ITALMOBILIARE

Quarterly report at March 31, 2009

ITALMOBILIARE

Contents

ITALMOBILIARE

Quarterly report

at March 31, 2009

May 15, 2009

ITALMOBILIARE Società per Azioni

Registered Office: Via Borgonuovo, 20
20121 Milan – Italy
Share Capital € 100,166,937
Milan Companies Register

Italmobiliare S.p.A. directors, officers and auditors

Board of Directors

(Term ends on approval of financial statements at 12.31.2010)

Giampiero Pesenti [1-2]		Chairman-Chief Executive Officer
Italo Lucchini [1-3]		Deputy Chairman
Carlo Pesenti [1]		Chief Operating Officer
Pier Giorgio Barlassina		
Mauro Bini [4-5-6-7]		
Giorgio Bonomi [4]		
Gabriele Galateri di Genola [3-5]		
Jonella Ligresti [4-5]		
Luca Minoli		
Giorgio Perolari [1-3-5]		
Livio Strazzera [1]		
Francesco Saverio Vinci		
Graziano Molinari [8]		Secretary to the Board

Board of Statutory Auditors

(Term ends on approval of financial statements at 12.31.2010)

Acting Auditors	
Mario Cera	Chairman
Luigi Guatri	
Eugenio Mercorio	
Substitute auditors	
Marco Confalonieri	
Leonardo Cossu	
Enrico Locatelli	

Angelo Maria Triulzi	Manager in charge of preparing the company financial reports
Reconta Ernst & Young S.p.A.	Independent Auditors

1 Member of the Executive Committee
2 Executive director responsible for supervising the internal control system
3 Member of the Remuneration Committee
4 Member of the Internal Control Committee
5 Independent director (pursuant to the Voluntary Code of Conduct)
6 Lead independent director
7 Member of the Compliance Committee
8 Secretary to the Executive Committee

COMMENTS ON OPERATIONS

FOREWORD

This quarterly report as at and for the year to March 31, 2009, has been drawn up in compliance with article 154 ter, paragraph 5, of Legislative Decree no. 58 of February 24, 1998, and subsequent amendments. It is also compliant with the measurement and recognition criteria of the International Accounting and Financial Reporting Standards (IAS / IFRS).

The main change with respect to the financial statements as at and for the year to December 31, 2008, illustrated in greater detail in the comments on the financial statements, is the adoption of the revised versions of IAS 1 “Presentation of Financial Statements” (new statements and definitions, disclosures) and IAS 23 “Borrowing Costs” (finance costs treated as part of the cost of an asset and therefore capitalized), which came into effect on January 1, 2009. Additionally, the accounting treatment of minority interests has changed for compliance with the new IFRS 3 and IAS 27, which are applicable as from 2010. Under the new treatment, purchases of interests after control has been obtained do not require revaluation of identifiable assets and liabilities, while transactions that determine a decrease in the percentage interest held, without loss of control, are treated as sales to minorities.

To permit comparison with the first quarter of 2009, the 2008 figures have been re-stated for compliance with the revised versions of the IAS 1 and IAS 23 above mentioned, and by consolidation on a line-by-line basis, the operations in Turkey, no more sold, which have been previously classified, in accordance with IFRS 5, as discontinued operations.

As already noted in prior-year quarterly reports, a correct analysis of first-quarter data should remember that the first-quarter figures are only partially representative of a full-year trend, due to seasonal factors in the Group core business (construction materials sector), the timing of distribution of dividends by companies not consolidated on a line-by-line basis and the influence of trends on the financial markets.

Apart from the two situations described below, no material changes took place in the scope of consolidation with respect to 2008.

With regard to the notable influence of the voting trust (to which the Italmobiliare Group belongs through the subsidiaries Franco Tosi S.r.l. and Italcementi S.p.A.) on **RCS MediaGroup** (the voting trust members contributed shares representing 63.5% of capital), and in consideration of the fact that the majority of the trust members consolidate the investment with the equity method, it was deemed appropriate to classify RCS MediaGroup as an associate as from the end of 2008.

In the banking sector Finter Bank Zürich acquired the Swiss bank **Hugo Kahn**, which has been consolidated since October 2008.

ITALMOBILIARE

INFORMATION ON OPERATIONS

The sharp economic decline in the last quarter of 2008 continued in the early months of 2009. Although official first-quarter figures are not available, preliminary indicators all agree that the main industrialized nations suffered further large reductions in gross domestic product. Not only did economic difficulties deepen, they also tended to spread to the emerging countries, which are more heavily dependent on exports of manufactured goods.

Faced with exceptionally adverse conditions, economic policymakers have introduced equally exceptional remedies. The policy interest rates in the main advanced regions have been reduced to all-time lows and extensive use has also been made of unconventional measures to relax monetary policy. Sweeping packages providing direct economic support have been introduced through reductions in tax burden and increases in public spending, in particular in investments, as well as support and recapitalization for companies in the banking sector. Overall, these measures are designed to boost consumer and producer confidence and reactivate financial circuits. More recently, less absolutely negative signs have emerged, notably in the USA and China.

During the first quarter of 2009 the financial market continued to suffer from the repercussions of the worsening in the crisis in the second half of 2008, with consequences for debenture and equity prices.

In this context, in the first quarter of 2009 the Italmobiliare Group posted a total net loss of 2.9 million euro and a loss attributable to the Group of 28.0 million euro, compared respectively with a net profit of 48.1 million euro and a loss attributable to the Group of 18.9 million euro in the first quarter of 2008. These results arose from slacker performance in almost all Group sectors; the only exception was the financial sector, which, while recording a negative result, virtually halved the net loss posted in the year-earlier first quarter.

The other main economic results for the first quarter to March 31, 2009, were as follows:

- **Revenues**: 1,276.2 million euro compared with 1,430.9 million euro at March 31, 2008 (-10.8%);
- **Recurring EBITDA**: 165.2 million euro compared with 226.7 million euro at March 31, 2008 (-27.1%);
- **EBITDA**: 153.7 million euro compared with 227.9 million euro at March 31, 2008 (-32.5%);
- **EBIT**: 37.5 million euro compared with 116.6 million euro at March 31, 2008 (-67.9%);
- **Finance income and costs** (including exchange-rate differences and derivatives): net costs of 31.0 million euro compared with 36.8 million euro at March 31, 2008 (a percentage reduction of 15.8%);
- **Result before tax**: 13.9 million euro compared with 80.1 million euro at March 31, 2008 (-82.6%);

At the end of March 2009 **total shareholders' equity** was 5,423.7 million euro, compared with 5,488.2 million euro at December 31, 2008.

Net debt at March 31, 2009, was 2,605.3 million euro, compared with 2,571.9 million euro at the end of December 2008.

The changes in shareholders' equity and net debt produced a slight worsening in the gearing ratio, from 46.86% at the end of December 2008 to 48.04% at the end of March 2009.

Italmobiliare Net Asset Value (NAV) was 1,674.9 million euro at March 31, 2009 (1,911.0 million euro at the end of 2008).

