

## BOARD OF DIRECTORS EXAMINES 2014 FINANCIAL STATEMENTS

### ITALMOBILIARE S.p.A.

- **INCREASE IN 2014 PROFIT AT ITALMOBILIARE SPA TO 18.2 MILLION EURO FROM 1.7 MILLION EURO IN 2013**
- **BOARD TO PROPOSE A DIVIDEND OF 0.25 EURO TO ORDINARY SHARES (0.15 EURO IN 2013) AND 0.39 EURO TO SAVINGS SHARES (0.255191 EURO)**
- **POSITIVE NET FINANCIAL POSITION FOR PARENT AND WHOLLY OWNED FINANCIAL COMPANIES OF 77.6 MILLION EURO (146.6 MILLION EURO) AFTER COMPLETION OF PLAN TO STRENGTHEN THE ITALCEMENTI GROUP**

### ITALMOBILIARE GROUP

- **REVENUE: 4,451.3 MILLION EURO (4,516.1 MILLION EURO IN 2013)**
- **TOTAL LOSS FOR THE YEAR: 50.1 MILLION EURO (AFTER IMPAIRMENT LOSSES OF APPROXIMATELY 44 MILLION EURO) COMPARED WITH A LOSS OF 154.2 MILLION EURO IN 2013**
- **IMPROVEMENT IN ALL THE CORE BUSINESSES. A RETURN TO PROFIT IN THE FINANCIAL SEGMENT**
- **NET FINANCIAL DEBT: 2,114.8 MILLION EURO AFTER INCREASE IN CAPITAL EXPENDITURE TO MORE THAN 540 MILLION EURO**

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**Milan, March 24, 2015** – *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, 2014.*

*During 2014, despite continuing economic difficulties for the industrial sector and high volatility on the financial markets, especially in the second half of the year, all the Group's core businesses reported an improvement in performance compared with 2013. The financial segment in particular saw a strong reversal that enabled it to close the year with an important return to profit.*

*In this scenario, although the Italmobiliare Group again reported a loss for the year, the result was a significant improvement on 2013, thanks to a return to profit in the third and*

fourth quarters, and to lower impairment losses compared with previous years (approximately 44 million euro against more than 54 million euro in 2013).

The **improvement in profit margins** in the industrial segments and in the financial and banking segments and positive liquidity management generated a **reduction in the loss for the year** to 50.1 million euro (down by more than two thirds from the 154.2 million euro loss reported in 2013), of which 44.8 million euro (129.7 million euro) attributable to owners of the parent.

The parent **Italmobiliare S.p.A.** also closed 2014 with a strong upturn in earnings, reporting **profit** of 18.2 million euro (1.7 million euro in 2013), thanks to 23.6% revenue growth, containment of operating expense and a reduction in finance costs.

The Italmobiliare Board of Directors will ask the shareholders' meeting of May 27, 2015, to approve a **dividend** for 2014 of 0.25 euro to ordinary shares (0.15 euro in 2013) and 0.39 euro to savings shares considering the preferential dividend for financial years 2012, 2013 and 2014 (0.255191 euro in 2013 including 0.105191 euro as part of the preferential dividend with respect to financial year 2011). The payment date will be June 24, 2015, the ex dividend date will be June 22 (record date June 23).

Among the Group core businesses, in 2014 the construction materials segment formed by the Italcementi group (which published its results on March 4) reported a small increase in cement sales volumes, helped by a positive fourth quarter, and a downturn in ready mixed concrete and aggregates, with revenue substantially stable at 4,155.6 million euro (-0.7% net of the exchange-rate effect and on a like-for-like basis). There was an overall improvement in operating performance: a 3.2% rise in recurring gross operating profit to 649.1 million euro, and even more significant progress of 42.3% in operating profit to 226.7 million euro. The group reported a loss for the year of 48.9 million euro, halving the loss posted in 2013. In the food packaging and thermal insulation segment where the Sirap Gema group operates, demand remained weak, heightening competitive pressures: revenue at 235.7 million euro was down 1.7%, in part owing to the negative exchange-rate effect. Nevertheless, thanks to re-organization measures and cost optimization, operating performance made strong progress, with recurring gross operating profit up 35.6% to 20.3 million euro and operating profit increasing from 1.1 to 7.3 million euro. The group also posted a reduction in the loss for the year to 1.3 million euro (a loss of 6.9 million euro in 2013). In the financial segment, which includes the Italmobiliare parent, the volatility of the financial markets in the second half of the year was a significant factor. In this context, thanks largely to the gains on the sale of some securities (notably Ciments Français shares in connection with the project to strengthen the Italcementi group, and banking stocks) and to positive liquidity management, the segment returned to profit with 19.2 million euro, compared with a loss of 32.1 million euro in 2013.

The banking segment, which consists of Finter Bank Zürich and Crédit Mobilier de Monaco reported a reduction in assets under management and consequently in total income to 19.1 million euro (-10.3%). Nevertheless, the material reduction in service and personnel expense enabled the segment to post gross operating profit of 0.8 million euro (a loss of 2.7 million euro in 2013) and to reduce its loss for the year to 2.8 million euro (a loss of 17.6 million euro in 2013).

2014 consolidated **revenue** amounted to 4,451.3 million euro, down 1.4% from 4,516.1 million euro in 2013.

**Recurring gross operating profit** rose 11% to 681.0 million euro. This positive result reflected contributions from all the Group core businesses, with the strongest improvements in the financial and the food packaging and thermal insulation segments.

After a 4.6% reduction in amortization and depreciation to 420.6 million euro and impairment losses on non-current assets of 10.2 million euro (32.1 million euro in 2013), **operating profit** was 244.6 million euro (+88.4%). The impairment losses referred mainly to plant in the construction materials segment and to a lesser degree to companies in the food packaging segment.

**Net finance costs**, at 144.5 million euro, were up 16.0 million euro on 2013, while **impairment losses on financial assets** amounted to 33.9 million euro (22.1 million euro in 2013) and referred to the construction materials segment and to the equity investment in RCS MediaGroup.

