

BOARD OF DIRECTORS EXAMINES CONSOLIDATED RESULTS FOR Q1 2012

- **REVENUE: 1,145.6 MILLION EURO (1,220.7 MILLION EURO IN Q1 2011)**
- **TOTAL LOSS FOR THE PERIOD OF 38.2 MILLION EURO (PROFIT OF 121.8 MILLION EURO INCLUDING CAPITAL GAINS OF 109.1 MILLION EURO FROM ASSET SALE IN TURKEY)**
- **EQUITY: 5,429.1 MILLION EURO (5,539.6 MILLION EURO AT DECEMBER 31, 2011)**
- **NET FINANCIAL DEBT: 2,129.3 MILLION EURO (2,039.6 MILLION EURO AT DECEMBER 31, 2011). GEARING 39.2%**
- **NET ASSET VALUE: 1,206.3 MILLION EURO (1,138.5 MILLION EURO AT DECEMBER 31, 2011)**

Milan, May 15, 2012 – *The Board of Directors of Italmobiliare S.p.A. examined and approved the consolidated quarterly report at March 31, 2012*

In the industrial sector, the first quarter of the year was characterized by a rise in energy costs and stagnation in demand caused by renewed signs of recession, which were particularly evident on some industrialized markets, and by high volatility on the financial markets. For the first three months the Italmobiliare Group reported revenue of 1,145.6 million euro (-6.2%) and recurring EBITDA of 133.9 million euro, an increase of 1.3% from the first quarter of 2011. It posted a loss for the period of 38.2 million euro compared with profit of 121.8 million euro in the year-earlier period, which benefited from a capital gain of 109.1 million euro on the sale of assets in Turkey.

Specifically, in the construction materials segment – the area of operation of the Italcementi subsidiary, which reported its results on May 4, 2012 – the Italmobiliare Group recorded revenue of 1,071.7 million euro, a decrease of 6.8% from the first quarter of 2011. The negative volume effect – notably in Europe where weather conditions were particularly poor – was offset in part by a sales prices dynamic that was positive in Italy and stable in most other countries. Operating results were negatively affected by the fall in revenue and increase in energy costs, but benefited from measures to cut overheads and raise production efficiency. After non-recurring income of 8.8 million euro (17.6 million euro at March 31, 2011), EBITDA decreased by 8.7% to 135.5 million euro, while EBIT, at 21.3 million euro, fell by 41.4%. The first quarter showed a loss of 34.6 million euro compared with profit of 127.6 million euro in the first quarter of 2011.

In the food packaging and thermal insulation segment, covered by the Sirap Gema group, performance in the first quarter of 2012 was affected by the difficulties caused by the continuing weakness in demand. The segment reported revenue of 53.9 million euro, substantially in line with the year-earlier period. Thanks to industrial restructuring and re-organization measures, EBITDA was positive at 2.6 million euro, a significant improvement compared with the first quarter of 2011 (0.2 million euro). The reduction in overheads and the lower impact of polymer raw material costs allowed EBIT to return to a substantial break-even, compared with negative EBIT of 2.6 million euro in the first

quarter of 2011. After net finance costs of 1.2 million euro and income tax expense of 0.2 million euro, the segment posted a loss for the period of 1.4 million euro, an improvement on the loss of 3.3 million euro for the quarter to March 31, 2011.

In the financial segment, which includes the parent company Italmobiliare and the wholly owned financial companies, the markets showed a small upturn. Nevertheless, the segment posted a loss for the period of 0.4 million euro (profit of 2.6 million euro for the quarter to March 31, 2011) as a result of impairment losses taken on equity investments in the banking sector, particularly badly hit by the markets, which were offset only in part by gains on trading securities.

The banking segment (Finter Bank Zurich and Crédit Mobilier de Monaco) reported a loss of 1.5 million euro, a downturn from the loss of 0.7 million euro in the first quarter of 2011. The result, essentially reflecting performance at Finter Bank Zürich, was largely determined by the reduction in operating income from 8.1 million euro to 7.7 million euro in the first quarter of 2012 due mainly to the diminution in commission income.

In the first quarter of 2012, consolidated **revenue** amounted to 1,145.6 million euro, compared with 1,220.7 million euro in the first quarter of 2011 (restated to take account of the residual discontinued assets in Turkey); the reduction arose largely from the business slowdown in construction materials and banking, whereas the contribution of the financial segment was positive and food packaging and thermal insulation was stable.

The geographical revenue breakdown reflects a revenue contraction in the European Union, while the most important growth was reported in North America and India.

Recurring EBITDA at 133.9 million euro increased by 1.3% from the first quarter of 2011 (132.1 million euro). This small improvement arose in food packaging and thermal insulation and in the financial segment, while reductions were reported in the other segments, especially banking.