Performance in the Italmobiliare Group core businesses is illustrated below:

- the **construction materials sector**, consisting of the Italcementi group (Italmobiliare's main industrial business), was affected by a decrease in sales volumes, mainly in the mature countries, while the slowdown was significantly smaller in the emerging countries as a whole, thanks to the upbeat mood on a number of markets (Egypt, Morocco). Sales volumes were severely affected by trends in January and February, due to the impact of the economic crisis and particularly unfavorable weather conditions. The rise in sales prices substantially counterbalanced the increase in variable costs caused by the continued impact of high energy prices in 2008. Costs were also driven up by non-recurring expenses connected with the closure of marginal plants, but benefited from containment of fixed costs as a result of measures introduced in all countries in the second half of 2008 and a positive exchange-rate effect. Under these conditions, group revenues decreased by 11.1% (-13.4% at constant size and exchange rates), while the reductions in recurring EBITDA and EBIT were 27.0% and 57.3% respectively. After decreases in net finance costs and income tax of 18.3% and 51.5% respectively, Italcementi group posted a net profit for the period of 20.1 million euro (82.2 million euro in the first quarter of 2008), with a net loss attributable to the group of 12.7 million euro (a net profit of 38.7 million euro in the first quarter of 2008);
- in the **food packaging and thermal insulation sector,** consisting of the Sirap Gema group, performance in the first quarter of 2009, as at the end of 2008, was affected by the impact of the economic crisis. Consolidated revenues fell by 9.1% to 54.8 million euro. The reduction in EBIT was smaller (-6.2%), due to the sharp decrease in prices of raw materials. The sector posted a net loss for the period of 2.2 million euro, compared with a net loss of 1.1 million euro in the year-earlier period; this downturn was due in part to higher finance costs caused mainly by a negative exchange-rate effect as a number of East European currencies devalued against the euro;
- the **financial sector,** which includes the parent company Italmobiliare and the wholly owned financial companies, reported a net loss of 17.8 million euro compared with a net loss of 34.7 million euro in the first quarter of 2008. The first-quarter loss, smaller than that of the year-earlier period, arose mainly as a result of write-downs on the equity and bond trading portfolios. Meanwhile, income from equity investments increased, while borrowing costs dropped significantly due to the lower level of debt and much lower interest rates;
- the **banking sector** comprises Finter Bank Zürich and Crédit Mobilier de Monaco. It reported a net profit of 0.4 million euro, down from 2.1 million euro in the first quarter of 2008, a decrease caused largely by a reduction in commission income and losses on the private portfolio;
- the **property sector, services and other** does not have a prominent role within the global context of the Group and therefore its results are not particularly significant.

On its separate financial statements as of March 31, 2009, the parent company Italmobiliare S.p.A. posted a net profit for the period of 31.2 million euro, compared with a net loss of 0.1 million euro in the year-earlier period. This significant improvement arose mainly as a result of larger dividends and lower net finance costs.

ITALMOBILIARE

GROUP BUSINESS AND FINANCIAL HIGHLIGHTS

Italmobiliare Group results for the first quarter of 2009 are summarized below:

(in millions of euro)	Q1 2009	Q1 2008	% change	Q1 2008 published
Revenues	**1,276.2**	**1,430.9**	***-10.8***	**1,386.4**
Recurring EBITDA	**165.2**	**226.7**	***-27.1***	**229.0**
% of revenues	*12.9*	*15.8*		*16.5*
Other income (expense)	(11.5)	1.2	*n.s.*	1.1
EBITDA	**153.7**	**227.9**	***-32.5***	**230.1**
% of revenues	*12.0*	*15.9*		*16.6*
Amortization and depreciation	(116.2)	(111.2)	*4.6*	(107.3)
Impairment variation	-	(0.1)	*n.s.*	(0.1)
EBIT	**37.5**	**116.6**	***-67.9***	**122.7**
% of revenues	*2.9*	*8.1*		*8.9*
Finance income (costs)	(31.0)	(36.8)	*-15.8*	(39.4)
Share of results of associates	7.4	0.4	*n.s.*	0.4
Profit before tax	**13.9**	**80.1**	***-82.6***	**83.7**
% of revenues	*1.1*	*5.6*		*6.0*
Income tax expense	(16.8)	(32.0)	*-47.5*	(31.7)
Net result from continuing operations	**(2.9)**	**48.1**	***n.s.***	**52.0**
% of revenues	*(0.2)*	*3.4*		*3.8*
Net result from discontinued operations	**-**	**-**		**(4.8)**
Net result for the period	**(2.9)**	**48.1**	***n.s.***	**47.2**
Net result attributable to the Group	**(28.0)**	**(18.9)**	***-48.3***	**(19.2)**
Minority interests	25.1	67.0	*-62.5*	66.4
Number of employees at period end	**23,388**	**24,389**		**23,498**

n.s not significant

(in millions of euro)	March 31, 2009	December 31, 2008
Net debt	**2,605.3**	**2,571.9**

Recurring EBITDA is the difference between revenues and expense excluding: other non-recurring income and expense, amortization and depreciation, impairment variation, finance income and costs, share of results of associates and income tax.
EBITDA reflects recurring EBITDA including other income and expense (non-recurring).
EBIT reflects EBITDA including amortization and depreciation and impairment variation.

Revenues and operating results by business sector and geographical area

(in millions of euro)	Q1							
	Revenues		Recurring EBITDA		EBITDA		EBIT	
Business sector	Q1 2009	% change vs. Q1 2008	Q1 2009	% change vs. Q1 2008	Q1 2009	% change vs. Q1 2008	Q1 2009	% change vs. Q1 2008
Construction materials	1,201.2	*-11.1*	188.9	*-27.0*	177.4	*-31.6*	64.6	*-57.3*
Packaging and insulation	54.8	*-9.1*	4.3	*0.2*	4.3	*0.2*	1.3	*-6.2*
Financial	18.8	*72.5*	(24.5)	*34.7*	(24.5)	*34.2*	(24.5)	*34.2*
Banking	9.3	*-22.7*	0.9	*-67.0*	0.9	*-66.9*	0.5	*-80.5*
Property, services, other	0.6	*-18.5*	-	*-46.2*	-	*-61.0*	-	*-67.1*
Inter-sector eliminations	(8.5)	*n.s.*	(4.4)	*n.s.*	(4.4)	*n.s.*	(4.4)	*n.s.*
Total	**1,276.2**	***-10.8***	**165.2**	***-27.1***	**153.7**	***-32.5***	**37.5**	***-67.9***
Geographical area								
European Union	737.0	*-20.2*	47.1	*-53.7*	44.4	*-56.8*	(17.5)	*n.s.*
Other European countries	36.4	*-41.0*	(1.5)	*n.s.*	(1.5)	*n.s.*	(5.6)	*-53.3*
North America	74.4	*-14.4*	(9.2)	*n.s.*	(9.5)	*n.s.*	(21.1)	*-97.6*
Asia	107.9	*1.3*	26.7	*1.3*	22.9	*-12.6*	11.9	*-24.9*
Africa	298.5	*33.0*	104.8	*12.8*	104.8	*12.9*	79.5	*12.9*
Trading	57.8	*-29.8*	1.9	*-73.4*	1.9	*-73.4*	0.6	*(91.0)*
Other and inter-area eliminations	-35.8	*-34.3*	(4.6)	*75.0*	(9.3)	*n.s.*	(10.3)	*n.s.*
Total	**1,276.2**	***-10.8***	**165.2**	***-27.1***	**153.7**	***-32.5***	**37.5**	***-67.9***

n.s. not significant

The 10.8% decrease in **revenues** compared with the year-earlier period reflected:

- the negative impact of the business slowdown, for -13.0%,
- the minimal impact of the changes in the scope of consolidation, for -0.1%, and
- the positive exchange-rate effect of 2.3%, mainly as a result of the appreciation of the Egyptian pound and the US dollar against the euro.

