro for the voluntary public tender offer on own shares completed in mid-2017)**
- > **NAV discount improves from 36.7% to 34.6%**
- > **During the year acquisition of a 40% share in the Tecnica group and agreement with Jaggaer regarding the investment in BravoSolution**
- > **Profit for the year 102.1 million euro (759.8 million euro in 2016 which included a net gain of 754.5 million euro from the sale of the equity investment in Italcementi)**
- > **Positive net financial position of 572.2 million euro in the financial segment (581.4 million euro at the end of 2016)**
- > **Proposed distribution of a per-share dividend of 0.55euro (0.5 euro for 2016), for a total dividend of 23.1 million euro (22.9 million euro for 2016)**

*The Italmobiliare Board of Directors has approved the 2017 financial statements reflecting a profit for the year of 102.1 million euro, and will ask the AGM to approve a per-share **dividend** of 0.55 euro (0.5 euro post-split for 2016), for a total dividend of 23.1 million euro (22.9 million euro for 2016).*

*“2017 saw a series of initiatives enhancing the company’s ability to create value,” said **CEO Carlo Pesenti**. “Through the diversification of its equity investment portfolio, Italmobiliare’s growing focus is on acting as a long-term strategic partner for businesses with significant growth potential. The investment in Tecnica Group, the agreement with Jaggaer (the world leader in eProcurement) regarding BravoSolution, together with the expansion of operations in the Private Equity segment, have increased the company’s NAV; in the meantime, Italmobiliare can still count on a significant cash reserve to be assigned to new investments already under consideration. I believe the results we have achieved will meet the full satisfaction of all our shareholders, who this year, with the proposed dividend and the growth of the Italmobiliare share price, benefit from a total shareholder return of more than 11%.”*

Milan, March 6, 2018 – The Italmobiliare S.p.A. Board of Directors today examined and approved the consolidated financial statements and the draft separate financial statements as at and for the year ended December 31, 2017.

2017 FINANCIAL STATEMENTS

During 2017, Italmobiliare completed operations to invest in Tecnica Group and to divest its interest in BravoSolution with the simultaneous acquisition of a 9.5% shareholding in Jaggaer, the world leader in eProcurement, which has taken over control of BravoSolution. After receiving the approval of the shareholders, Italmobiliare also conducted a voluntary public tender offer on its own shares for a total outlay of 100 million euro, preceded by a 1:2 split on its ordinary shares.

NET ASSET VALUE (NAV)

Italmobiliare **Net Asset Value (NAV)** at December 31, 2017, was 1,545.2 million euro. The amount in question, which excludes treasury shares in portfolio representing approximately 12% of the share capital, is an increase of about 3% on the corresponding pro-forma 2016 figure, not including the effect of the 100 million euro OPAV on own shares completed in mid-2017 (published NAV at the end of 2016 was 1,599.8 million euro). NAV per share at the end of 2017 was 36.8 euro compared with 34.9 at the end of 2016 (+5.6%). During the year, the NAV discount decreased from 36.7% to 34.6%, against a rise of more than 9% in the share price.

SUMMARY OF RESULTS

Italmobiliare S.p.A. closed 2017 with **profit for the year** of 102.1 million euro. A meaningful comparison cannot be made with 2016 (profit of 759.8 million euro), since the previous year's result arose substantially from the effects of the sale of the equity investment in Italcementi and other non-recurring transactions, which generated gains of more than 820 million euro.

2017 revenue and income of 143.4 million euro (856.1 million euro in 2016) was largely determined by the gains on the sale of the equity investment in BravoSolution to the US Jaggaer group (72 million euro) and on the sale of equities in portfolio (28.4 million euro). Increases were also reported in dividends collected (22.4 million euro from 6.5 million euro in 2016) and finance income (19.2 million euro from 1.4 million euro).

The **net financial position of the financial and Private equity segment** (Italmobiliare, Franco Tosi and Clessidra Sgr) was positive at 572.2 million euro from 581.4 million euro at the end of 2016.

