

**BOARD EXAMINES ADDITIONAL QUARTERLY FINANCIAL DISCLOSURE AT SEPTEMBER 30, 2018**

- > *Net Asset Value per share, excluding treasury shares in portfolio, was 33.70 euro at September 30, 2018 (36.84 euro at the end of 2017), reflecting the downturn on the stock markets.*
- > *In part thanks to the investments in the portfolio companies (which accounted for 28% of NAV compared with 15% at the end of 2017) and the positive performance of the core businesses of all the investees, consolidated Gross Operating Profit rose from 19.8 to 31.8 million euro.*
- > *The Group had a positive net financial position of 253.6 million euro (494.8 million euro at the end of 2017), after capital expenditure for the period.*

*The Board of Directors of Italmobiliare S.p.A. today approved the additional quarterly financial disclosure as at and for the nine months to September 30, 2018.*

*At September 30, 2018, Italmobiliare Net Asset Value, excluding treasury shares in portfolio representing approximately 12% of the company's capital, amounted to 1,413.6 million euro. The decrease of 131.6 million euro from the end of 2017 reflects the impact on the listed shares in portfolio of the negative trend on the stock markets. NAV per share was 33.7 euro (36.84 euro).*

*The Group's net financial position, after capital expenditure for the period, remained positive at 253.6 million euro (494.8 million euro at the end of 2017).*

*The consolidated results for the first nine months show revenue of 331.5 million euro (up 34.7 million euro from the year-earlier period) arising not only from the inclusion of the Caffè Borbone Group in the scope of consolidation, but also from the business improvement at the Sirap Group. The positive performance of the core businesses of all the portfolio companies – of Caffè Borbone in particular – contributed to the improvement in Gross Operating Profit, which rose from 19.8 million euro to 31.8 million euro.*

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## Additional quarterly financial disclosure at Sunday, September 30, 2018

### Significant events in the quarter

In July, Italmobiliare reached an agreement, closed in October, to purchase a 40% interest in Iseo, one of Europe's leading producers of mechatronic and digital access control and safety solutions. In 2017 Iseo reported an increase in revenue to approximately 145 million euro, of which three quarters from international sales, and gross operating profit of more than 12%. The company is headquartered in the province of Brescia. In addition to its three facilities in Italy (where it is the second-largest player on the market), it has production sites in Romania, France, Germany and Spain.

In September, the Italmobiliare Board of Directors decided, under the powers set out in the agreement drawn up on September 22, 2017 by the members of the Mediobanca shareholders' syndicate, to give notice of its early withdrawal from the agreement, effective from December 31, 2018. After this date, the 8,673,728 shares currently assigned to the syndicate (corresponding to 0.98% of Mediobanca share capital) will no longer be subject to the constraints that limit their full availability.

The Italmobiliare Board of Directors coopted Paolo Sfameni to replace Massimo Tononi, who was recently appointed chairman of Cassa Depositi e Prestiti and resigned from the board on July 25.

## Net Asset Value

Excluding treasury shares, Italmobiliare S.p.A. **Net Asset Value** at September 30, 2018 was 1,413.6 million euro, a reduction of 131.6 million euro from December 31, 2017 (1,545.2 million euro), on capitalization of 869.7 million euro, for a discount of 38.5%. The change in NAV from December 31, 2017 arose largely from the reduction in the fair value of the HeidelbergCement AG shares (-125.9 million euro).

NAV was computed considering:

- the market price at Sunday, September 30, 2018 of investments in listed companies;
- the value of non-listed companies, where determinable, based on market multiples or specific valuations or, when such information is not available, on equity as reflected in the most recent approved financial statements drawn up in accordance with the IFRS financial reporting standards, if available, otherwise with local accounting principles;
- the market value of real estate assets;
- the deferred tax effect.

## Net financial position

	30 settembre 2018	30 giugno 2018	31 dicembre 2017
(milioni di euro)			
<b>Posizione finanziaria netta</b>	<b>253,6</b>	<b>232,7</b>	<b>494,8</b>

The positive Group net financial position of 253.6 million euro showed a decrease of 241.2 million euro from December 31, 2017, largely as a result of the downturn in the net financial positions of Italmobiliare S.p.A. (-167.8 million euro net of the Franco Tosi S.r.l. merger) and the Sirap Group (-11.8 million euro), and the entry into the scope of consolidation of the Caffè Borbone Group (-57.3 million euro). Details are provided later in this disclosure.