The slowdown in consolidated business activities arose in the construction materials sector, which reported a sharp decline in the mature countries offset only in part by growth in some emerging countries, in the packaging and insulation sector, where sales volumes fell in both lines of business, and in the banking sector; the financial sector achieved a significant growth.

Recurring EBITDA and **EBITDA** dropped respectively by 61.5 million euro (-27.1%) and 74.2 million euro (-32.5%) from the first quarter of 2008. With the sole exception of food packaging and thermal insulation, this decline arose in virtually all sectors, although the largest reduction in absolute terms came from the construction materials sector, while the largest reduction in percentage terms was reported by the banking sector.

After an increase in amortization and depreciation charges compared with the first quarter of 2008 (116.2 million euro, from 111.2 million euro), **EBIT** fell by 67.9%, from 116.6 million euro to 37.5 million euro.

Net finance costs, including net exchange-rate differences and derivatives, decreased by 5.8 million euro, from 36.8 million euro to 31.0 million euro, largely as a result of lower interest expense on borrowings

The **share of results of associates** increased significantly (7.4 million euro against 0.4 million euro).

As a consequence of the above figures, **result before tax** decreased by 82.6% to 13.9 million euro, from 80.1 million euro at March 31, 2008.

Despite an increase in the overall tax rate, **income tax expense**, at 16.8 million euro, was lower than the year-earlier charge (32.0 million euro) due to the reduction in profit before tax.

Italmobiliare Group posted a **net result for the period** of -2.9 million euro (net profit of 48.1 million euro in the year-earlier period); after net profit attributable to minority interests of 25.1 million euro (-62.5%), the **net result attributable to the Group** was -28.0 million euro (a net loss of 18.9 million euro at March 31, 2008).

Consolidated statement of comprehensive income

As noted above and explained in greater detail in the comments on the financial statements, in compliance with revised IAS 1 the Group has decided to present its consolidated statement of comprehensive income using two schedules. The first schedule reflects traditional income statement components and the net result for the period, while the second schedule, beginning with the net result for the period, presents other components of comprehensive income previously reflected only in the statement of movements in consolidated shareholders' equity: fair value gains and losses on available-for-sale financial assets and financial derivatives, translation gains and losses.
In the first quarter of 2009, the components of other comprehensive income showed a negative balance of 66.2 million euro (a negative balance of 454.3 million euro in the year-earlier period, due to fair value losses of 234.4 million euro on available-for-sale financial assets and translation differences of -214.2 million euro). Considering these components and the above-mentioned net loss for the period, total comprehensive income for the first quarter of 2009 was negative at 69.1 million euro (-105.0 million euro attributable to the Group and a positive amount of 35.9 million euro attributable to minorities). This compares with negative total comprehensive income of 406.2 million euro in the first quarter of 2008 (-273.4 million euro attributable to the Group and -132.8 million euro attributable to minorities).

Investments in fixed assets

Investments in fixed assets in the first quarter, including changes in payables/receivables relating to investment purchases, amounted to 183.7 million euro (277.8 million euro in the year-earlier period), of which 8.2 million euro for investments in non-current financial assets, a sharp reduction from 115.0 million euro in the first quarter of 2008. Almost all financial investments were in the construction materials sector, where a limited number of acquisitions took place.

Investments in property, plant and equipment and intangible assets amounted to 175.5 million euro (162.8 million euro in the first quarter of 2008) and arose largely in the construction materials sector in North America, the European Union and Africa.

Net debt

At March 31, 2009, net debt was 2,605.3 million euro, from 2,571.9 million euro at December 31, 2008. At March 31, 2009, the Calcestruzzi subgroup had an intercompany current account debit balance of 181.7 million euro in respect of Italcementi S.p.A. (175.4 million euro at December 31, 2008). The amount in question has been classified as a current financial asset in the Italcementi S.p.A. separate financial statements and consequently included in computation of Group net debt, which decreased by an identical amount.

The ratio of net debt to shareholders' equity was 48.04% at March 31, 2009, a slight worsening from 46.86% at December 31, 2008.

(in millions of euro)	March 31, 2009	December 31, 2008
Cash, cash equivalents and current financial assets	(1,635.2)	(1,573.5)
Short-term financing	1,291.0	1,245.5
Medium/long-term financial assets	(96.0)	(111.1)
Medium/long-term financing	3,045.5	3,011.0
Net debt of continuing operations	**2,605.3**	**2,571.9**

Financial indicators

(in millions of euro)	March 31, 2009	December 31, 2008
Net debt	2,605.3	2,571.9
Consolidated shareholders' equity	5,423.7	5,488.2
Gearing	**48.04%**	**46.86%**
Net debt	2,605.3	2,571.9
EBITDA before other income and expense	959.2	1,020.7
Leverage[1]	**2.72**	**2.52**

[1] Leverage has been computed on rolling-year income

CONSTRUCTION MATERIALS SECTOR

This sector, which is the Italmobiliare core industrial business, comprises the cement, ready mixed concrete and aggregates operations of the Italcementi group.

(in millions of euro)	Q1 2009	Q1 2008	% change	Q1 2008 published
Revenues	**1,201.2**	**1,351.1**	***-11.1***	**1,306.6**
Recurring EBITDA	**188.9**	**258.7**	***-27.0***	**260.9**
% of revenues	*15.7*	*19.1*		*20.0*
Other income (expense)	(11.5)	0.8	*n.s.*	0.7
EBITDA	**177.4**	**259.5**	***-31.6***	**261.6**
% of revenues	*14.8*	*19.2*		*20.0*
Amortization and depreciation	(112.8)	(107.9)	*4.5*	(104.0)
Impairment variation	-	(0.1)	*n.s.*	(0.1)
EBIT	**64.6**	**151.4**	***-57.3***	**157.5**
% of revenues	*5.4*	*11.2*		*12.1*
Finance income (costs)	(29.0)	(35.5)	*-18.3*	(38.1)
Share of results of associates	1.2	0.8	*50.0*	0.8
Result before tax	**36.9**	**116.8**	***-68.4***	**120.3**
% of revenues	*3.1*	*8.6*		*9.2*
Income tax expense	(16.8)	(34.6)	*-51.5*	(34.1)
Net result from continuing operations	**-**	**-**	**-**	**86.2**
% of revenues	-	-	-	*6.6*
Net result from discontinued operations	**-**	**-**	-	**(4.8)**
Net profit for the period	**20.1**	**82.2**	***-75.6***	**81.3**
Net result attributable to the group	**(12.7)**	**38.7**	*n.s.*	**37.9**
Minority interests	32.8	43.6	*-24.8*	43.4
Number of employees at period end	**21,787**	**22,827**		**21,936**

n.s. not significant

(in millions of euro)	March 31, 2009	December 31, 2008
Net debt	**2,689.5**	**2,679.3**

In the construction industry, the critical macroeconomic factors described above combined with the cyclical downturn underway in some countries to generate a sharp decline in business activities in the first quarter.
In some of the group’s European countries, prolonged adverse weather conditions exacerbated already seriously negative results, while in North America the recessionary trend in the residential segment, now in its fourth consecutive year, showed no signs of slackening.
Given a widespread slowdown in production, performance downturns were also reported in some of the group’s emerging countries, more frequently as a result of financial policy or domestic policy difficulties, while growth continued in other countries.