At consolidated level, **profit attributable to owners of the parent** was 115.0 million euro (57.0 million euro in 2016). **Consolidated equity attributable to owners of the parent** at the end of 2017 was 1,373.3 million euro (1,325.0 million euro).

The other key results of Italmobiliare Group operations were as follows:

Revenue and income: 507.6 million euro from 451.0 million euro in 2016;

Gross operating profit: 146.6 million euro (57.8 million euro in 2016);

Operating profit: 127.6 million euro (37.4 million euro in 2016).

DIVIDEND

The Italmobiliare Board of Directors will ask the AGM to be held on April 18 to approve a per-share dividend of 0.55 euro (0.5 euro per-share, post-split, for 2016) for a total dividend of 23.1 million euro (22.9 million euro). The dividend yield (computed on the ordinary share price at the end of 2017 is 2.3%.

The dividend payment date will be May 9, 2018, and the ex dividend date May 7 (record date May 8).

PERFORMANCE OF THE MAIN INVESTEE COMPANIES

SIRAP GEMA (100%)

The Sirap Gema group – active in food packaging – reported revenue of 207.1 million euro, in line with the previous year on a market still subject to weak demand in the countries where the group operates. The year was also characterized by a sharp rise in the cost of raw materials, which, due to highly competitive market conditions, could not be transferred to sales prices; as a result, gross operating profit (15.0 million euro) and operating profit (5.9 million euro) were significantly down on the prior-year results. Profit for the year was 2.3 million euro (6.2 million euro in 2016).

ITALGEN (100%)

Performance at the Italgem group, which produces and distributes electrical energy from renewable sources, was affected by the extraordinary drought (the most severe of the last 200 years), which resulted in a reduction of approximately 11% in hydroelectric power production to 254.4 GWh. Revenue was 37.80 million euro, down 22.9%, also as a result of the decision to reduce revenue from vectored electric power. This volume effect and the reduction in the generation and sale of green certificates brought gross operating profit down to 6.2 million euro (-10.9%). After a decrease in finance costs compared with 2016, Italgem closed the year with an increased profit of 1.3 million euro (0.3 million euro).

BRAVOSOLUTION (82.7%)

The BravoSolution group, the leading international player in supply management solutions, was sold in December to the US company Jaggaer (in which Italmobiliare purchased a 9.5% shareholding). The results of BravoSolution operations were therefore consolidated for the first 10 months of the year. In the period in question, revenue increased by 11.9% to 70.6 million euro; there was also an improvement in gross operating profit (2.9 million euro from a loss of 1.2 million euro in the first ten months of 2016) and the operating loss was reduced from 7.2 to 2.9 million euro. For the ten months to the end of October, BravoSolution reported a loss of 5.4 million euro (6.9 million euro in the year-earlier period).

TECNICA (40%)

The Tecnica Group, in which Italmobiliare has held a 40% equity investment since November 2017 and consolidated with the equity method, is the world leader in outdoor footwear and ski equipment. The 2017 pre-closure figures reflect significant growth in revenue from 334 million euro in 2016, and a gross operating profit aligned with the projections indicating a sharp improvement compared with 2016.

CLESSIDRA SGR (100%)

Operations at Clessidra SGR – the main private equity fund manager operating exclusively on the Italian market – consisted of management of the Clessidra Capital Partners II and Clessidra Capital Partners 3 funds, and preparations for the liquidation of the Clessidra Capital Partners fund. In 2017, it reported total income of 16.1 million euro and administrative expense of 15.6 million euro, and closed the year with a profit of 2.4 million euro.

PRIVATE EQUITY FUNDS

Clessidra Capital Partner 3 (CCP3): in 2017 the fund completed an important divestment with the sale of ABM, and continued selection of new investment opportunities and the management of the two companies in portfolio, Roberto Cavalli S.p.A. and Nexi S.p.A. (ex ICBPI). At December 31, 2017, the fund had a total called-up amount of 340.5 million euro, and realized income of 239.9 million euro.