After profit of 10.4 million euro for the **share of the profit (loss) of equity-accounted investees** (a loss of 11.6 million euro in 2013) and tax of 126.7 million euro, the Group posted a **loss for the year** of 50.1 million euro (a loss of 154.2 million euro in 2013). This comprised a **loss attributable to owners of the parent** of 44.8 million euro (loss of 129.7 million euro) and a loss attributable to non-controlling interests of 5.3 million euro (loss of 24.5 million euro).

At December 31, 2014, Italmobiliare Group **total equity** was 4,286.4 million euro, from 4,333.4 million euro at December 31, 2013. At the same date, **net financial debt** was 2,114.8 million euro from 1,830.0 million euro at the end of 2013, taking into account the high level of capital expenditure in 2014, notably in the construction materials segment, where expenditure rose to 543.1 million euro from 356.2 million euro the previous year, and the extraordinary operations at the Italcementi group. The **gearing** ratio passed to 49.34% at December 2014 from 42.23% at the end of 2013, while **leverage** rose from 2.98 to 3.11.

The **net financial position of Italmobiliare and the wholly owned financial companies** at the end of 2014 was positive at 77.6 million euro (146.6 million euro at December 31, 2013), after subscription of the share capital increase at Italcementi, as part of the group re-organization.

**Italmobiliare Net Asset Value (NAV)** at December 31, 2014, was 1,165.4 million euro (1,283.1 million euro at December 31, 2013). NAV at March 18, 2015, was 1,541.6 million euro.

**Outlook** – In the early months of 2015, the Group core markets experienced additional moderate growth in line with the fourth quarter of 2014, although trends varied from country to country. Growth was confirmed in North America, in the Asian countries and in Egypt where the construction materials segment operates, whereas a higher level of uncertainty was seen in the European countries due to geopolitical tensions, the fragile recovery in employment and the protracted period of low inflation.

*Looking ahead to the full year, the reduction in energy costs as a result of the fall in oil prices and the important industrial investments made during 2014 to raise efficiency and innovation should support the recurring gross operating profit of the Group's industrial segments at a slightly higher level than in 2014.*

*At the same time, the results of the financial segment will be affected by market volatility and by the expansionary measures of the ECB, which will be reflected in a foreseeable reduction in interest rates and a possible further depreciation of the euro against the other currencies. Consequently, the financial segment is expected to report a downturn compared with the results of 2014, when large gains on the sale of equities were a significant factor.*

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| ITALMOBILIARE ON THE INTERNET: <a href="http://www.italmobiliare.it">http://www.italmobiliare.it</a> |
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**Italmobiliare**

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## **FOURTH QUARTER 2014**

In the fourth quarter, the Group posted a 1.5% increase in **revenue** from the year-earlier period, thanks to positive contributions from the industrial segments (+2.2%). The performance of the other segments was negative, largely due to the particularly high volatility of the financial markets in the last quarter of 2014.

Operating performance improved in the fourth quarter:

- **recurring gross operating profit** was up 28.2 million euro from the year-earlier period, thanks to significant containment of overheads;
- **gross operating profit** improved by 13.0% from the year-earlier period despite the negative impact of non-recurring items, which generated expense of 3.6 million euro, largely in construction materials (income of 3.9 million euro in the fourth quarter of 2013);
- **operating profit** rose from 46.6 million euro in the fourth quarter of 2013 to 65.9 million euro in 2014, after amortization and depreciation of 112.4 million euro (a reduction of 1.6% from the year-earlier period) and impairment losses on non-current assets of 1.2 million euro (gains of 1.9 million euro in 2013).

After a 1.3% improvement in net finance costs from the fourth quarter of 2013, impairment losses on financial assets of 6.9 million euro, relating to the financial segment's equity investment in RCS MediaGroup, and the profit of 2.0 million euro from equity-accounted investees (profit of 5.4 million euro in the fourth quarter of 2013), the Group posted profit before tax of 23.1 million euro, a significant increase on the year-earlier period (profit of 6.3 million euro).

The above items and income tax expense of 17.3 million euro generated a **profit for the period** of 5.8 million euro (a loss of 23.1 million euro for the fourth quarter of 2013).

## **FINANCIAL STATEMENTS AT DECEMBER 31, 2014**

2014 total **revenue** was 4,451.3 million euro.

The downturn of 1.4% in **revenue** compared with 2013 reflected:

- a business slowdown for 0.3%,
- a negative exchange-rate effect for 1.2%,
- the positive change in the scope of consolidation for 0.1%.

The business slowdown arose in the banking segment (-13.5%), the construction materials segment (-0.5%) and, marginally, property, services and other. Positive contributions came from the financial segment whose performance greatly improved with respect to 2013 (+30.3%) and, to a lesser extent, from the food packaging segment of the Sirap Gema group (+0.6%).

Revenue performance reflected the fall in sales volumes in construction materials, whose effect was counterbalanced by the positive trend in sales prices; the revenue dynamic in the financial segment was healthy, benefiting from gains on the sale of equities, in part due to extraordinary transactions, and gains from liquidity management. At constant exchange

rates, the strongest progress was reported in Egypt, Thailand, North America and India, while the largest slowdowns were in the European countries and Morocco.

The negative exchange-rate effect affected the Group's industrial segments due to the depreciation against the euro of the Egyptian pound, the Thai baht, the Indian rupee and to a lesser extent the Ukrainian grivnia, the Turkish lira and the Czech crown. In the banking segment, the exchange-rate effect with regard to the Swiss franc was positive.