Sales volumes

	Q1 2009	% change vs. Q1 2008	
		Historic	At constant size
Cement and clinker *(millions of metric tons)*	12.9	*-12.8*	*-12.8*
Aggregates* *(millions of metric tons)*	9.1	*-23.9*	*-23.9*
Ready mixed concrete *(millions of m^3)*	2.5	*-23.4*	*-25.7*

* excluding outgoes on work-in-progress account

The sharp fall in sales volumes in the first quarter compared with the year-earlier period referred mainly to the first two months of the year, which also suffered from exceptionally poor weather conditions in a number of European countries. Although YoY performance continued to decline in March, the negative trend was less marked than in January and February.

In the **cement and clinker** segment, the reduction in sales volumes arose mainly in the mature countries and in Trading. The downturn was far milder in the emerging countries as a whole, although trends varied widely from country to country. Whereas Turkey, Thailand and Bulgaria reported significant slowdowns, Egypt and Morocco made positive progress, and the decline was contained in India.

Aggregates and ready mixed concrete reported a more severe fall than the cement segment, reflecting a general reduction in sales volumes on all markets, albeit at different dynamics.

Revenues, at 1,201.2 million euro, were down by 11.1% from the first quarter of 2008 due to the sharp decline in business operations (-13.4%), mitigated only in part by the positive exchange-rate effect (+2.4%) together with an immaterial consolidation effect (-0.1%).

Revenues increased in the emerging countries, notably in Eastern Europe and Southern Med Rim, where strong growth in Egypt and Morocco more than made up for the sharp decline in Turkey and Bulgaria. Nevertheless, this positive trend counterbalanced only in part the heavy fall reported in Central Western Europe, North America and Trading. At constant size and exchange rates, the largest reductions, in absolute values, were reported in Italy and France, while the highest negative growth rates were in Spain and North America.

The positive exchange-rate effect arose mainly as a result of the appreciation of the Egyptian pound and the US dollar against the euro.

In some countries, the revenue decline was accompanied by an extension in terms of payment as a consequence of the crisis, leading to the introduction of wider measures to contain collection times.

The significant fall in operating results stemmed chiefly from the reduction in sales volumes described above, particularly in the mature countries. The fact that sales prices remained at satisfactory levels almost everywhere counterbalanced the YoY increase in variable costs, which was particularly notable in January and February, in part due to use of fuel stocks procured at the high average prices of 2008.

The measures introduced as from 2008 to contain fixed costs (down by approximately 4.5% from the year-earlier period) produced significant results in all countries, confirming the turnaround that emerged in the fourth quarter of 2008.
In connection with these measures, during the first quarter Italy and Thailand reported non-recurring expense (12.3 million euro) for re-organizations to boost industrial efficiency.

Recurring EBITDA (188.9 million euro) and **EBITDA** (177.4 million euro) fell by 27.0 % and 31.6% respectively, while **EBIT** (64.6 million euro) was 57.3% down on the first quarter of 2008.
Operating results were negatively affected by performance in Central Western Europe, North America and Trading, whereas a strong positive contribution came from the emerging countries, notably Morocco, India and Egypt; Egypt in particular was assisted, in the first quarter, by a significant positive exchange-rate effect.

Result before tax, at 36.9 million euro (116.8 million euro in the year-earlier period), reflected the fall in operating results discussed above, but benefited from a reduction in net finance costs, which decreased from 35.5 million euro (Q1 2008) to 29.0 million euro in the quarter under review. This reduction, accompanied by positive exchange-rate differences balancing out negative foreign-exchange derivatives, arose from a number of factors, including the effect of the general fall in interest rates on sources of funds, income from equity investments, interest-rate derivatives and, in part, capitalization of finance costs (under the new IAS 23).
The decline in operating results generated **income tax expense** of 16.8 million euro, a significant decrease (-51.5%) from the first quarter of 2008; **net result for the period** was 20.1 million euro (82.2 million euro in the first quarter of 2008).

The increased weight of positive results at companies with significant minority interests (the Egyptian companies in particular) and the losses reported by companies with low or zero minority interests generated a **group net loss** of 12.7 million euro (group net profit of 38.7 million euro in the first quarter of 2008); the **result attributable to minority interests** remained positive (32.8 million euro, from 43.6 million euro in the year-earlier period).

Net debt at March 31, 2009, was 2,689.5 million euro, a small increase (10.2 million euro) from December 31, 2008 (2,679.3 million euro).
The increase arose mainly from first-quarter cash flows for investing activities (179.0 million euro, of which capital expenditure for 171.4 million euro and investments in non-current financial assets for 7.6 million euro) and other outflows for 46.7 million euro, which were not covered in full by cash flows from operating activities (215.5 million euro).
At March 31, 2009, the Calcestruzzi subgroup had an intercompany current account debit balance of 181.7 million euro in respect of Italcementi S.p.A. (175.4 million euro at December 31, 2008). The amount in question has been classified as a current financial asset in the Italcementi S.p.A. separate financial statements and consequently included in computation of group net debt, which decreased by an identical amount.

Significant events in the period

On February 16, 2009, the Italcementi S.p.A. Board of Directors examined and gave preliminary unanimous approval to a proposal setting out guidelines for a simplification of the group corporate structure through the **upstream merger of the subsidiary Ciments Français into and with the parent company Italcementi** (which already holds 81.94% of share capital). The plan, to be executed in compliance with the European directive on cross-border mergers, with no cash outlays involved, is designed to achieve a significant rationalization of the group's corporate and industrial structure without affecting its investment capacity and growth potential. The share swap rate proposed in the plan and confirmed by the advisors' analyses is 8.25 new ordinary Italcementi shares for each ordinary Ciments Français share; this rate bears an implicit premium of 12.9% with respect to the average Ciments Français share price in the last 3 months (weighted average price). Considering current shareholdings, the issued capital of Italcementi and Ciments Français and the planned share swap rate, after the merger the controlling company Italmobiliare will retain a shareholding in Italcementi of 47% of voting capital. The plan, designed to create a company with higher capitalization and a larger overall free float, envisages listings for both classes of shares, ordinary and savings, of the post-merger company on the Euronext Paris market while maintaining the listing with Borsa Italiana. No repercussions are foreseen on employment and the offices in France will be maintained as the headquarters of a "permanent organization". It is expected that the Boards of Directors of Italcementi and Ciments Français will be called to deliberate on the merger plan during the month of May, the respective extraordinary Shareholders' Meetings in June and that the transaction could be completed by the end of the second half of 2009.
On May 5, 2009, the Ciments Français Board of Directors approved the distribution of an extraordinary dividend of 4 euro per share, conditional upon execution of the merger. The following day the Italcementi Board of Directors expressed a positive opinion on the decision of the Ciments Français Board of Directors.