BDT Capital Partners Fund II: in this US fund (6.2 billion capacity of which 55% already invested), Italmobiliare has a commitment for 50 million USD (approximately 29 million paid). The purpose of the investment is to take advantage of development opportunities in geographical areas not yet covered and to enable access to the network of contacts for potential business growth in diversified sectors. The fund is largely invested in companies active in automotives, food, household electrical appliances, and wellness.

Aksia Group Fondo IV: created in 2014 with 67.3 million euro (as well as options for 44 million euro on co-investments), the fund is currently invested for around 52% in a call center management company, a pharmaceuticals packaging company and a leading player in university entrance test preparation. The Italmobiliare Group commitment is 15 million euro (8.4 million euro paid in as well as 3.7 million euro of co-investments).

HEIDELBERGCEMENT (2.4%)

The investment in the world's second-largest construction materials group accounted for approximately 28% of Italmobiliare NAV at December 31, 2017. In 2017 the HeidelbergCement group reported growth in sales volumes in all operating segments and a 13.8% rise in turnover to 17.3 billion euro.

OUTLOOK

Overall, the first projections from the main macro-economic indicators for 2018 confirm levels on a par with the top values of the last few months, demonstrating that economic growth remains robust and will support the stock markets, despite increased volatility. At the same time, the gradual normalization of monetary policies implies a potential upswing in bond yields, while some uncertainty persists over developments in the national and international political situation.

In this context, Italmobiliare will continue to support the growth and development of its portfolio companies in order to improve their margins and potential for creating sustainable value over the medium term. Italmobiliare will also continue to pursue its investment policy, with a particular focus on acquiring equity holdings in companies with multinational exposure that guarantee adequate returns, in order to build up a balanced and diversified equity portfolio.

With regard to the equity investment in HeidelbergCement, which still accounts for a significant portion of the company portfolio, Italmobiliare has activated yield enhancement instruments and protective risk mitigation instruments.

CALL OF SHAREHOLDERS' MEETING

At the next shareholders' meeting called, on single call, for April 18, 2018, **in an ordinary session**, the Board of Directors will propose the following agenda:

- 1) Reports of the Board of Directors and the Board of Statutory Auditors on financial year 2017: examination of the financial statements as at and for the year ended December 31, 2017; resolutions pertaining thereto and resulting therefrom;
- 2) Remuneration report;
- 3) Authorization for the purchase and disposal of treasury shares, subject to revocation of the authorization given by the ordinary and extraordinary shareholders' meeting of April 19, 2017; resolutions pertaining thereto and resulting therefrom;
- 4) Resignation of a director; resolutions pertaining thereto and resulting therefrom;

As of today, the number of shares representing the share capital with voting rights, that is net of the 5,690,870 ordinary treasury shares held by the company, is 41,942,930.

BOND ISSUES AND MATURITIES

No new bonds were issued during the year under review and no issues mature in the 18 months after closure of the 2017 financial statements.

The Board of Directors ascertained that the directors Vittorio Bertazzoni, Mirja Cartia d'Asero, Valentina Casella, Elsa Fornero, Chiara Palmieri, Antonio Salerno and Massimo Tononi complied with the independence requirements under the Code of Conduct for listed companies and under the Consolidated Finance Act, while Laura Zanetti, Livio Strazzera and Clemente Rebecchini complied with the independence requirements under the Consolidated Finance Act.

The Italmobiliare 2017 Annual Report and the Report on Corporate Governance and Ownership Structure will be available at the registered office and on the website www.italmobiliare.it as required by law

The manager in charge of preparing the financial reports of Italmobiliare S.p.A., Mauro Torri, declares, pursuant to art. 154-bis, paragraph 2 of the Consolidated Law on Finance (Law 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 laws and regulations and the institutional environment (in each case in Italy or abroad), and many other factors, most of which are beyond the Group's control.