### Revenue and operating performance by segment

| (in millions of euro)      | Revenue        |               | Recurring gross operating profit (loss) |               | Gross operating profit (loss) |               | Operating profit (loss) |               |
|----------------------------|----------------|---------------|---|---------------|-------------------------------|---------------|-------------------------|---------------|
|                            | 2014           | % change 2013 | 2014                                    | % change 2013 | 2014                          | % change 2013 | 2014                    | % change 2013 |
| Construction materials     | 4,155.6        | (1.8)         | 649.1                                   | 3.2           | 644.2                         | 4.5           | 226.7                   | 42.2          |
| Packaging and insulation   | 235.7          | (1.7)         | 20.3                                    | 35.6          | 19.1                          | 55.7          | 7.3                     | n.s.          |
| Finance                    | 63.7           | 31.7          | 31.0                                    | n.s.          | 31.0                          | n.s.          | 30.6                    | n.s.          |
| Banking                    | 19.6           | (12.8)        | (2.4)                                   | 82.9          | (1.5)                         | 88.6          | (2.7)                   | 84.9          |
| Property, services, other  | 1.8            | (28.0)        | 0.2                                     | (60.8)        | -                             | (93.5)        | -                       | (95.5)        |
| Inter-segment eliminations | (25.1)         | (12.0)        | (17.2)                                  | (55.7)        | (17.4)                        | (57.0)        | (17.3)                  | (57.4)        |
| <b>Total</b>               | <b>4,451.3</b> | <b>(1.4)</b>  | <b>681.0</b>                            | <b>11.0</b>   | <b>675.4</b>                  | <b>12.0</b>   | <b>244.6</b>            | <b>88.4</b>   |

n.s.: not significant

**Recurring gross operating profit** was 681.0 million euro, up by 67.4 million euro from 2013 (613.6 million euro). All the core businesses contributed to this positive result, notably the financial segment and the food packaging and thermal insulation segment, which reported a healthy recovery thanks to the efficiency plans implemented to cut costs. Progress of 3.2% came from the Italcementi group, sustained by the positive price effect (Egypt), containment of overheads and income from carbon emission rights. There was also an upturn in the banking segment, where the recurring gross operating loss of 2.4 million euro was a significant improvement on the 2013 figure (-14.2 million euro).

At geographical level, the strongest increases were in the European countries as a whole and Thailand; performance slowed in India and Morocco.

Non-recurring items generated net non-recurring expense of 5.6 million euro (expense of 10.8 million euro in 2013), relating largely to the industrial segments as a result of corporate restructuring charges offset in part by gains on the sale of non-current assets.

These items influenced **gross operating profit**, which rose by 72.6 million euro (675.4 million euro from 602.8 million euro in 2013).

After a 4.6% reduction in amortization and depreciation from 2013 and impairment losses on non-current assets of 10.2 million euro (32.1 million euro in 2013), **operating profit** was 244.6 million euro (129.8 million euro in 2013). Impairment losses related in the main to plant in Italy and Bulgaria net of the impairment reversals in Greece in the construction materials segment for 9.2 million euro, and to the impairment loss of 1 million euro on goodwill arising on the Dornerpack acquisition (Austria) at the Sirap group.

**Net finance costs** rose by 16.0 million euro, from 128.5 million euro in 2013 to 144.5 million euro at December 31, 2014. This was largely the result of:

- interest expense on net financial debt, which rose by 3.2%,
- exchange-rate differences, which, net of the hedging effect, reflected a loss of 0.8 million euro (-2.4 million euro in 2013),
- net expense of 0.6 million euro on equity investments (net income of 0.4 million euro in 2013),
- the absence of net hedging derivatives on carbon emission rights and Certified Emission Reductions (income of 8.8 million euro in 2013).

The caption does not include finance income and costs of the finance 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 33.9 million euro (losses of 22.1 million euro in 2013). They included losses of 26.8 million euro in the construction materials segment on the equity investments in West China Cement and Al Badia (Syria) and of 7.0 million euro in the financial segment. The latter referred essentially to the impairment loss of 6.9 million euro applied to the equity investment in RCS MediaGroup to align the carrying amount to fair value as per Italian stock exchange prices at December 31, 2014.

The **share of profit (loss) of equity-accounted investees** reflected profit of 10.4 million euro (loss of 11.6 million euro in 2013). The figure reflects the profit reported by investees in the construction materials segment totaling 11.7 million euro, offset in part by the loss at Società Editrice Siciliana (-1.3 million euro), an investee in the financial segment.

The Group posted a **profit before tax** of 76.6 million euro (a loss of 32.4 million euro in 2013).

After income tax expense of 126.7 million euro, the Group had a **loss for the year** of 50.1 million euro (a loss of 154.2 million euro in 2013). This comprised a **loss attributable to owners of the parent** of 44.8 million euro (loss of 129.7 million euro in 2013) and a loss attributable to non-controlling interests of 5.3 million euro (loss of 24.5 million euro in 2013).

**Total equity** at December 31, 2014, was 4,286.4 million euro, a decrease of 47.0 million euro from December 31, 2013. The overall change arose as follows:

- the loss for the year of 50.1 million euro,
- dividends paid for 80.9 million euro,
- the change in the percentages of control and a consequent decrease in non-controlling interests, specifically the increase to 100% control in Ciments Français for -379.7 million euro and the positive effect of the Italcementi share capital increase for 262.0 million euro,
- a positive exchange-rate effect of 231.5 million euro, and a positive change in the fair value reserve on equity investments and derivatives for 8.9 million euro.

At December 31, 2014, **net financial debt** stood at 2,114.8 million euro, up by 284.8 million euro from December 31, 2013 (1,830.0 million euro).

The increase reflected the contrasting effects of the operations relating to the Italcementi S.p.A project to streamline the corporate structure and strengthen the group financial position. The positive effect of 262.0 million euro from the share capital increase at

Italcementi S.p.A. was offset by the outlay of 379.7 million euro for acquisition of 100% of the share capital of Ciments Français by Italcementi S.p.A..

The year's cash flows also reflected the impact of significant capital expenditure of 543.1 million euro, which was higher than cash flow from operating activities (386.8 million euro). Proceeds from the sale of assets totaled 132.9 million euro mainly in the financial segment for 106.3 million euro and at the Italcementi group for 25.2 million euro, while dividends paid amounted to 82.5 million euro.