## Key consolidated figures at September 30, 2018

### Third quarter

(milioni di euro)	3° Trimestre 2018	3° Trimestre 2017	Variazione %
<b>Ricavi</b>	<b>114,8</b>	<b>94,9</b>	<b>21,0</b>
<b>Margine operativo lordo</b>	<b>12,8</b>	<b>1,1</b>	<b>n.s.</b>
<i>% sui ricavi</i>	<i>11,1</i>	<i>1,2</i>	
<b>Risultato operativo</b>	<b>5,4</b>	<b>(4,0)</b>	<b>n.s.</b>
<i>% sui ricavi</i>	<i>4,7</i>	<i>(4,2)</i>	

n.s. non significativo

### Nine months to September 30

(milioni di euro)	Progressivo al 30.09.2018	Progressivo al 30.09.2017	Variazione %
<b>Ricavi</b>	<b>331,5</b>	<b>296,7</b>	<b>11,7</b>
<b>Margine operativo lordo</b>	<b>31,8</b>	<b>19,8</b>	<b>60,8</b>
<i>% sui ricavi</i>	<i>9,6</i>	<i>6,7</i>	
<b>Risultato operativo</b>	<b>19,4</b>	<b>4,8</b>	<b>n.s.</b>
<i>% sui ricavi</i>	<i>5,9</i>	<i>1,6</i>	

n.s. non significativo

(milioni di euro)	30 settembre 2018	30 giugno 2018	31 dicembre 2017
Patrimonio netto totale	<b>1.351,2</b>	<b>1.360,8</b>	<b>1.373,7</b>
Patrimonio netto attribuibile ai Soci della Controllante	<b>1.253,0</b>	<b>1.265,8</b>	<b>1.373,3</b>

The world economic cycle continued to expand, albeit at a slower rate, in both the developed and the emerging regions, in a context characterized by rising tariff barriers, higher oil prices and capital outflows from the emerging countries. The exception was the United States, whose solid growth continued, driven by the pro-cyclical fiscal policy. The narrowing gap between potential and actual GDP in the main economies was also reflected in a moderate increase in the inflation rate. While the ECB and the Japanese central bank maintained extraordinary monetary policy measures, the Federal Reserve continued its normalization process with the introduction at the end of the quarter of its eighth interest-rate rise. In this context, the consequent increase in US bond yields was reflected in the compression of stock market multiples, exposed to the risk of lower-than-expected earnings. The pressure on Italy's sovereign risk not only led to a significant decline in domestic bank stock prices, it also affected Eurozone listings and, at global level, investor risk aversion.

Italmobiliare Group consolidated revenue in the nine months increased by 34.7 million euro (+11.7% on the year-earlier period). Net of the elimination of the BravoSolution Group from the scope of consolidation (-63.0 million euro), the revenue improvement was due largely to

higher revenue at the Sirap Group (+50.7 million euro) and the entry of the Caffè Borbone Group into the scope of consolidation (+52.4 million euro). Gross operating profit rose by 12.0 million euro, mainly as a result of the entry of the Caffè Borbone Group into the scope of consolidation (+15.4 million euro). Operating profit benefited from positive net value adjustments of 3.0 million euro attributable to the Sirap Group (+6.0 million euro) and to the Italgen Group (-2.9 million euro), net of an increase of 0.5 million euro in amortization and depreciation.

Consolidated equity at Sunday, September 30, 2018, was 1,351.2 million euro, down by 22.4 million euro from Sunday, December 31, 2017 (1,373.7 million euro).

The overall change arose largely from:

- the change in the fair value reserve on assets classified at fair value through other comprehensive income (FVOCI), largely relating to HeidelbergCement and Mediobanca shares (-119.9 million euro);
- the profit for the period (+21.0 million euro);
- the distribution of dividends (-23.1 million euro);
- the changes in the scope of consolidation (Caffè Borbone Group, +95.2 million euro).

## Operating performance of the main Group companies

### Italmobiliare S.p.A.

	30 settembre 2018	30 settembre 2017	Variazione %
(milioni di euro)			
<b>Ricavi</b>	<b>44,6</b>	<b>35,2</b>	<b>26,9</b>
<b>Margine operativo lordo</b>	<b>3,7</b>	<b>12,2</b>	<b>(69,9)</b>
<i>% sui ricavi</i>	<i>8,3</i>	<i>34,8</i>	
<b>Risultato operativo</b>	<b>3,2</b>	<b>11,8</b>	<b>(72,5)</b>
<i>% sui ricavi</i>	<i>7,3</i>	<i>33,7</i>	

	30 settembre 2018	30 giugno 2018	31 dicembre 2017
(milioni di euro)			
<b>Posizione finanziaria netta</b>	<b>381,4</b>	<b>365,6</b>	<b>307,9</b>

Revenue for the period amounted to 44.6 million euro, an increase of 9.4 million euro from the year-earlier period (35.2 million euro), and arose mainly as follows:

- interest and finance income of 16.4 million euro (11.5 million euro in the year-earlier period), essentially as a result of the 12.3 million euro increase in the fair value of options on equities;
- dividends declared by subsidiaries and other investees for 18.7 million euro (17.7 million euro in the year-earlier period);
- gains and measurement gains totaling 9.1 million euro on securities, a significant increase from the year-earlier period (5.6 million euro), largely arising from measurement gains on mutual funds.