After the merger plan was announced, **Moody's Investor Services** confirmed the Italcementi Baa2 rating, and placed the Ciments Français Baa1 rating under review for possible downgrade. **Standard and Poor's**, which a few days earlier had confirmed its BBB long-term rating for Italcementi and for Ciments Français and downgraded the outlook from stable to negative, again confirmed the BBB long-term rating.

In March, **International City for Concrete**, the equally owned ready mixed concrete joint venture set up by Italcementi and Arabian Cement Company, opened one of the world's largest ready mixed concrete plants (approximately 1 million cubic meters) in Rabigh, **Saudi Arabia**, to meet the high demand generated by the works for the construction of King Abdullah Economic City.

At the end of March at the **European Coating Show in Nuremberg,** Italcementi presented **Alipre®**, its **new range** of environment-friendly hi-tech products based on sulfur aluminate clinker. Alipre® marks a further expansion in the group product portfolio, with sulfur aluminate cement ideal for a variety of ready mixed formulations. It is an example of a hi-tech product created with an environmentally sustainable production cycle guaranteeing far lower energy consumption and CO_2 emissions than common cement based on Portland clinker.

Performance by geographical area

(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
Geographical area	**Q1 2009**	**% change vs. Q1 2008**	**Q1 2009**	**% change vs. Q1 2008**	**Q1 2009**	**% change vs. Q1 2008**	**Q1 2009**	**% change vs. Q1 2008**
Central Western Europe	644.0	*-21.8*	63.2	*-49.5*	60.5	*-52.0*	4.0	*-94.3*
North America	74.4	*-14.4*	(9.2)	*n.s.*	(9.5)	*n.s.*	(21.1)	*97.6**
Eastern Europe and Southern Med Rim	348.0	*15.1*	110.5	*8.4*	110.4	*8.3*	79.0	*8.9*
Asia	107.9	*1.3*	26.7	*1.3*	22.9	*-12.6*	11.9	*-24.9*
Cement and clinker trading	57.8	*-29.8*	2.0	*-73.4*	2.0	*-73.4*	0.6	*-91.0*
Other and elimination of inter-area trading	(30.9)	*n.s.*	(4.2)	*n.s.*	(8.9)	*n.s.*	(9.9)	*n.s.*
Total	**1,201.2**	***-11.1***	**188.9**	***-27.0***	**177.4**	***-31.6***	**64.6**	***-57.3***

n.s. not significant
* increase in an already negative result in the year-earlier period

Central Western Europe

In Central Western Europe 2009 first-quarter revenues fell by 21.8%, due to unfavorable meteorological conditions and a reduction in consumption due to the economic crisis, particularly in the building sector, which hit all countries in the area, notably Spain and Italy.
The decline was even larger in operating results, since changes in prices, which on average were positive (increases in some countries, decreases in others), and containment of fixed costs were not sufficient to counterbalance the reduction in sales volumes and rise in variable costs, which were driven up by the continuing impact of the high prices of energy procured in 2008.

North America

In a declining economic situation, the crisis in the residential sector continued in the first quarter with a sharp fall in demand for cement.
Under these conditions, the negative trend in group cement sales volumes reported in the fourth quarter of 2008 worsened with a drop of 29.2%, substantially in line with the market trend.
Sales prices were stable, even if mainly as result of the territorial mix they made a small positive contribution compared with the first quarter of 2008.
The decrease in operating results, generated by the sharp fall in volumes, was offset in part by structural measures to contain operating expenses.

Eastern Europe and Southern Med Rim

The area as a whole reported higher revenues and operating results, although trends varied among the different countries.
In **Egypt** demand continued to rise driven by the residential sector and tourism. The improvement in sales volumes, together with a sharp increase in prices, produced a very significant improvement in revenues and EBITDA.
Cement consumption dropped in **Morocco**, after the slowdown in growth of the second half of 2008. Nevertheless the group successfully increased sales volumes by raising market share. The rise in sales volumes and higher prices produced an improvement in EBITDA.

Bulgaria felt the effects of the world crisis only at the beginning of 2009 and reported a contraction of one third in market demand. Despite a significant rise in prices (+14.6%), the decrease in sales volumes, which was smaller than the reduction in demand, produced a significant decrease in EBITDA.
In **Turkey**, after two years of slowdown, the economy went into a recession, with particularly severe repercussions for constructions. Despite the sharp fall in prices caused by surplus production capacity, EBITDA remained at 2008 levels thanks to containment of costs.

Asia

Trends also varied among the various Asian countries where the group operates.
In **Thailand** demand fell and competitive market pressures intensified. Operating results were down due to a reduction in sales volumes and average sales prices, and the rise in fuel costs was offset only in part by the savings achieved through the restructuring program.
In **India** operating results improved thanks to a favorable price trend, and were limited only in part by the decrease in volumes and the devaluation of the rupee.
China reported a strong improvement in operating results generated by higher sales volumes, contrasted in part by the increase in operating expenses (chiefly the cost of coal).
With the world crisis, market conditions continued to worsen in **Kazakhstan,** leading, in particular, to a freeze on infrastructure projects. Under these conditions, the sharp decease in prices and volumes produced a significant fall in EBITDA.

Trading

Intragroup and third-party **cement and clinker** sales volumes dropped by 39.2% in the first quarter from the year-earlier period.
A decline in volumes as a result of slacker markets and fiercer competition was reported by all group terminals with the exception of Albania (+20%), where public investments in the run-up to the June elections buoyed operations.
The decrease in volumes and sales margins produced a heavy fall in operating results.

E-business

Consolidated revenues at BravoSolution S.p.A. for the first quarter to March 31, 2009, totaled 11.7 million euro, a healthy improvement (+9.9%) on the year-earlier period (10.6 million euro). First-quarter EBITDA was 0.7 million euro (0.3 million euro in 2008), while EBIT broke even as in 2008.

Significant events after the end of the first quarter

Apart from the developments concerning the merger of Ciments Français with Italcementi, described above, no other significant events took place after the end of the first quarter of 2009.

Calcestruzzi

On April 20, 2009, the Calcestruzzi S.p.A. Board of Directors noted the results of the company as of March 31, 2009, as follows:

- revenues of 76.5 million euro (-25% on 101.9 million euro in the first quarter of 2008);
- negative recurring EBITDA of 6.4 million euro (-0.2 million euro in the first quarter of 2008);
- negative EBIT for 8.1 million euro (-2.6 million euro in the first quarter of 2008);
- a net loss for the period of 8.9 million euro (-3.3 million euro in the first quarter of 2008);
- net debt of 160.8 million euro (net debt of 159.8 million euro at December 31, 2008).

Including the results of the other companies in the Calcestruzzi group, Italcementi S.p.A. drew up the consolidated balance sheet and income statement for the Calcestruzzi group as of March 31, 2009, as follows:

- revenues of 95.6 million euro (-25.2% on 127.9 million euro in the first quarter of 2008);
- negative recurring EBITDA of 7.4 million euro (break-even in the first quarter of 2008);
- negative EBIT of 10.4 million euro (-3.6 million euro in the first quarter of 2008);
- a net loss of 11.4 million euro (net profit of 3.7 million euro in the first quarter of 2008);
- shareholders' equity of 101.8 million euro (111.1 million euro at December 31, 2008);
- net debt of 190.5 million euro (189.5 million euro at December 31, 2008).