ITALMOBILIARE ON THE INTERNET: www.italmobiliare.it

Italmobiliare

Media Relations Tel. (0039) 02.29024.212

Investor Relations Tel. (0039) 02.29024.322

Attachments: pre-audit income statement and statement of financial position

Italmobiliare Group					
Income statement (in thousands of euro)	2017	%	2016	%	% change
Revenue and income	507,625	100.0	451,028	100.0	12.5
Other revenue	9,629		6,229		
Change in inventories	(424)		1,251		
Internal work capitalized	5,072		6,093		
Raw materials and supplies	(136,159)		(147,639)		
Services	(67,880)		(72,221)		
Personnel expense	(139,537)		(150,786)		
Other operating income (expense)	(31,739)		(36,204)		
Gross operating profit	146,587	28.9	57,751	12.8	n.s.
Amortization and depreciation	(18,988)		(19,989)		
Impairment losses on non-current assets			(316)		
Operating profit	127,599	25.1	37,446	8.3	n.s.
Finance income	481		164		
Finance costs	(4,107)		(4,077)		
Exchange-rate differences and net gains (losses) on derivatives	(2,714)		(1,654)		
Impairment losses on financial assets	(21)		(26,232)		
Share of profit (loss) of equity-accounted investees	246		(509)		
Profit before tax	121,484	23.9	5,138	1.1	n.s.
Income tax expense	(6,238)		(18,555)		
Profit (loss) relating to continuing operations	115,246	22.7	(13,417)	-3.0	n.s.
Profit relating to discontinued operations			81,626		
Profit for the year	115,246	22.7	68,209	15.1	69.0
Attributable to:					
Owners of the parent	114,972	22.6	56,974	12.6	n.s.
Non-controlling interests	274	0.1	11,235	2.5	-97.6
Earnings per share					
- Basic					
ordinary shares	€ 2.632		€ 1.304		
- Diluted					
ordinary shares	€ 2.623		€ 1.301		

n.s.= not significant

Italmobiliare Group					
Statement of comprehensive income (in thousands of euro)	2017	%	2016	%	% change
Profit for the year	115,246	22.7	68,209	15.1	69.0
Other comprehensive income (expense) relating to continuing operations					
Items that will not be reclassified to profit or loss subsequently					
Re-measurement of the net liability (asset) for employee benefits	594		180		
Re-measurement of the net liability (asset) for employee benefits - investments in equity-accounted investees					
Income tax (expense)	(53)		48		
Total items that will not be reclassified to profit or loss subsequently	541		228		
Items that might be reclassified to profit or loss subsequently					
Translation reserve on foreign operations	(1,379)		(4,854)		
Translation reserve on foreign operations - investments in equity-accounted investees					
Fair value gains (losses) on cash flow hedging					
Fair value gains (losses) on cash flow hedging - investments in equity-accounted investees	85		4		
Fair value gains (losses) on available-for-sale financial assets	37,924		96,588		
Fair value gains (losses) on available-for-sale financial assets - investments in equity-accounted investees					
Income tax (expense)	18,992		(24,951)		
Total items that might be reclassified to profit or loss subsequently	55,622		66,787		
Total other comprehensive income (expense) relating to continuing operations net of tax effect	56,163		67,015		
Other comprehensive income relating to discontinued operations			47,560		
Total other comprehensive income	56,163		114,575		
Total comprehensive income	171,409	33.8	182,784	40.5	-6.2
Attributable to:					
Owners of the parent	171,323		171,590		
Non-controlling interests	86		11,194		