With regard to negative income components, which amounted to 40.9 million euro (22.9 million euro in the year-earlier period):

- personnel expense decreased by approximately 4.3 million euro, largely due to the absence of the variable component which was a factor in the 2017 result;
- finance costs increased by 21.9 million euro, mainly as a result of larger negative changes in the fair value of trading securities (10.4 million euro), some investment funds (5.1 million euro), and derivatives (6.3 million euro).

Equity at Sunday, September 30, 2018 was 1,291.2 million euro, an increase of 39.2 million euro from Sunday, December 31, 2017. The overall change arose largely from the merger of Franco Tosi S.r.l. (+154.3 million euro), net of the decrease in the OCI reserve (-113.5 million euro).

At Sunday, September 30, 2018, Italmobiliare S.p.A. held 5,685,870 treasury shares representing 11.94% of the share capital.

The net financial position of Italmobiliare S.p.A. improved by 73.5 million euro, from 307.9 million euro at December 31, 2017 to 381.4 million euro at the end of September 2018. The main movements included: the upstream merger of Franco Tosi S.r.l. (+241.3 million euro), the share capital increase at Sirap-Gema S.p.A. (-10.0 million euro) and the investment in Caffè Borbone S.p.A. (-143.2 million euro).

## **Main investments in listed companies**

### **HeidelbergCement**

The weakness of the industry was reflected in the performance of the share price, which fell by 6.6% in the third quarter and 23% over the nine months. In turn, the construction segment widened the gap with the corresponding general market index, under-performing by approximately 14%.

This downturn was the result of a combination of macro-economic risk factors, reflected in the projected margins of the global companies: the further acceleration in oil prices, the weakness of the emerging currencies and the increase in labor costs in the USA.

The greater volatility of the share price with respect to competitors increased the discount of the related multiples.

### **Mediobanca**

The share price was up 8.1% at the end of the third quarter, against a 4.5% fall in both the comparable indices, the Eurozone banking sector and the FTSE MIB. Mediobanca's performance over the nine months was negative (-9%), but significantly stronger than the Eurozone banking sector index, which fell by 18.3%, and the domestic banking sector index (-16.1%).

The relative performance of the share price reflected the low exposure to sovereign risk and capital solidity with respect to competitors.

## Sirap Group

The Sirap Group, through its subsidiaries in Italy and abroad, is active in the production and sale of products for the packaging of fresh food.

	30 settembre 2018	30 settembre 2017	Variazione %
(milioni di euro)			
<b>Ricavi</b>	<b>204,3</b>	<b>153,5</b>	<b>33,1</b>
<b>Margine operativo lordo</b>	<b>11,7</b>	<b>10,7</b>	<b>10,3</b>
<i>% sui ricavi</i>	<i>5,7</i>	<i>6,9</i>	
<b>Risultato operativo</b>	<b>8,9</b>	<b>3,9</b>	<b>n.s.</b>
<i>% sui ricavi</i>	<i>4,3</i>	<i>2,5</i>	

	30 settembre 2018	30 giugno 2018	31 dicembre 2017
(milioni di euro)			
<b>Posizione finanziaria netta</b>	<b>(79,0)</b>	<b>(79,8)</b>	<b>(67,2)</b>

The income statement figures at September 30, 2018 and at September 30, 2017 are not comparable, given the inclusion of the following companies in the scope of consolidation since January 2018: Kama Europe Ltd. (now Sirap UK Ltd.), Reynolds Food Packaging Spain S.L.U. (now Sirap Packaging Iberica S.L.U.), Vitembal Tarascon S.a.s. and Vitembal G.m.b.H. (now Sirap G.m.b.H.).

Group revenue for the first nine months to September 30, 2018 amounted to 204.3 million euro, an increase of 33.1% from 153.5 million euro in the first nine months of 2017. Gross of intragroup eliminations, the four new companies contributed an overall amount of 54.1 million euro to the revenue increase, arising almost entirely in the “Rigid” segment, which thus overtook the “Foamed” segment, traditionally the larger segment.

