

BOARD EXAMINES CONSOLIDATED PERFORMANCE FOR THE FIRST HALF OF 2013

ITALMOBILIARE GROUP:

- **REVENUE: 2,292.7 MILLION EURO (2,446.6 MILLION EURO IN H1 2012)**
- **LOSS FOR THE PERIOD: 89.0 MILLION EURO AFTER IMPAIRMENT LOSSES ON FINANCIAL ASSETS OF 27.8 MILLION EURO (LOSS OF 50.8 MILLION EURO)**
- **CONSOLIDATED NET FINANCIAL DEBT: 1,929.7 MILLION EURO (AN IMPROVEMENT OF 295.7 MILLION EURO FROM JUNE 30, 2012)**
- **POSITIVE NET FINANCIAL POSITION FOR PARENT AND FINANCIAL SUBSIDIARIES AT 127.3 MILLION EURO (AN IMPROVEMENT OF 11.8 MILLION EURO FROM THE END OF 2012)**
- **NET ASSET VALUE 1,081.1 MILLION EURO AT JUNE 30, 2013**

Milan, August 6, 2013 – *The Italmobiliare S.p.A. Board of Directors examined and approved the half-year financial report as at and for the year to June 30, 2013.*

In the second quarter of 2013 the Italmobiliare Group posted an increase in profit before tax to 29 million euro compared with 11.5 million euro in the second quarter of 2012. Although the January-June 2013 period reported a loss, the trend improved with respect to that of the first three months of the year. Overall, the first half of the year was characterized by the continuing economic crisis, which had a negative impact on the Group's industrial operations, while the financial segment was affected by market volatility, especially at the end of the period.

*In this context, after reporting **revenue** of 2,292.7 million euro (2,446.6 million euro at June 30, 2012), the Italmobiliare Group closed the first half of 2013 with a **loss** of 89.0 million euro (loss of 50.8 million euro in the first half of 2012). Among factors with a material impact on this result were **impairment losses** on financial assets (27.8 million euro) and the loss arising from equity-accounted investees (20.5 million euro), chiefly as a result of performance at RCS Mediagroup.*

*Consolidated **net financial debt** at the end of the first half of 2013 stood at 1,929.7 million euro, a significant improvement (295.7 million euro) from June 30, 2012, and an improvement of 112.6 million euro from the first quarter of 2013. **Total equity** at June 30, 2013 was 4,459.8 million euro (4,616.6 million euro at March 31, 2013). The **gearing ratio** (net financial debt/consolidated equity) was down to 43.3% at the end of the period, from 44.2% at the end of the first quarter.*

The **net financial position of the financial segment** (Italmobiliare S.p.A. and the wholly owned financial companies) was positive at 127.3 million euro, an improvement of 11.8 million euro from 115.5 million euro at the end of 2012.

At June 30, 2013, Italmobiliare **Net Asset Value** (NAV) was 1,081.1 million euro, an increase from 1,065.8 million euro at March 31, 2013 and 1,075.8 million euro from December 31, 2012.

In construction materials, the subsidiary Italcementi – which published its half-year figures on July 30, 2013 – reported a contraction in revenue to 2,156.6 million euro (-6.2% from the first half of 2012) due to the continuing reduction in demand. Thanks in part to the effects of the plan to cut operating expense and boost efficiency, operating performance showed a contained reduction compared with the decline in the first quarter, but was substantially in line with the first half of 2012, net of income on CO₂ rights sales and the negative exchange-rate effect. Recurring gross operating profit, at 298.6 million euro, was down 10.6%, while operating profit, at 77.4 million euro, was down 27.1%.

The food packaging and thermal insulation segment, consisting of the Sirap Gema group, reported stable revenue of 115.4 million euro, arising from a small recovery in the food packaging business and a contained downturn in thermal insulation. The increase in commodity costs and high energy costs impacted the benefits achieved from the re-organization and cost-cutting measures. Gross operating profit was 6.0 million euro (6.5 million euro in the first half of 2012) and operating profit was 0.5 million euro (1.4 million euro).