Italmobiliare Group			
Statement of Financial Position (in thousands of euro)	12/31/2017	12/31/2016	Change
Non-current assets			
Property, plant and equipment	130,618	132,432	(1,814)
Investment property	9,240	6,473	2,767
Goodwill	13,302	30,118	(16,816)
Intangible assets	2,146	21,981	(19,835)
Equity-accounted investees	53,165	9,297	43,868
Other equity investments	610,429	662,078	(51,649)
Trade receivables and other non-current assets	160,096	114,866	45,230
Deferred tax assets	16,198	19,868	(3,670)
Non-current amounts due from employees			
Total non-current assets	995,194	997,113	(1,919)
Current assets			
Inventories	40,594	35,753	4,841
Trade receivables	61,911	101,883	(39,972)
Other current assets including derivatives	32,961	34,725	(1,764)
Tax assets	7,893	9,291	(1,398)
Equity investments, bonds and loan assets	320,372	295,530	24,842
Cash and cash equivalents	217,870	285,505	(67,635)
Total current assets	681,601	762,687	(81,086)
Non-current assets held for sale	5,626		5,626
Total assets	1,682,421	1,759,800	(77,379)
Equity			
Share capital	100,167	100,167	
Share premium	177,191	177,191	
Reserves	184,197	127,456	56,741
Treasury shares	(134,608)	(34,568)	(100,040)
Retained earnings	1,046,351	954,709	91,642
Equity attributable to owners of the parent	1,373,298	1,324,955	48,343
Non-controlling interests	359	9,212	(8,853)
Total equity	1,373,657	1,334,167	39,490
Non-current liabilities			
Financial liabilities	46,622	77,909	(31,287)
Employee benefits	9,908	15,196	(5,288)
Provisions	76,919	98,889	(21,970)
Other liabilities	2,669	600	2,069
Deferred tax liabilities	16,525	35,523	(18,998)
Total non-current liabilities	152,643	228,117	(75,474)
Current liabilities			
Bank loans and borrowings	14,640	28,247	(13,607)
Financial liabilities	39,759	27,152	12,607
Trade payables	63,143	53,933	9,210
Provisions	652	844	(192)
Tax liabilities	323	2,805	(2,482)
Other liabilities	37,604	84,535	(46,931)
Total current liabilities	156,121	197,516	(41,395)
Total liabilities	308,764	425,633	(116,869)
Liabilities directly linked to assets held for sale			
Total equity and liabilities	1,682,421	1,759,800	(77,379)

Italmobiliare Group				
Statement of cash flows (in thousands of euro)	December 31, 2017		December 31, 2016	
Net financial position at beginning of period		493.5		(2,081.7)
Cash flow from operating activities		(4.7)		13.4
Capital expenditure:				
<i>PPE, investment property and intangible assets</i>	(29.0)		(43.8)	
<i>Non-current financial assets</i>	(112.9)		(312.2)	
Capital expenditure		(141.9)		(356.0)
Proceeds from sale of non-current assets		277.5		938.5
Purchase of treasury shares		(100.1)		(14.8)
Dividends paid		(25.6)		(144.8)
Translation and structure differences		1.5		23.7
Other		(5.4)		(22.2)
Change in net financial position		1.3		437.8
Cash flow relating to assets held for sale				2,137.4
Net financial position		494.8		493.5

Italmobiliare Group			
Net financial position (in thousands of euro)	December 31, 2017	December 31, 2016	Change
Current financial assets	549,209	597,866	(48,657)
Cash and cash equivalents	217,870	285,505	(67,635)
Derivatives - assets	2,827	8,005	(5,178)
Other current financial assets	328,512	304,356	24,156
Current financial liabilities	(66,650)	(73,745)	7,095
Bank loans and borrowings	(14,640)	(28,247)	13,607
Current financial liabilities	(48,046)	(34,566)	(13,480)
Derivatives - liabilities	(3,964)	(10,932)	6,968
Non-current financial assets	58,842	47,249	11,593
Non-current financial assets	58,842	47,249	11,593
Non-current derivatives			
Non-current financial liabilities	(46,622)	(77,909)	31,287
Non-current financial liabilities	(46,622)	(77,909)	31,287
Non-current derivatives			
Net financial position	494,779	493,461	1,318