Group **capital expenditure** in 2014 amounted to 543.1 million euro, up 186.9 million euro from 2013. Investments in property, plant and equipment and investment property, relating chiefly to the Group's industrial segments, amounted to 513.4 million euro and referred principally to Italy, France, Belgium, Egypt and Bulgaria; investments in intangible assets (12.0 million euro) were mainly for software licenses and development costs at the Italcementi group. Investments in non-current financial assets amounted to 17.7 million euro (13.9 million euro in 2013), and related to investments made by the financial segment in listed equities, including Italcementi shares for 8.8 million euro, and to a smaller degree by the construction materials segment.

### **Performance in the core businesses**

In 2014, the **construction materials segment**, consisting of the operations of the Italcementi group (Italmobiliare's industrial core business) continued to be affected by the difficulties of the general economic situation. The dynamics of the construction industry varied from region to region, and from country to country within each region. Once again, the Eurozone as a whole reported the least impressive results. Although the industry situation remain depressed, the first signs were seen of an easing in tension. In this context, the group's sales volumes made some progress in the cement segment and larger slowdowns in the ready mixed concrete and aggregates segments compared with 2013. Revenue, at 4,155.6 million euro (4,231.6 million euro in 2013), was down 1.8% (-0.7% at constant exchange rates and on a like-for-like basis) with an overall negative volume effect. Recurring gross operating profit was 649.1 million euro (629.2 million euro), an improvement of 3.2%. After net non-recurring expense of 5.0 million euro (13.0 million euro in 2013), amortization and depreciation of 408.3 million euro (425.3 million euro) and impairment losses on non-current assets of 9.2 million euro (31.6 million euro), operating profit made significant progress compared with 2013 (+42.3%), rising from 159.4 million euro to 226.7 million euro at December 31, 2014. This dynamic was reflected in profit before tax, which rose to 72.4 million euro (27.7 million euro). After income tax expense of 121.3 million euro (115.9 million euro), the group posted a loss for the year of 48.9 million euro (a loss of 88.2 million euro). The loss attributable to owners of the parent was 107.1 million euro (loss of 165.0 million euro), while profit attributable to non-controlling interests decreased from 76.8 million euro in 2013 to 58.2 million euro.

The **food packaging and thermal insulation segment** headed by the Sirap Gema group experienced difficult market conditions in its main countries, and competitive pressures on product sales prices. Although the price of the raw materials used in production processes remained at high average levels, it was lower than the 2013 average price, which assisted the recovery in profitability. Revenue was down 1.7%, largely due to the negative exchange-rate effect at some companies in the Petruzalek group. Thanks to re-organization



measures, production cost optimization and containment of overheads, there was a strong improvement in operating performance: recurring gross operating profit rose by 35.6% from 2013, while operating profit after non-recurring expense, amortization and depreciation and impairment losses totaling 13.0 million euro (-13.9 million euro in 2013) amounted to 7.3 million euro (1.1 million euro in 2013). After net finance costs of 6.2 million euro, down 2.2% from 2013 and income tax expense of 2.4 million euro (1.7 million euro in 2013), the group reported a loss for the year of 1.3 million euro (a loss of 6.9 million euro in 2013).

Performance in the **financial segment**, which includes the parent Italmobiliare and the Luxembourg-based subsidiary Société de Participation Financière Italmobiliare S.A., was affected by trends on the financial markets: after a first half marked by growing stability, volatility increased in the second half of the year following the publication of weak economic figures in the Eurozone and general uncertainty over the outlook for world growth. Against this background, the financial segment posted healthy results and closed the year with a profit of 19.2 million euro, largely thanks to gains on the sale of equities, including some extraordinary transactions, and positive liquidity management, which showed a 12.8% improvement from 2013. The financial segment is owned 100% by the Group and its profit or loss is therefore reflected in full in Group results of operations.

The **banking segment** consists of the operations of Finter Bank Zürich and Crédit Mobilier de Monaco. The segment's results, consisting almost entirely of the results of the Swiss bank, were affected by developments in international tax laws and the tightening of regulations in Switzerland, which generated higher expense against a decrease in commission income on financial operations. In this context, total income was 19.1 million euro, a reduction compared with December 31, 2013 (21.3 million euro) largely due to the decrease in commission income. The significant fall in service expense and personnel expense (-23.9%) enabled the segment to post a gross operating profit of 0.8 million euro (a loss of 2.7 million euro in 2013). After amortization and depreciation, extraordinary provisions and income tax expense, the segment posted a loss for the year of 2.8 million euro (a loss of 17.6 million euro in 2013).

**THE PARENT** – Italmobiliare S.p.A. closed 2014 with a profit of 18.2 million euro, a strong improvement on 2013 (profit of 1.7 million euro). This reflected the 23.6% increase in revenue to 52.1 million euro, containment of operating expense and a reduction in finance costs.

Italmobiliare **Net Asset Value** (NAV) at December 31, 2014 was 1,165.4 million euro (1,283.1 million euro at December 31, 2013) on capitalization of 655.8 million euro, reflecting a discount of 43.7% compared with 38.7% at December 31, 2013.

NAV was computed considering:

- the year-end market price of investments in listed companies,
  - the value of non-listed companies determined, when possible, on the basis of market multiples or specific appraisals or, alternatively, on the basis of equity determined in accordance with IFRS, where available, or with local GAAP,
  - the increased value of any real estate assets;
- taking account of the tax effect.

The Italmobiliare Board of Directors will ask the Shareholders' Meeting of May 27, 2015, to approve a **dividend** for 2014 of 0.25 euro per ordinary share (0.15 euro in 2013) and 0.39 euro per savings share taking account of the preferential dividend for financial years 2012, 2013 and 2014 (0.255191 euro in 2013 of which 0.105191 euro as part of the preferential dividend with respect to financial year 2011). The dividend payment date is June 24, 2015, the ex-dividend date is June 22.

**BOND ISSUES AND MATURITIES** – No new bonds were issued during the period under review and no issues mature in the 18 months after December 31, 2014.