The financial segment was affected by market volatility in the second quarter, after a slight upward trend in the first quarter. In this context, the segment posted a loss for the period of 31.9 million euro (loss of 29.9 million euro in the first half of 2012), chiefly arising from the reduction in dividends from investees (-35.1%), impairment losses of 18.9 million euro and the losses reported by equity-accounted investees (18.6 million euro).

In the banking segment (Finter Bank Zürich and Crédit Mobilier de Monaco), total income at 11.0 million euro was down from 15.5 million euro for the year to June 30, 2012, largely as a result of the reduction in assets under management and in commission income. The measures taken to contain expense for services and personnel cut the loss for the period to 2.7 million euro, from a loss of 5.1 million euro in the first half of 2012.

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

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

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

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

Disclaimer

This press release, and the section headed "Outlook" in particular, 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

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SECOND QUARTER 2013 – The typical seasonal phenomena in the Group core businesses usually mean that performance is better in the second quarter of the year than the first. This was confirmed in 2013, while compared with the second quarter of 2012 revenue was down in the construction materials segment, largely due to the reduction in sales volumes in the European countries, North Africa and the Middle East, counterbalanced in part by healthy performance in North America. Revenue was also down from the second quarter of 2012 in the financial and banking segments, as a result of particularly marked tensions on the financial markets in the second quarter of 2013.

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

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

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

FIRST HALF 2013 – In the period January-June 2013 the Group reported **revenue** of 2,292.7 million euro (-6.3%), reflecting the negative impact of slower business performance for 4.3% and the exchange-rate effect for 2.0%.

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

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

At constant exchange rates, reductions were reported by the European countries, notably Italy and Bulgaria, and Morocco among African countries, whereas growth was reported in Egypt and Thailand. A positive contribution came from the European countries in the food packaging segment, which made progress of 14.0%. After net non-recurring expense of 5.5 million euro (income of 14.8 million euro in the first half of 2012), relating mainly to the construction materials segment for restructuring expense net of gains from the sale of assets, **gross operating profit** was down 58.3 million euro (295.7 million euro from 354.0 million euro in the first half of 2012).

Revenue and operating performance by geographical area

(in millions of euro)	Revenue		Recurring gross operating profit (loss)		Gross operating profit (loss)		Operating profit (loss)	
	H1 2013	% change H1 2012	H1 2013	% change H1 2012	H1 2013	% change H1 2012	H1 2013	% change H1 2012
European Union	1,270.8	(9.1)	125.7	(15.3)	116.1	(28.5)	6.7	(76.9)
Other European countries	21.5	(21.8)	(1.3)	(59.6)	(1.3)	(59.3)	(2.6)	(46.1)
North America	201.8	(1.4)	7.3	(17.0)	8.1	(8.5)	(24.7)	1.1
Asia and Middle East	309.9	6.8	42.4	(4.3)	43.2	(2.5)	15.6	(16.9)
Africa	442.2	(7.2)	138.5	(4.6)	142.3	(2.2)	96.0	2.1
Trading	95.8	(14.2)	3.7	(24.7)	3.7	(25.0)	1.4	(60.8)
Other countries	160.7	(9.0)	(15.1)	66.3	(16.4)	88.7	(19.8)	64.2
Inter-area eliminations	(210.0)	(12.1)	-	-	-	-	-	-
Total	2,292.7	(6.3)	301.2	(11.2)	295.7	(16.5)	72.6	(30.2)

n.s. not significant

Revenue and operating performance by segment

(in millions of euro)	Revenue		Recurring gross operating profit (loss)		Gross operating profit (loss)		Operating profit (loss)	
	H1 2013	% change H1 2012	H1 2013	% change H1 2012	H1 2013	% change H1 2012	H1 2013	% change H1 2012
Construction materials	2,156.6	(6.2)	298.6	(10.6)	293.6	(16.0)	77.4	(27.1)
Food packaging and thermal insulation	115.4	(0.5)	6.6	(3.7)	6.0	(6.5)	0.5	(65.3)
Finance	25.5	(32.3)	6.3	(64.7)	6.2	(64.5)	6.0	(65.1)
Banking	12.3	(28.1)	(1.5)	(59.1)	(1.4)	(58.8)	(2.7)	(47.1)
Property, services, other	1.1	37.5	0.3	<i>n.s.</i>	0.3	<i>n.s.</i>	0.3	<i>n.s.</i>
Inter-segment eliminations	(18.2)	(26.3)	(9.1)	(42.7)	(9.0)	(42.7)	(8.9)	(42.8)
Total	2,292.7	(6.3)	301.2	(11.2)	295.7	(16.5)	72.6	(30.2)