Trends on the core markets varied: signs of growth were seen in rigid containers, especially on the Polish market, where the Group has made significant investments in the last three years, taking advantage of the opportunities of rising demand. In the foamed tray segment, the fall in meat consumption, especially in France and Italy, continued to push down demand. The Group's gross operating profit for the first nine months of 2018 amounted to 11.7 million euro (10.7 million euro in the year-earlier period); the increase of 1.0 million euro was lower than expected, largely due to the reduction in margins as a result of the high price of raw materials, which was transferred only in part to sales prices.

Operating profit was 8.9 million euro, 5.0 million euro up on 3.9 million euro at September 30, 2017.

The consolidated net financial position at September 30, 2018 reflected debt of 79.0 million euro, a downturn of 11.8 million euro from December 31, 2017 (debt of 67.2 million euro). The significant events that generated this result, net of the capital increase of 10.0 million euro approved by the shareholders’ meeting of January 12, 2018, were: the outlay by Sirap-Gema S.p.A. and Sirap France S.a.s. for the acquisitions (quantifiable at 16.4 million euro) and the inclusion in the scope of consolidation of the net financial positions of the acquired companies (an overall amount of 6.5 million euro).

## Italgen Group

	30 settembre 2018	30 settembre 2017	Variazione %
(milioni di euro)			
<b>Ricavi</b>	<b>26,8</b>	<b>28,6</b>	<b>(6,4)</b>
<b>Margine operativo lordo</b>	<b>6,8</b>	<b>7,5</b>	<b>(8,6)</b>
<i>% sui ricavi</i>	25,6	26,2	
<b>Risultato operativo</b>	<b>1,1</b>	<b>4,9</b>	<b>(76,5)</b>
<i>% sui ricavi</i>	4,3	17,1	

	30 settembre 2018	30 giugno 2018	31 dicembre 2017
(milioni di euro)			
<b>Posizione finanziaria netta</b>	<b>(23,5)</b>	<b>(27,5)</b>	<b>(17,9)</b>

Hydroelectric production in the first nine months was 221 GWh, up 3.8% on the first nine months of 2017 (212.8 GWh).

For the nine months to September 30, 2018, Italgen Group revenue was 26.8 million euro, down 6.4% from the year-earlier period (28.6 million euro) due to the contraction in vectoring service charges for end customers (-2.3 million euro) and in revenue from energy vectoring on the Group's power lines (-0.7 million euro). These effects were offset in part by the 0.9 million euro increase in revenue from electric energy sales.

Gross operating profit was 6.8 million euro, down 8.6% from the year-earlier period (7.5 million euro), largely as a result of operating expense incurred by the foreign subsidiaries (0.3 million euro).

The Group posted an operating profit of 1.1 million euro, down 76.5% from the figure for the first nine months of 2017 (+4.9 million euro), largely as a result of value adjustments on plant (2.9 million euro).

The net financial position reflected debt of 23.5 million euro (debt of 17.9 million euro at December 31, 2017).

## Caffè Borbone Group

	30 settembre 2018	30 settembre 2017	Variazione %
(milioni di euro)			
<b>Ricavi</b>	<b>52,4</b>	-	<b>n.s.</b>
<b>Margine operativo lordo</b>	<b>15,4</b>	-	<b>n.s.</b>
<i>% sui ricavi</i>	29,5	-	
<b>Risultato operativo</b>	<b>12,0</b>	-	<b>n.s.</b>
<i>% sui ricavi</i>	23,0	-	

	30 settembre 2018	30 giugno 2018
(milioni di euro)		
<b>Posizione finanziaria netta</b>	<b>(57,3)</b>	<b>(56,9)</b>

The financial results set out below refer to the sub-consolidation of L'Aromatika S.r.l. and Caffè Borbone S.p.A. for the period May 3, 2018 (the date of the acquisition of L'Aromatika S.r.l.) to September 30, 2018.

L'Aromatika S.r.l. processes and distributes coffee with the Caffè Borbone brand and is the third-largest player in Italy after Lavazza and Nespresso in monodose coffee capsules and pods.

In the first nine months of 2018, monodose coffee sales in Italy in the modern distribution channel rose by 11% in terms of value and by 18% in terms of unit volumes compared with the year-earlier period (Nielsen data). The monodose coffee market is believed to have shown similar growth rates in the other sales channels too.

In this context, in the first nine months of 2018 the Caffè Borbone Group reported a revenue improvement of approximately 45% from the year-earlier period, achieving progress on all sales channels, in particular the mass merchandising and online channels.