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At the next shareholders' meeting called, on single call, for May 27, 2015, **in an ordinary and extraordinary session**, the Board of Directors will propose, in addition to examination of the 2014 financial statements:

- 1) the **Remuneration Report**, drawn up in accordance with art. 123-ter of the Consolidated Law on Finance (TUF);
- 2) subject to revocation of the resolution authorizing the acquisition of treasury shares adopted by the ordinary shareholders' meeting of May 27, 2014, the **renewal of the authorization for the purchase and disposal of treasury shares** for a period of 18 months from the resolution. Shares may be purchased in order to:
  - dispose of treasury shares:
    - \* to be transferred to employees and/or directors in connection with stock option plans reserved for employees and/or directors;
    - \* for medium/long-term investment purposes;
  - operate, in compliance with current regulations, directly or through intermediaries, in order to limit anomalous trends in share prices and to regularize stock exchange prices to face temporary distortions caused by excessive volatility or low trading liquidity;
  - create a treasury stock portfolio to serve 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 envisages that the purchase price of each share shall not be more than 15% above or below the average reference price on the same regulated market in the three sessions preceding each transaction; the overall consideration to be paid by the company for the purchase shall in no case exceed the amount of 50 million euro; the maximum number of ordinary and/or savings shares acquired shall not have an overall nominal value, including treasury shares already held as of the date hereof by the company and by the subsidiaries, in excess of one tenth of the share capital.

Furthermore:

- purchases shall normally be conducted so that equitable treatment of shareholders is ensured and to prevent offers to purchase from being directly matched with pre-determined offers to sell or, taking into account the various possible purposes, in any other manner allowed under current laws and regulations governing the stock market on which the transactions are performed;

- the shares shall be disposed of in any manner deemed appropriate to achieve the objectives pursued, directly or through intermediaries, in compliance with current applicable national and European laws and regulations;
- treasury share purchases and sales shall be performed in compliance with applicable laws and, specifically, with laws and regulations governing the stock market on which the transactions are performed.

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

- 3) **determination of the remuneration of the members of the Investment Committee;**
- 4) the amendment of arts. 9 (Call), 10 (Addition to the agenda), 20 (Call of the Board of Directors and the Executive Committee) of the By-Laws in order to adapt the text to the new regulatory regime and to simplify some corporate rules.

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The Board of Directors verified that the directors Anna Maria Artoni, Carolyn Dittmeier, Gianemilio Osculati, Paolo Sfameni, Massimo Togni and Laura Zanetti meet the independence requirements as set out in the Code of Conduct for listed companies.

*The manager in charge of preparing the financial reports of Italmobiliare S.p.A., 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**

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.

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

| <b>Italmobiliare Group</b>                                 |                  |              |                           |              |                     |
|--|------------------|--------------|---------------------------|--------------|---------------------|
| <b>Income statement</b><br>(in thousands of euro)          | <b>2014</b>      | <b>%</b>     | <b>2013<br/>re-stated</b> | <b>%</b>     | <b>%<br/>change</b> |
| <b>Revenue</b>   | <b>4,451,330</b> | <b>100.0</b> | <b>4,516,093</b>          | <b>100.0</b> | <b>-1.4</b>         |
| Other revenue  | 39,181           |              | 48,353                    |              |                     |
| Change in inventories                                      | 28,618           |              | (8,011)                   |              |                     |
| Internal work capitalized                                  | 43,547           |              | 38,707                    |              |                     |
| Raw materials and supplies                                 | (1,815,598)      |              | (1,825,857)               |              |                     |
| Services   | (1,088,326)      |              | (1,099,701)               |              |                     |
| Personnel expense  | (917,856)        |              | (938,063)                 |              |                     |
| Other operating expense                                    | (59,848)         |              | (117,918)                 |              |                     |
| <b>Recurring gross operating profit</b>                    | <b>681,048</b>   | <b>15.3</b>  | <b>613,603</b>            | <b>13.6</b>  | <b>11.0</b>         |
| Net gains from the sale of non-current assets              | 7,682            |              | 21,105                    |              |                     |
| Non-recurring personnel expense for re-organizations       | (8,711)          |              | (30,676)                  |              |                     |
| Other non-recurring expense                                | (4,661)          |              | (1,219)                   |              |                     |
| <b>Gross operating profit</b>                              | <b>675,358</b>   | <b>15.2</b>  | <b>602,813</b>            | <b>13.3</b>  | <b>12.0</b>         |
| Amortization and depreciation                              | (420,545)        |              | (440,878)                 |              |                     |
| Impairment losses on non-current assets                    | (10,180)         |              | (32,086)                  |              |                     |
| <b>Operating profit</b>                                    | <b>244,633</b>   | <b>5.5</b>   | <b>129,849</b>            | <b>2.9</b>   | <b>88.4</b>         |
| Finance income   | 24,449           |              | 41,432                    |              |                     |
| Finance costs  | (165,490)        |              | (165,598)                 |              |                     |
| Exchange-rate differences and net gains (losses) on derivs | (3,519)          |              | (4,306)                   |              |                     |
| Impairment losses on financial assets                      | (33,872)         |              | (22,082)                  |              |                     |
| Share of profit (loss) of equity-accounted investees       | 10,358           |              | (11,677)                  |              |                     |
| <b>Profit (loss) before tax</b>                            | <b>76,559</b>    | <b>1.7</b>   | <b>(32,382)</b>           | <b>-0.7</b>  | <b>n.s.</b>         |
| Income tax expense   | (126,670)        |              | (121,845)                 |              |                     |
| <b>Loss for the year</b>                                   | <b>(50,111)</b>  | <b>-1.1</b>  | <b>(154,227)</b>          | <b>-3.4</b>  | <b>67.5</b>         |
| Attributable to:   |                  |              |                           |              |                     |
| <b>Owners of the parent</b>                                | <b>(44,813)</b>  | <b>-1.0</b>  | <b>(129,733)</b>          | <b>-2.9</b>  | <b>65.5</b>         |
| <b>Non-controlling interests</b>                           | <b>(5,298)</b>   | <b>-0.1</b>  | <b>(24,494)</b>           | <b>-0.5</b>  | <b>78.4</b>         |
| Earnings (losses) per share                                |                  |              |                           |              |                     |
| - Basic  |                  |              |                           |              |                     |
| ordinary shares  | (1.192) €        |              | (3.448) €                 |              |                     |
| savings shares   | (1.192) €        |              | (3.448) €                 |              |                     |
| - Diluted  |                  |              |                           |              |                     |
| ordinary shares  | (1.192) €        |              | (3.448) €                 |              |                     |
| savings shares   | (1.192) €        |              | (3.448) €                 |              |                     |