After net non-recurring income of 8.4 million euro (+17.3 million euro at March 31, 2011), relating mainly to the Italcementi group as the net balance from capital gains on the disposal of assets and restructuring expense, **EBITDA** decreased to 142.3 million euro (149.4 million euro).

After a reduction in amortization and depreciation charges from the first quarter of 2011, **EBIT** was down to 24.6 million euro (33.4 million euro).

At the end of the first quarter the Group posted **net finance costs** of 29.0 million euro (23.5 million euro in the year-earlier period), **impairment losses on financial assets** of 6.0 million euro (impairment reversals of 6.2 million euro at March 31, 2011) and a **loss from associates** of 0.5 million euro (profit of 1.7 million euro)

After income tax expense of 26.5 million euro (4.6 million euro in the first quarter of 2011), **continuing operations showed a loss** of 37.5 million euro (a gain of 13.3 million euro in the first quarter of 2011).

The loss of 0.8 million euro relating to **discontinued operations** reflected the 2012 first-quarter loss reported by the Turkish company Afyon, for which the Italcementi group has reached a sale agreement.

The Group posted a **loss for the period** of 38.2 million euro, against a profit of 121.8 million euro in the first quarter of 2011, when it had a capital gain from the sale of assets in Turkey (109.1 million euro); the **loss attributable to owners of the parent**, after a loss attributable to non-controlling interests of 14.7 million euro (profit of 94.8 million euro at March 31, 2011), was 23.5 million euro (profit of 27.0 million euro).

Revenue and operating results by geographical area

(in millions of euro)	Revenue		Recurring EBITDA		EBITDA		EBIT	
	Q1 2012	% change vs Q1 2011	Q1 2012	% change vs Q1 2011	Q1 2012	% change vs Q1 2011	Q1 2012	% change vs Q1 2011
European Union	646.4	(9.8)	54.1	24.0	62.4	2.4	3.1	(21.4)
Other European countries	13.4	7.0	(0.7)	n.s.	(0.7)	n.s.	(1.5)	96.1
North America	79.8	25.0	(12.6)	(42.4)	(12.5)	(43.8)	(28.4)	(26.9)
Asia and Middle East	146.0	(1.0)	20.5	(23.8)	20.5	(24.3)	6.5	(51.6)
Africa	238.1	(5.7)	76.4	(12.7)	76.5	(12.5)	51.2	(18.0)
Trading	51.8	25.4	1.8	(36.0)	1.7	(41.7)	1.0	(49.0)
Other countries	88.6	(23.8)	(5.6)	(21.0)	(5.6)	(20.4)	(7.3)	(16.5)
Inter-area eliminations	(118.5)	(8.5)	-		-		-	
Total	1,145.6	(6.2)	133.9	1.3	142.3	(4.7)	24.6	(26.3)

n.s. not significant

Italmobiliare Group net financial debt stood at 2,129.3 million euro at March 31, 2011, up by 89.7 million euro from December 31, 2011. The key factors were capital expenditure for the period (95.6 million euro), cash flows from operations (13.0 million euro) and dividends paid (10.1 million euro), offset only in part by proceeds from the sale of fixed assets (23.7 million euro). Cash flows in the first quarter of 2011 benefited from the significant net inflows arising from the asset sale in Turkey.

The **net financial position of Italmobiliare and the wholly owned financial companies** was positive at the end of March, at 96.0 million euro (105.2 million euro at December 31, 2011).

Total equity at March 31, 2012, stood at 5,429.1 million euro, compared with 5,539.6 million euro at December 31, 2011.

The **gearing ratio** (net financial debt / equity) rose from 36.8% at December 31, 2011, to 39.2% at March 31, 2012; **leverage** (net financial debt / recurring EBITDA) rose to 3.1 from 2.99 at the end of 2011.

Italmobiliare Net Asset Value (NAV) was 1,206.3 million euro at the end of the first quarter of 2012, up from the figure at the end of 2011 (1,138.5 million euro), thanks in particular to the positive performance of the Italcementi share price..

The economic outlook for the current year highlights positive indications for the majority of emerging countries and signs of a recovery in North America. In the euro zone, on the other hand, growth is likely to remain weak: the continuing tensions on the sovereign debt markets, their impact on credit conditions, the process of balancing public-sector budgets and high unemployment in a number of countries will continue to brake growth. In this situation, the high level of volatility on the financial markets may persist, especially on bank stocks.

In these conditions, the Group is maintaining a constant focus on cutting overheads and rationalizing and re-organizing production facilities in its industrial sectors, while the pressures on the financial markets will continue to affect the financial and banking segments.

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.