Full-year outlook

The uncertain international economic outlook makes it difficult to draw up a full-year forecast at this time. Given the current situation in the countries where the group operates, second-quarter performance is expected to be in line with the first quarter, reflecting reduced sales volumes, relatively stable sales prices and the impact of use of fuel stocks procured at the previously higher prices.
The corrective measures already introduced to lower break-even and the decrease in energy costs suggest a less difficult second half if sales prices remain steady and the expected decline in volumes becomes less negative, considering the lower profile of the second half of 2008 and the impact of the first benefits of government measures to support the economy.

FOOD PACKAGING AND THERMAL INSULATION SECTOR

The Group is present in food packaging and thermal insulation through Sirap Gema S.p.A. and its subsidiaries. The table below summarizes the income statement for this sector.

(in millions of euro)	Q1 2009	Q1 2008	% change	Full year 2008
Revenues	**54.8**	**60.3**	***-9.1***	**264.3**
Recurring EBITDA	**4.3**	**4.3**	**-**	**25.1**
% of revenues	*7.9*	*7.1*		*9.5*
Other income (expense)	-	-		-
EBITDA	**4.3**	**4.3**	**-**	**25.1**
% of revenues	*7.9*	*7.1*		*9.5*
Amortization and depreciation	(3.0)	(2.9)	*3.2*	(12.1)
Impairment variation	-	-		-
EBIT	**1.3**	**1.4**	***-6.2***	**13.0**
% of revenues	*2.4*	*2.3*		*4.9*
Finance income (costs)	(3.0)	(2.3)	*30.4*	(10.7)
Result before tax	**(1.7)**	**(0.9)**	*-87.5*	**2.3**
% of revenues	*(3.0)*	*(1.5)*		*0.9*
Income tax expense	(0.5)	(0.2)	*n.s.*	(0.1)
Net result for the period	**(2.2)**	**(1.1)**	*-101.5*	**2.2**
Net result attributable to the group	**(2.2)**	**(1.1)**	*-109.0*	**2.1**
Minority interests	n.s.	n.s.	*n.s.*	0.1
Number of employees at period end	**1,375**	**1,358**		**1,396**

n.s. not significant

(in millions of euro)	March 31, 2009	December 31, 2008
Net debt	**139.1**	**140.9**

Performance in the first quarter of 2009, as at the end of 2008, was affected by the impact of the economic crisis. Generally speaking, the decrease in volumes and a tendency to shift toward cheaper products produced strong pressures on sales prices, which the group was not always able to contain. Meanwhile, margins were supported by a sharp decrease in polymer prices, which remained at significantly lower levels than in the year-earlier period, and by a marketing policy focused more strongly on protecting margins.

Consolidated revenues were down 9.1% mainly due to lower sales volumes (especially in the insulation segment) and to translation differences as a result of the appreciation of the euro against the East European currencies (with an impact of approximately 3% on the total).

EBIT was 1.3 million euro, slightly down (-6.2%) on the first quarter of 2008 after a recovery in food packaging which substantially offset the decline in insulation. EBIT also reflected the negative impact of the devaluation of the East European currencies against the euro.

Net finance costs (3.0 million euro) increased significantly (0.7 million euro) largely as a result of the negative exchange-rate effect and, to a more limited extent, given the reduction in interest rates, the increase in average borrowings for the period.

Income tax expense rose by approximately 0.3 million euro due to the enlargement of the taxable base in countries subject to higher taxation (Italy and France).

The rise in finance costs and tax produced a **net loss for the period** (2.2 million euro), an increase on the net loss of the year-earlier period (1.1 million euro).

Net debt was 139.1 million euro, a small decrease compared with December 31, 2008, due to containment of working capital, but significantly higher than at March 31, 2008.

Investments in fixed assets totaled 3.8 million euro (5.9 million euro in the first quarter of 2008) and referred mainly to the construction of the new Inline food packaging plant in Poland. The other main investment projects have been suspended pending developments in the crisis.

Significant events in the period

No significant events took place in the first quarter.

Performance by business and geographical area

(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	Q1 2009	**% change vs.Q1 2008**	**Q1 2009**	**% change vs.Q1 2008**	**Q1 2009**	**% change vs.Q1 2008**	**Q1 2009**	**% change vs.Q1 2008**
Food packaging								
Italy	23.9	*-4.9*	2.2	*-16.0*	2.2	*-16.0*	0.4	*-64.3*
France	6.2	*5.3*	0.5	*n.s.*	0.5	*n.s.*	0.3	*n.s.*
Other EU countries	14.0	*-11.2*	0.6	*22.8*	0.6	*22.8*	0.2	*n.s.*
Other non-EU countries	4.7	*-11.0*	-	*n.s.*	-	*n.s.*	(0.1)	*n.s.*
Eliminations	(4.3)							
Total	**44.5**	***-6.2***	**3.3**	***7.2***	**3.3**	***7.2***	**0.8**	***38.7***
Thermal insulation	**11.9**	***-20.8***	**1.0**	***-16.9***	**1.0**	***-16.9***	**0.5**	***-34.9***
Eliminations	(1.6)		-		-		-	
Total	**54.8**	***-9.1***	**4.3**	***-***	**4.3**	***-***	**1.3**	***-6.2***

n.s. not significant

Food packaging

Demand for foamed food packaging was substantially unchanged since consumption of white meat (which is cheaper) offset the decline in consumption of red meat.

Faced with aggressive competition from other players, Sirap implemented measures to protect profitability by giving margins priority over volumes, on both the Italian and the French markets. This policy, together with action to improve efficiency and the reduction in polymer prices, kept EBIT steady in **Italy** and produced a significant improvement in EBIT in **France** compared with the year-earlier period (+0.3 million euro compared with -0.6 million euro).

At **Amprica**, demand for transparent containers in Western Europe dropped significantly compared with the first quarter of 2008, particularly for ready-to-eat vegetables. The company's margins were also affected by the rise of the euro against the other currencies (a reduction in export volumes) and by the use of semifinished goods with a high raw-material cost.

The effects of the crisis were more severe in the East European countries, where the reduction in spending on food had a heavier impact on demand for packaging products. Nevertheless, excluding the very significant exchange-rate effect, the **Inline** group reported turnover growth and higher profitability. The **Petruzalek** group suffered from the exchange-rate effect and lower container sales volumes, and also from a decrease in sales of food packaging machinery as a result of the credit squeeze in the countries where it operates.

Thermal insulation

The general decline in demand as a result of the fall in investments in the building sector generated a reduction in sales volumes over the entire product range. As a result, first-quarter revenues fell by 20.8% compared with the year-earlier period.

EBIT (0.5 million euro, -34.9% from 2008) reflected the impact of the fall in revenues, especially from products with higher added value such as prefabricated products, and consequently the higher proportion of fixed costs in relation to lower production volumes.

Disputes and proceedings pending

No developments took place compared with the situation as described in the 2008 annual report.

Significant events after the end of the first quarter

No significant events took place after the end of the first quarter of 2009.

Full-year outlook

The 2009 full-year result is uncertain and depends on developments in the economic crisis currently affecting all the countries where the Sirap group operates: the impact on consumption and investments and the responsiveness of local economies are elements that are difficult to asses and duly pondered considerations will only be possible later in the year, once indications of stable trends emerge.