| Italmobiliare Group  |                 |             |                  |             |             |
|--|-----------------|-------------|------------------|-------------|-------------|
| Statement of comprehensive income<br>(in thousands of euro)  | 2014            | %           | 2013 re-stated   | %           | % change    |
| <b>Loss for the year</b>   | <b>(50,111)</b> | <b>-1.1</b> | <b>(154,227)</b> | <b>-3.4</b> | <b>67.5</b> |
| <b>Other comprehensive income (expense) relating to continuing operations</b>                        |                 |             |                  |             |             |
| <b>Items that will not be reclassified to profit or loss subsequently</b>                            |                 |             |                  |             |             |
| Re-measurement of the net liability (asset) for employee benefits                                    | (52,944)        |             | 29,543           |             |             |
| Re-measurement of the net asset for employee benefits – investments in equity-accounted investees    | (1)             |             |                  |             |             |
| Income tax   | 8,757           |             | (4,178)          |             |             |
| <b>Total items that will not be reclassified to profit or loss</b>                                   | <b>(44,188)</b> |             | <b>25,365</b>    |             |             |
| <b>Items that might be reclassified to profit or loss subsequently</b>                               |                 |             |                  |             |             |
| Translation reserve on foreign operations  | 226,388         |             | (224,532)        |             |             |
| Translation reserve on foreign operations – investments in equity-accounted investees                | 4,896           |             | (11,001)         |             |             |
| Fair value gains (losses) on cash flow hedging   | (15,224)        |             | 14,855           |             |             |
| Fair value gains (losses) on cash flow hedging – investments in equity-accounted investees           | (211)           |             | 161              |             |             |
| Fair value gains on available-for-sale financial assets  | 21,781          |             | 48,085           |             |             |
| Fair value losses on available-for-sale financial assets – investments in equity-accounted investees |                 |             | (376)            |             |             |
| Income tax   | 2,547           |             | 6,681            |             |             |
| <b>Total items that might be reclassified to profit or loss subsequently</b>                         | <b>240,177</b>  |             | <b>(166,127)</b> |             |             |
| <b>Total other comprehensive income (expense)</b>  | <b>195,989</b>  |             | <b>(140,762)</b> |             |             |
| <b>Total comprehensive income (expense)</b>  | <b>145,878</b>  | <b>3.3</b>  | <b>(294,989)</b> | <b>-6.5</b> | <b>n.s.</b> |
| Attributable to:   |                 |             |                  |             |             |
| <b>Owners of the parent</b>  | 7,158           |             | (109,025)        |             |             |
| <b>Non-controlling interests</b>   | 138,720         |             | (185,964)        |             |             |

| <b>Italmobiliare Group</b>                                       |                   |                                 |                 |
|--|-------------------|---------------------------------|-----------------|
| <b>Statement of financial position</b><br>(in thousands of euro) | <b>12/31/2014</b> | <b>12/31/2013<br/>re-stated</b> | <b>Change</b>   |
| <b>Non-current assets</b>  |                   |                                 |                 |
| Property, plant and equipment                                    | 4,266,608         | 3,991,449                       | 275,159         |
| Investment property  | 28,464            | 29,545                          | (1,081)         |
| Goodwill   | 1,629,505         | 1,552,944                       | 76,561          |
| Intangible assets  | 95,737            | 98,872                          | (3,135)         |
| Equity-accounted investees                                       | 226,317           | 228,556                         | (2,239)         |
| Other equity investments   | 227,561           | 320,363                         | (92,802)        |
| Trade receivables and other non-current assets                   | 242,969           | 199,327                         | 43,642          |
| Deferred tax assets  | 101,024           | 115,567                         | (14,543)        |
| Non-current amounts due from employees                           | 224               | 913                             | (689)           |
| <b>Total non-current assets</b>                                  | <b>6,818,409</b>  | <b>6,537,536</b>                | <b>280,873</b>  |
| <b>Current assets</b>  |                   |                                 |                 |
| Inventories  | 758,253           | 662,176                         | 96,077          |
| Trade receivables  | 701,474           | 724,092                         | (22,618)        |
| Other current assets including derivatives                       | 349,449           | 342,760                         | 6,689           |
| Tax assets   | 19,967            | 70,099                          | (50,132)        |
| Equity investments, bonds and financial assets                   | 212,886           | 403,810                         | (190,924)       |
| Cash and cash equivalents  | 863,537           | 741,639                         | 121,898         |
| <b>Total current assets</b>                                      | <b>2,905,566</b>  | <b>2,944,576</b>                | <b>(39,010)</b> |
| <b>Non-current discontinued operations</b>                       |                   |                                 |                 |
| <b>Total assets</b>  | <b>9,723,975</b>  | <b>9,482,112</b>                | <b>241,863</b>  |
| <b>Equity</b>  |                   |                                 |                 |
| Share capital  | 100,167           | 100,167                         |                 |
| Share premium  | 177,191           | 177,191                         |                 |
| Reserves   | 54,704            | 60,410                          | (5,706)         |
| Treasury shares  | (21,226)          | (21,226)                        |                 |
| Retained earnings  | 1,495,438         | 1,339,689                       | 155,749         |
| <b>Equity attributable to owners of the parent</b>               | <b>1,806,274</b>  | <b>1,656,231</b>                | <b>150,043</b>  |
| Non-controlling interests  | 2,480,106         | 2,677,192                       | (197,086)       |
| <b>Total equity</b>  | <b>4,286,380</b>  | <b>4,333,423</b>                | <b>(47,043)</b> |
| <b>Non-current liabilities</b>                                   |                   |                                 |                 |
| Financial liabilities  | 2,339,173         | 2,189,179                       | 149,994         |
| Employee benefits  | 324,324           | 293,697                         | 30,627          |
| Provisions   | 234,381           | 241,388                         | (7,007)         |
| Other liabilities  | 52,686            | 30,142                          | 22,544          |
| Deferred tax liabilities   | 188,394           | 207,232                         | (18,838)        |
| <b>Total non-current liabilities</b>                             | <b>3,138,958</b>  | <b>2,961,638</b>                | <b>177,320</b>  |
| <b>Current liabilities</b>                                       |                   |                                 |                 |
| Loans and borrowings   | 397,599           | 430,554                         | (32,955)        |
| Financial liabilities  | 300,268           | 272,075                         | 28,193          |
| Trade payables   | 619,494           | 562,434                         | 57,060          |
| Provisions   | 1,111             | 1,771                           | (660)           |
| Tax liabilities  | 39,320            | 37,719                          | 1,601           |
| Other liabilities  | 940,845           | 882,498                         | 58,347          |
| <b>Total current liabilities</b>                                 | <b>2,298,637</b>  | <b>2,187,051</b>                | <b>111,586</b>  |
| <b>Total liabilities</b>   | <b>5,437,595</b>  | <b>5,148,689</b>                | <b>288,906</b>  |
| <b>Liabilities directly linked to discontinued operations</b>    |                   |                                 |                 |
| <b>Total equity and liabilities</b>                              | <b>9,723,975</b>  | <b>9,482,112</b>                | <b>241,863</b>  |