n.s. not significant

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

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

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

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

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

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

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

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

Total equity at June 30, 2013, at 4,459.8 million euro, was down 259.9 million euro from December 31, 2012, of which 113.5 million euro from the reduction in equity attributable to owners of the parent and 146.4 million euro from the reduction in equity attributable to non-controlling interests. The overall change arose from actuarial gains on defined benefit plans of 16.4 million euro and, on the negative side, from the loss for the period of 89.0 million euro, dividends declared for 67.0 million euro, the change in the translation reserve of 103.1 million euro as a result of the depreciation of the other currencies against the euro, the change in the fair value reserve on equity investments and derivatives for 2.2 million euro, the change in the scope of consolidation and other minor reserves for 15.0 million euro.

At June 30, 2013, Italmobiliare S.p.A. held 871,411 ordinary treasury shares, representing 3.928% of ordinary share capital and 28,500 savings treasury shares (0.174% of savings share capital); there were no changes with respect to the situation at December 31, 2012.

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

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

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

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

The Board of Directors named Paolo Sfameni as a member of the Committee for Transactions with Related Parties.

BOND ISSUES AND MATURITIES – There were no new bond issues in the period and no maturities in the 18 months after the end of the first half with the exception of those illustrated by the subsidiary Italcementi S.p.A. in its press release of July 30, 2013.

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.

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

Italmobiliare Group					
Income statement (in thousands of euro)	H1 2013	%	H1 2012 re-stated	%	% change
Revenue	2,292,718	100.0	2,446,632	100.0	-6.3
Other revenue	24,621		26,300		
Change in inventories	(10,282)		21,725		
Internal work capitalized	15,635		13,557		
Raw materials and supplies	(937,457)		(1,031,601)		
Services	(553,794)		(583,995)		
Personnel expense	(476,313)		(508,204)		
Other operating expense	(53,915)		(45,177)		
Recurring gross operating profit	301,213	13.1	339,237	13.9	-11.2
Net gains from the sale of non-current assets	6,197		25,751		
Non-recurring personnel expense for re-organizations	(11,122)		(10,315)		
Other non-recurring expense	(610)		(640)		
Gross operating profit	295,678	12.9	354,033	14.5	-16.5
Amortization and depreciation	(219,436)		(234,003)		
Impairment losses on non-current assets	(3,670)		(16,093)		
Operating profit	72,572	3.2	103,937	4.2	-30.2
Finance income	28,825		20,387		
Finance costs	(83,002)		(74,655)		
Exchange-rate differences and net gains (losses) on derivs	6,508		(1,876)		
Impairment losses on financial assets	(27,859)		(22,181)		
Share of profit (loss) of equity-accounted investees	(20,472)		(20,701)		
Profit (loss) before tax	(23,428)	-1.0	4,911	0.2	n.s.
Income tax expense	(65,571)		(64,315)		
Loss relating to continuing operations	(88,999)	-3.9	(59,404)	-2.4	49.8
Profit relating to discontinued operations			8,621		
Loss for the period	(88,999)	-3.9	(50,783)	-2.1	75.3
Attributable to:					
Owners of the parent	(79,071)	-3.5	(65,619)	-2.7	(20.5)
Non-controlling interests	(9,928)	-0.4	14,836	0.6	n.s.
Earnings (losses) per share					
- Basic					
ordinary shares	(2.102) €		(1.744) €		
savings shares	(2.102) €		(1.744) €		
- Diluted					
ordinary shares	(2.102) €		(1.744) €		
savings shares	(2.102) €		(1.744) €		