FINANCIAL SECTOR

The financial sector includes the parent company Italmobiliare and the wholly owned financial companies: Franco Tosi S.r.l., Sance S.r.l., Italmobiliare International Finance Limited (Dublin), Société de Participation Financière Italmobiliare S.A. (Luxembourg), SG Finance S.A. (Luxembourg), Soparfinter S.A. (Luxembourg), Fincomind A.G. (Switzerland).

(in millions of euro)	Q1 2009	Q1 2008	% change	Full year 2008
Revenues	18.8	10.9	*72.5*	130.9
EBIT	(24.5)	(37.3)	*34.2*	(78.5)
Net result for the period	**(17.8)**	**(34.7)**	***48.8***	**(124.0)**

n.s. not significant

(in millions of euro)	March 31, 2009	December 31, 2008
Net financial position	135.3	160.6
Shareholders' equity	1,100.6	1,187.9
Number of employees at period end	49	47

Results in accordance with the financial model

Given the specific nature of the financial sector, to permit full understanding of performance the table below sets out the results of the sector in the format normally used for financial companies. This reflects:

- “Net income on equity investments”, which includes, with regard to available-for-sale investments, dividends received, capital gains and losses on divestments of equity investments, and adjustments to the value of these financial assets;
- “Net income (expense) from cash investments”, which includes interest income on bank coupons and deposits, value adjustments to securities and trading equities, capital gains/losses on the sale of trading securities, income/expense on trading derivatives;
- “Net debt charges”, which essentially reflect interest expense on financing, bank commissions and costs;
- “Other income and expense”, which includes employee expenses and operating expenses for the financial structure, net of amounts recovered from other Group companies, as well as changes in provisions for risks.

(in millions of euro)	Q1 2009	Q1 2008	% change	December 31, 2008
Net income on equity investments	10.2	-	*n.s.*	35.0
Net income (expense) from cash investments	(21.1)	(25.4)	*-16.8*	(122.8)
Net debt charges	(4.3)	(8.1)	*-47.2*	(26.9)
Total financial income and expense	**(15.2)**	**(33.5)**	***54.6***	**(114.7)**
Other income and expense	(3.2)	(4.3)	*-27.4*	(17.4)
Income tax expense	0.6	3.1	*-81.0*	8.1
Net result for the period	**(17.8)**	**(34.7)**	***48.8***	**(124.0)**

n.s. not significant

Net income on equity investments totaled 10.2 million euro, compared with virtually zero in the first quarter of 2008. This strong improvement arose essentially from higher dividends from subsidiaries not in the financial sector (3.5 million euro against 0.4 million euro) and the improvement in the net profit reported by the associate Mittel (6.2 million euro against -0.5 million euro).

Net income (expense) from cash investments in the first quarter of 2009 was negative once again, at 21.1 million euro, an improvement of 4.3 million euro from net expense of 25.4 million euro in the year-earlier period. The improvement was due to an increase in positive components (from 9.5 million euro to 13.4 million euro) and to almost stable negative components (34.6 million euro in the first quarter of 2009 against 34.9 million euro in the year-earlier period). The financial markets continued to decline in the first quarter of 2009, as the downturn of the second half of 2008 continued, despite improvements in some weeks of the first quarter.
Fair value adjustments to our portfolios involved a series of write-downs, although overall these were slightly smaller than those of the first quarter of 2008. Market trends in the first quarter also generated a number of gains.

Net debt charges were significantly smaller (-3.8 million euro) than those of the year-earlier period due to a lower level of borrowings and far lower interest rates.

As a result of movements on individual components, **total net financial income and expense** reflected expense of 15.2 million euro, an improvement of 54.6% over the year-earlier period, which also reported net expense.

The balance on **other income and expense** was negative at 3.2 million euro (expense of 4.3 million euro in the first quarter of 2008). The decrease in net expense arose from the increase in income, offset only in part by higher expense.

After a smaller positive income tax posting (0.6 million euro against 3.1 million euro), the sector reported a net loss for the period of 17.8 million euro, virtually half the net loss of 34.7 million euro posted in the first quarter of 2008.

As noted in the introduction to this report, analysis of results should consider that the first quarter is only partially representative of a full-year trend, due to the timing of dividends of companies not consolidated on a line-by-line basis and to the difficulty of forecasting trends on the financial markets.

The companies in the financial sector hold substantial equity investments, the majority classified as ”Available for sale”. The fair value changes in these investments, excluding consolidated investments carried at cost, are reflected in shareholders' equity under the “Fair value reserve”. At March 31, 2009, the consolidated fair value reserve of the financial sector stood at –28.8 million euro, down by 72.0 million euro from December 31, 2008. Although the reserve is negative, it is retained since stock market values, which were still very low at the end of March 2009, are currently considered not to reflect lasting values.

ITALMOBILIARE

Significant events in the period

In the first quarter of 2009 Italmobiliare collected a sum of 35 million euro from Italmobiliare International Finance as reimbursement of a capital contribution.

In February 2009 Italmobiliare underwrote Unicredit Cashes for a nominal value of 10 million euro.

At the end of March Italmobiliare sold Italmobiliare International BV for 19,500 euro, corresponding to the value of shareholders' equity.

Net financial position of Italmobiliare and the financial sector

The table below provides an itemized description of the net financial positions of the parent company Italmobiliare S.p.A and the financial sector, which includes the parent company Italmobiliare S.p.A. and the wholly owned financial companies.

	March 31, 2009		December 31, 2008	
(in thousands of euro)	**Italmobiliare**	**Financial sector[1]**	**Italmobiliare**	**Financial sector[1]**
Cash, cash equivalents and current financial assets	152,630	471,647	120,414	525,717
Short-term financing	(176,525)	(175,807)	(166,936)	(166,252)
Short-term net financial position	**(23,895)**	**295,840**	**(46,522)**	**359,465**
Medium/long-term financial assets	7,311	64,648	9,231	66,902
Medium/long-term financing	(225,200)	(225,200)	(265,780)	(265,780)
Medium/long-term financial position	**(217,889)**	**(160,552)**	**(256,549)**	**(198,878)**
Net financial position	**(241,784)**	**135,288**	**(303,071)**	**160,587**

[1] consisting of: Italmobiliare S.p.A. - Italmobiliare International Finance Ltd. - Société de Participation Financière S.A. - Franco Tosi S.r.l. Fincomind A.G. - Soparfinter S.A. - Sance S.r.l. - SG Finance S.A.

Italmobiliare had net debt of 241.8 million euro at March 31, 2009 (303.1 million euro at December 31, 2008), after reimbursement of capital contributions for 35 million euro and collection of dividends for 33.9 million euro, against investments of 0.6 million euro and net finance costs, portfolio write-downs and current expense totaling 7.0 million euro.

The financial sector had a positive consolidated net financial position of 135.3 million euro (160.6 million euro at December 31, 2008), a decrease of 25.3 million euro due mainly to lower values of financial assets included in the net financial position.

Significant events after the end of the first quarter

In April 2009 the Shareholders' Meeting of Franco Tosi S.r.l. decided to replenish the loss of 96.4 million for the year to December 31, 2008, by:

1. using total balance sheet reserves for 12.6 million euro;
2. reducing share capital to 6.2 million euro to cover the residual loss (83.8 million euro).