| <b>Italmobiliare Group</b>   |                          |                  |                          |                  |
|--|--------------------------|------------------|--------------------------|------------------|
| <b>Condensed statement of cash flows</b><br>(in thousands of euro) | <b>December 31, 2014</b> |                  | <b>December 31, 2013</b> |                  |
| <b>Net financial debt at beginning of year</b>                     |                          | <b>(1,830.0)</b> |                          | <b>(1,923.2)</b> |
| Cash flow from operating activities                                |                          | 386.8            |                          | 439.1            |
| Capital expenditure:   |                          |                  |                          |                  |
| <i>PPE, investment property and intangible assets</i>              | (525.4)                  |                  | (342.3)                  |                  |
| <i>Non-current financial assets</i>                                | (17.7)                   |                  | (13.9)                   |                  |
| Capital expenditure  |                          | <b>(543.1)</b>   |                          | <b>(356.2)</b>   |
| Proceeds from sale of non-current assets                           |                          | 132.9            |                          | 85.7             |
| Dividends paid   |                          | (82.5)           |                          | (74.1)           |
| Italcementi share capital increase                                 |                          | 262.0            |                          |                  |
| Change in interests in subsidiaries                                |                          | (380.0)          |                          | 0.4              |
| Other  |                          | (60.9)           |                          | (1.7)            |
| <b>Change in net financial debt</b>                                |                          | <b>(284.8)</b>   |                          | <b>93.2</b>      |
| <b>Net financial debt at end of year</b>                           |                          | <b>(2,114.8)</b> |                          | <b>(1,830.0)</b> |

| <b>Italmobiliare Group</b>                              |                          |                          |                  |
|---|--------------------------|--------------------------|------------------|
| <b>Net financial position</b><br>(in thousands of euro) | <b>December 31, 2014</b> | <b>December 31, 2013</b> | <b>Change</b>    |
| <b>Current financial assets</b>                         | <b>1,139,699</b>         | <b>1,211,892</b>         | <b>(72,193)</b>  |
| Cash and cash equivalents                               | 863,537                  | 741,639                  | 121,898          |
| Derivatives   | 10,376                   | 13,351                   | (2,975)          |
| Other current financial assets                          | 265,786                  | 456,902                  | (191,116)        |
| <b>Current financial liabilities</b>                    | <b>(1,009,914)</b>       | <b>(960,481)</b>         | <b>(49,433)</b>  |
| Loans and borrowings                                    | (397,599)                | (430,554)                | 32,955           |
| Current financial liabilities                           | (587,507)                | (524,116)                | (63,391)         |
| Derivatives   | (24,808)                 | (5,811)                  | (18,997)         |
| <b>Non-current financial assets</b>                     | <b>135,018</b>           | <b>130,960</b>           | <b>4,058</b>     |
| Non-current financial assets                            | 42,094                   | 42,412                   | (318)            |
| Non-current derivatives                                 | 92,924                   | 88,548                   | 4,376            |
| <b>Non-current financial liabilities</b>                | <b>(2,379,576)</b>       | <b>(2,212,359)</b>       | <b>(167,217)</b> |
| Non-current financial liabilities                       | (2,339,173)              | (2,189,179)              | (149,994)        |
| Non-current derivatives                                 | (40,403)                 | (23,180)                 | (17,223)         |
| <b>Net financial debt</b>                               | <b>(2,114,773)</b>       | <b>(1,829,988)</b>       | <b>(284,785)</b> |