Revenue in the five months under review amounted to 52.4 million euro and gross operating profit was 15.4 million euro (29.5% return on revenue).

In the first nine months of 2018 gross operating profit at L'Aromatika S.r.l. was up on 2017 due to the reduction in the market price for raw coffee beans and a lower proportion of overheads.

Operating profit in the five months included in the consolidation was 12.0 million euro (23.0% return on revenue).

At September 30, 2018, net financial debt amounted to 57.3 million euro, including the loan arranged by Caffè Borbone S.p.A. for the purchase of L'Aromatika S.r.l.

## Tecnica Group

(milioni di euro)	30 giugno 2018	30 giugno 2017	Variazione %
<b>Ricavi</b>	<b>141,0</b>	-	<b>n.s.</b>
<b>Margine lordo industriale</b>	<b>44,5</b>	-	<b>n.s.</b>
	31,6	-	
<b>Margine operativo lordo</b>	<b>(6,9)</b>	-	<b>n.s.</b>
<i>% sui ricavi</i>	4,9	-	
<b>Risultato operativo</b>	<b>(11,7)</b>	-	<b>n.s.</b>
<i>% sui ricavi</i>	8,3	-	

(milioni di euro)	30 giugno 2018	31 dicembre 2017
<b>Posizione finanziaria netta</b>	<b>(119,3)</b>	<b>(125,3)</b>

The Tecnica Group, in which Italmobiliare S.p.A. holds a significant 40% equity investment, is a leading player in outdoor footwear and ski equipment, with such well-known brands as Tecnica, Blizzard, Lowa, Moon Boot, Rollerblade and Nordica. The company is valued with the equity method. The financial figures set out here refer to the first six months of 2018, and are the most recent available figures.

Group operations are subject to significant seasonality (revenue is generated largely between August and December), and the results of the first half are therefore not indicative of a full-year trend.

The Tecnica Group closed the half-year to June 30, 2018 with revenue of 141.0 million euro, up 2.3% from the year-earlier period (137.7 million euro), chiefly as a result of the revenue improvement reported by the Lowa Group (+2.6 million euro). The industrial gross margin was 44.5 million euro (+1.7% on June 30, 2017), while the Group reported a gross operating loss of 6.9 million euro, an improvement of 15.9% from the year-earlier period (a loss of 8.2 million euro). It posted an operating loss of 11.7 million euro, an improvement of 7.8% from the first half of 2017 (a loss of 12.7 million euro).

The net financial position reflected debt of 119.3 million euro, a strong improvement from the position at December 31, 2017 (debt of 125.3 million euro) thanks to better management of working capital.

The pre-closure figures for the third quarter of 2018 are currently being approved by the Board of Directors and have therefore not been included in the consolidated results of the Italmobiliare Group.

## **Clessidra SGR S.p.A.**

During the third quarter of 2018 Clessidra SGR S.p.A. continued management of the equity investments in the managed funds portfolio. Specifically with regard to the CCPII fund, management activities were flanked by the search for and finalization of divestment opportunities for the last company left in the portfolio. The CCP3 fund continued to look for new investment opportunities.

Income, consisting essentially of management commissions on the Clessidra funds, amounted to 9.1 million euro (13.7 million euro at September 30, 2017).

Administrative expense for the period was 8.8 million euro (11.1 million euro at September 30, 2017) and consisted largely of personnel expense, consultancy and management expense. After net other operating income of 1.3 million euro (2.5 million euro at September 30, 2017), operating profit was 0.7 million euro (4 million euro in the third quarter of 2017).

## Legal and tax disputes

On September 18, 2018, the Milan Provincial Division I served Italmobiliare with a CFC-related tax assessment notice for 2013. The only observation in the notice concerns the qualification of the Credit Mobilier de Monaco company as a “CFC black list”, as in the 2010, 2011 and 2012 tax years. The assessed taxable income amounts to approximately 0.4 million euro, subject to separate taxation at 27.5%.

There were no significant developments in the other disputes highlighted in the half-year financial report.

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The manager in charge of preparing the financial reports of Italmobiliare S.p.A., Mauro Torri, declares, pursuant to art. 154-bis, paragraph 2 of the Consolidated Law on Finance (Law 58/1998), that the accounting information contained in this press release corresponds to the document results, books and accounting entries.

### ***Disclaimer***

This press release may contain forward-looking statements. These statements are based on the Group's current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future, and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: continued volatility and further deterioration of capital and financial markets, changes in commodity prices, changes in general economic conditions, economic growth and other changes in business conditions, changes in laws and regulations and the institutional environment (in each case in Italy or abroad), and many other factors, most of which are beyond the Group's control.