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Attachments: condensed income statements and statements of financial position

Italmobiliare Group					
Income statement (in thousands of euro)	Q1 2012	%	Q1 2011 (IFRS5)	%	% change
Revenue	1,145,577	100.0	1,220,745	100.0	-6.2
Other revenue	13,335		11,306		
Change in inventories	19,334		(16,854)		
Internal work capitalized	3,997		4,723		
Goods and utilities expense	(496,711)		(511,058)		
Services expense	(279,855)		(294,820)		
Employee expense	(257,262)		(255,858)		
Other revenue	(14,547)		(26,079)		
Recurring EBITDA	133,868	11.7	132,105	10.8	1.3
Net capital gains on sale of fixed assets	10,955		16,673		
Non-recurring employee expense for re-orgs	(2,186)		918		
Other non-recurring income / (expense)	(289)		(287)		
EBITDA	142,348	12.4	149,409	12.2	-4.7
Amortization and depreciation	(117,423)		(120,929)		
Impairment	(310)		4,918		
EBIT	24,615	2.1	33,398	2.7	-26.3
Finance income	6,329		22,576		
Finance costs	(34,373)		(39,551)		
Net exchange-rate differences and derivatives	(964)		(6,489)		
Impairment on financial assets	(5,978)		6,181		
Share of profit/(loss) of associates	(563)		1,734		
Profit before tax	(10,934)	-1.0	17,849	1.5	n.s.
Income tax (expense)	(26,532)		(4,584)		
Gains(losses) relating to continuing operations	(37,466)	-3.3	13,265	1.1	n.s.
Gains (losses) relating to discontinued operations	(770)		108,498		
Profit/(loss) for the period	(38,236)	-3.3	121,763	10.0	n.s.
Attributable to:					
Owners of the parent	(23,470)	-2.0	27,008	2.2	n.s.
Non-controlling interests	(14,766)	-1.3	94,755	7.8	n.s.

Italmobiliare Group					
Statement of comprehensive income (in thousands of euro)	Q1 2012	%	Q1 2011 (IFRS 5)	%	% change
Profit/(loss) for the period	(38,236)	-3.3	121,763	10.0	n.s.
Fair value gains (losses) on:					
Available-for-sale financial assets	7,741		29,791		
Derivatives	(8,489)		2,921		
Translation differences	(52,550)		(168,983)		
Tax on other comprehensive income	1,530		(747)		
Share of other comprehensive income of associates	(1,186)		(4,017)		
Other comprehensive income on continuing operations	(52,954)		(141,035)		
Other comprehensive income on discontinued operations	1,296		(2,345)		
Total comprehensive income	(89,894)	-7.8	(21,617)	-1.8	n.s.
Attributable to:					
Owners of the parent	(32,724)		14,930		
Non-controlling interests	(57,170)		(36,547)		

Italmobiliare Group				
Financial position (in thousands of euro)	March 31, 2012	December 31, 2011	Change Δ	%
Cash, cash equivalents and current financial assets	1,503,034	1,693,184	(190,150)	-11.2
Short-term financing	(1,533,174)	(1,567,469)	34,295	-2.2
Medium/long-term financial assets	152,177	167,400	(15,223)	-9.1
Medium/long-term financing	(2,253,891)	(2,332,734)	78,843	-3.4
Net financial debt for continuing operations	(2,131,854)	(2,039,619)	(92,235)	4.5
Net financial debt for discontinued operations	2,569		2,569	n.s.
Total net financial debt	(2,129,285)	(2,039,619)	(89,666)	4.4
Total equity	5,429,057	5,539,564	(110,507)	-2.0

Italmobiliare Group		
Summary of changes in total net financial debt (in thousands of euro)	Q1 2012	Q1 2011 (IFRS 5)
Net financial position at beginning of period	(2,039,619)	(2,095,456)
Cash flow from operating activities before change in working capital	61,746	98,548
Change in working capital	(74,744)	(26,396)
Total cash flow from operating activities	(12,998)	72,152
Capital expenditure (PPE, investment property + intangible assets)	(66,550)	(65,832)
Change in payables for PPE and intangible asset purchases	(17,448)	(43,448)
Cash flow net of capital expenditure on PPE, investment property + intangible assets	(96,996)	(37,128)
Capital expenditure (equity investments)	(11,498)	(27,536)
Change in payables for equity purchases	(61)	(112)
Proceeds from sale of fixed assets	23,661	80,880
Dividends paid	(10,126)	(57,021)
Calcestruzzi group net financial debt at January 1, 2011		(217,689)
Net flows on discontinued operations	(1,089)	279,161
Other changes	6,443	9,753
Change in the period	(89,666)	30,308
Net financial position at end of period	(2,129,285)	(2,065,148)