Italmobiliare Group					
Statement of comprehensive income (in thousands of euro)	06/30/2013	%	12/31/2012 re-stated	%	% change
Loss for the period	(88,999)	-3.9	(50,783)	-2.1	-75.3
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	15,853		(14,036)		
Income tax	523		5,798		
Total items that will not be reclassified to profit or loss subsequently	16,376		(8,238)		
Items that might be reclassified to profit or loss subsequently					
Translation reserve on foreign operations	(95,460)		42,960		
Translation reserve on foreign operations – investments in equity-accounted investees	(7,601)		2,744		
Fair value gains (losses) on cash flow hedging	18,010		(9,511)		
Fair value gains (losses) on cash flow hedging – investments in equity-accounted investees	115		(225)		
Fair value losses on available-for-sale financial assets	(22,872)		(25,825)		
Fair value losses on available-for-sale financial assets – investments in equity-accounted investees	868		649		
Income tax	1,676		904		
Total items that might be reclassified to profit or loss subsequently	(105,264)		11,696		
Total other comprehensive income (expense) relating to continuing operations net of tax effect	(88,888)		3,458		
Other comprehensive income (expense) relating to discontinued operations					
Total other comprehensive income (expense)	(88,888)		3,458		
Total comprehensive expense	(177,887)	-7.8	(47,325)	-1.9	n.s.
Attributable to:					
Owners of the parent	(99,695)		(86,622)		
Non-controlling interests	(78,192)		39,297		

Italmobiliare Group			
Statement of financial position (in thousands of euro)	06/30/2013	12/31/2012 re-stated	Change
Non-current assets			
Property, plant and equipment	4,063,064	4,220,901	(157,837)
Investment property	33,513	34,162	(649)
Goodwill	1,598,824	1,644,299	(45,475)
Intangible assets	106,509	107,643	(1,134)
Equity-accounted investees	212,031	283,720	(71,689)
Other equity investments	262,234	306,397	(44,163)
Trade receivables and other non-current assets	214,482	262,921	(48,439)
Deferred tax assets	129,898	127,452	2,446
Non-current amounts due from employees	(851)	(48)	(803)
Total non-current assets	6,619,704	6,987,447	(367,743)
Current assets			
Inventories	725,961	735,519	(9,558)
Trade receivables	827,411	810,437	16,974
Other current assets including derivatives	357,550	398,724	(41,174)
Tax assets	51,350	64,771	(13,421)
Equity investments, bonds and financial assets	370,817	465,300	(94,483)
Cash and cash equivalents	882,126	957,573	(75,447)
Total current assets	3,215,215	3,432,324	(217,109)
Non-current discontinued operations	17,350	2,104	15,246
Total assets	9,852,269	10,421,875	(569,606)
Equity			
Share capital	100,167	100,167	
Share premium	177,191	177,191	
Reserves	(14,179)	(9,968)	(4,211)
Treasury shares	(21,226)	(21,226)	
Retained earnings	1,430,883	1,540,210	(109,327)
Equity attributable to owners of the parent	1,672,836	1,786,374	(113,538)
Non-controlling interests	2,786,915	2,933,276	(146,361)
Total equity	4,459,751	4,719,650	(259,899)
Non-current liabilities			
Financial liabilities	2,312,778	2,196,608	116,170
Employee benefits	307,439	334,224	(26,785)
Provisions	242,436	249,288	(6,852)
Other liabilities	24,451	40,652	(16,201)
Deferred tax liabilities	201,510	197,219	4,291
Total non-current liabilities	3,088,614	3,017,991	70,623
Current liabilities			
Loans and borrowings	499,984	652,629	(152,645)
Financial liabilities	232,644	225,935	6,709
Trade payables	640,904	651,591	(10,687)
Provisions	198	612	(414)
Tax liabilities	23,928	33,539	(9,611)
Other liabilities	906,142	1,119,637	(213,495)
Total current liabilities	2,303,800	2,683,943	(380,143)
Total liabilities	5,392,414	5,701,934	(309,520)
Liabilities directly linked to discontinued operations	104	291	(187)
Total equity and liabilities	9,852,269	10,421,875	(569,606)

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

Breakdown of consolidated net financial debt

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