| <b>Italmobiliare S.p.A</b>                |                   |              |                          |              |                           |
|---|-------------------|--------------|--------------------------|--------------|---------------------------|
| <b>Income statement</b><br>(euro)         | <b>2014</b>       | <b>%</b>     | <b>2013</b><br>re-stated | <b>%</b>     | <b>%</b><br><b>change</b> |
| <b>Revenue</b>                            | <b>52,081,831</b> | <b>100.0</b> | <b>42,128,265</b>        | <b>100.0</b> | <b>23.6</b>               |
| Other revenue                             | 1,733,422         |              | 1,825,129                |              |                           |
| Raw materials and supplies                | (104,840)         |              | (124,000)                |              |                           |
| Services                                  | (5,088,710)       |              | (4,158,745)              |              |                           |
| Personnel expense                         | (15,964,211)      |              | (17,037,206)             |              |                           |
| Other operating expense                   | (6,504,249)       |              | (17,193,459)             |              |                           |
| <b>Recurring gross operating profit</b>   | <b>26,153,243</b> | <b>50.2</b>  | <b>5,439,984</b>         | <b>12.9</b>  | <b>n.s.</b>               |
| Net gains from sale of non-current assets | 1,300,000         |              | -                        |              |                           |
| Other non-recurring income (expense)      | (1,474,269)       |              | 3,939,455                |              |                           |
| <b>Gross operating profit</b>             | <b>25,978,974</b> | <b>49.9</b>  | <b>9,379,439</b>         | <b>22.3</b>  | <b>n.s.</b>               |
| Amortization and depreciation             | (39,808)          |              | (34,421)                 |              |                           |
| <b>Operating profit</b>                   | <b>25,939,166</b> | <b>49.8</b>  | <b>9,345,018</b>         | <b>22.2</b>  | <b>n.s.</b>               |
| Net finance costs                         | (35,894)          |              | (19,933)                 |              |                           |
| Impairment losses on financial assets     | (6,917,419)       |              | (5,060,251)              |              |                           |
| <b>Profit before tax</b>                  | <b>18,985,853</b> | <b>36.5</b>  | <b>4,264,834</b>         | <b>10.1</b>  | <b>n.s.</b>               |
| Income tax expense                        | (784,204)         |              | (2,548,677)              |              |                           |
| <b>Profit for the year</b>                | <b>18,201,649</b> | <b>34.9</b>  | <b>1,716,157</b>         | <b>4.1</b>   | <b>n.s.</b>               |

n.s. = not significant



| <b>Italmobiliare S.p.A.</b>                      |                      |                                       |                      |
|--|----------------------|---------------------------------------|----------------------|
| <b>Statement of financial position</b><br>(euro) | <b>12/31/2014</b>    | <b>12/31/2013</b><br><b>re-stated</b> | <b>Change</b>        |
| <b>Non-current assets</b>                        |                      |                                       |                      |
| Property, plant and equipment                    | 3,687,636            | 3,670,985                             | 16,651               |
| Investment property                              | 88,913               | 90,895                                | (1,982)              |
| Intangible assets                                | 3,282                | 5,559                                 | (2,277)              |
| Investments in subsidiaries and associates       | 872,788,293          | 875,319,688                           | (2,531,395)          |
| Other equity investments                         | 179,247,639          | 264,699,379                           | (85,451,740)         |
| Deferred tax assets                              | 12,697,144           | 44,453,271                            | (31,756,127)         |
| Other non-current assets                         | 6,476,703            | 14,753,538                            | (8,276,835)          |
| <b>Total non-current assets</b>                  | <b>1,074,989,610</b> | <b>1,202,993,315</b>                  | <b>(128,003,705)</b> |
| <b>Current assets</b>                            |                      |                                       |                      |
| Trade receivables                                | 5,162,084            | 4,988,741                             | 173,343              |
| Other current assets including derivatives       | 1,765,938            | 2,367,120                             | (601,182)            |
| Tax assets                                       | 2,019,023            | 40,755,333                            | (38,736,310)         |
| Equity investments, bonds and financial assets   | 5,939,423            | 5,815,126                             | 124,297              |
| Cash and cash equivalents                        | 2,003,528            | 6,409,337                             | (4,405,809)          |
| <b>Total current assets</b>                      | <b>16,889,996</b>    | <b>60,335,657</b>                     | <b>(43,445,661)</b>  |
| <b>Total assets</b>                              | <b>1,091,879,606</b> | <b>1,263,328,972</b>                  | <b>(171,449,366)</b> |
| <b>Equity</b>                                    |                      |                                       |                      |
| Share capital                                    | 100,166,937          | 100,166,937                           |                      |
| Share premiums                                   | 177,191,252          | 177,191,252                           |                      |
| Reserves   | 30,641,217           | 26,210,868                            | 4,430,349            |
| Treasury shares                                  | (21,226,190)         | (21,226,190)                          |                      |
| Retained earnings                                | 622,556,672          | 611,865,562                           | 10,691,110           |
| <b>Total equity</b>                              | <b>909,329,888</b>   | <b>894,208,429</b>                    | <b>15,121,459</b>    |
| <b>Non-current liabilities</b>                   |                      |                                       |                      |
| Financial liabilities                            | 20,000,000           | 37,142,857                            | (17,142,857)         |
| Employee benefits                                | 1,251,996            | 1,969,459                             | (717,463)            |
| Provisions                                       | 5,408,000            | 5,408,000                             |                      |
| Other non-current liabilities                    | 2,818,857            | 81,966,855                            | (79,147,998)         |
| Deferred tax liabilities                         | 131,009              | 71,516                                | 59,493               |
| <b>Total non-current liabilities</b>             | <b>29,609,862</b>    | <b>126,558,687</b>                    | <b>(96,948,825)</b>  |
| <b>Current liabilities</b>                       |                      |                                       |                      |
| Loans and borrowings                             | 136,561,357          | 157,590,500                           | (21,029,143)         |
| Financial liabilities                            | 2,858,643            | 68,709,494                            | (65,850,851)         |
| Trade payables                                   | 2,172,887            | 2,253,043                             | (80,156)             |
| Provisions                                       | -                    | -                                     | -                    |
| Tax liabilities                                  | 182,687              | 661,947                               | (479,260)            |
| Other liabilities                                | 11,164,282           | 13,346,872                            | (2,182,590)          |
| <b>Total current liabilities</b>                 | <b>152,939,856</b>   | <b>242,561,856</b>                    | <b>(89,622,000)</b>  |
| <b>Total liabilities</b>                         | <b>182,549,718</b>   | <b>369,120,543</b>                    | <b>(186,570,825)</b> |
| <b>Total equity and liabilities</b>              | <b>1,091,879,606</b> | <b>1,263,328,972</b>                  | <b>(171,449,366)</b> |