Italmobiliare S.p.A.					
Income statement (euro)	2017	%	2016	%	% change
Revenue	42,179,414		21,296,130		
Income from equity investments	101,269,597		762,999,058		
Income from distribution to shareholders	-		71,769,173		
Total revenue and income	143,449,011	100.0	856,064,361	100.0	-83.2
Other revenue	1,972,098		846,096		
Raw materials and supplies	(159,684)		(118,421)		
Services	(6,088,647)		(12,394,532)		
Personnel expense	(18,614,869)		(28,046,624)		
Other operating income (expense)	(15,390,487)		(25,209,182)		
Gross operating profit	105,167,422	73.3	791,141,698	92.4	-86.7
Amortization and depreciation	(546,037)		(300,196)		
Operating profit	104,621,385	72.9	790,841,502	92.4	-86.8
Net finance costs	(1,189,153)		(45,811)		
Impairment losses on financial assets	(21,024)		(19,535,535)		
Profit before tax	103,411,208	72.1	771,260,156	90.1	-86.6
Income tax expense	(1,294,612)		(11,431,412)		
Profit for the year	102,116,596	71.2	759,828,744	88.8	-86.6

Italmobiliare S.p.A.			
Statement of financial position (euro)	12/31/2017	12/31/2016	Change
Non-current assets			
Property, plant and equipment	4,070,807	3,669,266	401,541
Investment property	15,084,019	15,559,427	(475,408)
Intangible assets	9,737	18,449	(8,712)
Investments in subsidiaries and associates	289,120,520	279,126,091	9,994,429
Other equity investments	599,767,220	626,774,759	(27,007,539)
Deferred tax assets	10,883,147	11,059,958	(176,811)
Other non-current assets	108,103,718	90,283,292	17,820,426
Total non-current assets	1,027,039,168	1,026,491,242	547,926
Current assets			
Trade receivables	2,383,416	262,312	2,121,104
Other current assets including derivatives	11,664,309	9,058,829	2,605,480
Tax assets	2,679,061	696,182	1,982,879
Equity investments, bonds and loan assets	88,325,352	155,452,048	(67,126,696)
Cash and cash equivalents	192,013,349	146,830,430	45,182,919
Total current assets	297,065,487	312,299,801	(15,234,314)
Assets held for sale	-		
Total assets	1,324,104,655	1,338,791,043	(14,686,388)
Equity			
Share capital	100,166,937	100,166,937	-
Share premium	177,191,252	177,191,252	-
Reserves	180,463,053	125,867,518	54,595,535
Treasury shares	(134,607,934)	(34,567,876)	(100,040,058)
Retained earnings	928,871,270	849,754,136	79,117,134
Total equity	1,252,084,578	1,218,411,967	33,672,611
Non-current liabilities			
Financial liabilities	-	7,112,280	(7,112,280)
Employee benefits	795,853	1,166,607	(370,754)
Provisions	33,878,519	51,920,000	(18,041,481)
Other non-current liabilities	3,199,395	1,000,632	2,198,763
Deferred tax liabilities	11,425,367	31,016,610	(19,591,243)
Total non-current liabilities	49,299,134	92,216,129	(42,916,995)
Current liabilities			
Bank loans and borrowings	345,596	-	345,596
Financial liabilities	7,595,150	407,741	7,187,409
Trade payables	5,462,290	2,287,719	3,174,571
Provisions	-	-	-
Tax liabilities	-	1,988,533	(1,988,533)
Other current liabilities	9,317,907	23,478,954	(14,161,047)
Total current liabilities	22,720,943	28,162,947	(5,442,004)
Total liabilities	72,020,077	120,379,076	(48,358,999)
Liabilities held for sale	-	-	-
Total equity and liabilities	1,324,104,655	1,338,791,043	(14,686,388)