The meeting also decided to increase the share capital up to 50 million euro through issue of a nominal 43.8 million euro, with a share premium of 56.2 million euro. The increase has been subscribed in full (100 million euro) by the sole shareholder Italmobiliare S.p.A. through use of non-interest-bearing financing due to Franco Tosi S.r.l. for the amount in question.
This transaction had no economic impact on the Group consolidated financial statements and financial sector ones, nor on the separate financial statements of Italmobiliare S.p.A..

Full-year outlook

As noted in the annual report, results in the financial sector depend on dividend inflows and trends on the financial markets. Based on early indications, dividends from companies outside the sector are expected to be significantly lower, while uncertainty is high with regard to future trends in interest rates, developments on the financial markets (mainly the equities and bond markets) and the crisis in the real economy. For these reasons, it is extremely difficult at this time to provide any reliable forecast for full-year earnings in this sector.

BANKING SECTOR

The banking sector is composed of two wholly owned banks: Finter Bank Zürich and Crédit Mobilier de Monaco.

(in millions of euro)	Q1 2009	Q1 2008	% change	Full year 2008
Revenues	9.3	12.0	*-22.7*	42.5
EBIT	0.5	2.4	*-80.5*	4.5
Net result for the period	**0.4**	**2.1**	***-80.7***	**4.1**

(in millions of euro)	March 31, 2009	December 31, 2008
Net financial position	79.3	79.5
Total shareholders' equity	100.4	100.7
Number of employees at period end	164	165

Results in accordance with the banking model

Given the specific nature of the banking sector, to permit full understanding of performance, the table below sets out the results of the sector in the format normally used for banks. It shows:

- “Net interest income”, which reflects the balance on interest income and dividends received net of amounts paid to clients;
- “Intermediation margin”, which includes commission income and expense on lending transactions, on securities trading, other financial services and income on trading transactions. It also includes insurance operations conducted through the Finter Life subsidiary;
- “Gross operating profit”, which includes employee expenses and overheads for the banking organization;
- “Profit from operations”, which includes amortization and depreciation, adjustments to asset values and provisions.

(in millions of euro)	Q1 2009	Q1 2008	% change	Full year 2008
Net interest income	1.6	1.6	*-1.8*	7.0
Intermediation margin	9.5	10.7	*-10.8*	38.8
Gross operating profit	1.0	2.8	*-62.5*	6.5
Profit from operations	0.5	2.4	*-80.5*	4.5
Net profit for the period	**0.4**	**2.1**	***-80.7***	**4.1**

The sector reported a downturn in results, which consisted almost entirely of the results of Finter Bank Zürich.

Finter Bank Zürich

In the first quarter of 2009 the Finter Bank Zürich group reported a decrease in consolidated revenues from 18.0 to 13.4 million Swiss francs (-25.7% on the year-earlier period). This was due to a reduction in commission income (11.2 million Swiss francs against 13.4 million Swiss francs) on client transactions, a decrease in interest income (2.0 million Swiss francs from 2.3 million Swiss francs) counterbalanced in part by a reduction in interest expense, and other minor items. Trading transactions on the private portfolio also generated a net loss of 0.7 million Swiss francs, compared with a net gain of 1.6 million Swiss francs in the year-earlier period.

A moderate increase in management costs, a positive balance on other operating income and expense of 0.2 million Swiss francs (net expense of 1.5 million Swiss francs in the year-earlier period) and a rise in amortization and depreciation from 0.5 to 0.6 million Swiss francs pushed EBIT down to 0.6 million Swiss francs, a decrease of 3.2 million Swiss francs from the year-earlier period.

Consolidated net profit after tax was 0.5 million Swiss francs compared with 3.2 million Swiss francs in the year to March 31, 2008.

The Finter Life insurance company (owned 90% by Finter Bank Zürich and consolidated on a line-by-line basis) began operations in 2007. It posted a higher than expected net loss of 0.4 million Swiss francs, after reporting losses on asset investments.

The consolidated shareholders' equity of Finter Bank Zürich increased from 140.9 million Swiss francs at December 31, 2008, to 143.3 million Swiss francs at March 31, 2009; in addition to net profit for the quarter, shareholders' equity also benefited from a gain on the translation into Swiss francs of the Bahamas-based subsidiary denominated in dollars.

Assets under management stood at 5.7 billion Swiss francs at March 31, 2009. The decrease from the end of 2008 was due to the decline on the financial markets and the consequent reduction in asset values, as well as to the effect of the appreciation of the Swiss franc against the dollar and the euro. Client inflows and outflows virtually balanced out, with a small net inflow.

Crédit Mobilier de Monaco

Crédit Mobilier de Monaco is a bank in Monaco whose main activity is guarantee-backed loans. Net profit in the first quarter was stable at 43,000 euro compared with March 31, 2008. The small decrease in net interest income was countered by lower administrative expenses.

Significant events in the period

At the Bank Hugo Kahn extraordinary shareholders' meeting on March 6, 2009, all assets relating to banking operations were transferred to Finter Bank Zürich, with retroactive effect from January 1, 2009. Bank Hugo Kahn & Co. Ltd. has changed its name to Finance Company Hugo Kahn & Co. Ltd.
The banking license is due to be returned to the Swiss Federal Bank Commission (FBC) in the next few weeks, once all the legal procedures have been completed. This was required by the Swiss FBC as a condition for approval of the acquisition of Bank Hugo Kahn and is the reason why the word “bank” does not appear in the new name.
The December 31, 2008, closure of Bank Hugo Kahn was performed in compliance with regulatory requirements. As from January 1, 2009, all reports to be made to the Swiss National Bank and the FBC have been drafted by Finter Bank Zürich.

Significant events after the end of the first quarter

No significant events took place after the end of the first quarter.

Full-year outlook

The uncertainty on the markets in general and on the financial markets in particular makes it difficult to draw up a reliable full-year forecast for the banking sector. Management is nonetheless intent on continuing current programs with a significant reduction in personnel and on planning other initiatives that may be needed to achieve a stable reduction in costs and boost revenues. In any case, full-year earnings are likely to be down on those of 2008.

PROPERTY SECTOR, SERVICES AND OTHER

This sector includes a number of real estate companies and services companies. The services companies essentially provide services within the Group.

At March 31, 2009, revenues in the sector amounted to 0.7 million euro, slightly down on the year-earlier period (0.8 million euro). The sector posted a net profit of 0.1 million euro (0.3 million euro at March 31, 2008).

The sector is of marginal importance to Group results.

DEALINGS WITH RELATED PARTIES

For the purposes of the consolidated financial statements, dealings with related parties were with:

- subsidiaries not consolidated on a line-by-line basis;
- associates;
- other related parties.

All dealings with related parties – exchanges of goods, services and financial relations – were conducted at normal market conditions.

No atypical or unusual transactions took place during the first quarter.

Dealings with subsidiaries and associates

Dealings with subsidiaries not consolidated on a line-by-line basis and with associates are of a commercial nature (exchange of goods and/services) and financial nature.
Italmobiliare also provides “administrative services” for a number of associates, regulated on the basis of the costs of the services in question.

Calcestruzzi
After the deconsolidation of the Calcestruzzi subgroup, all economic and financial transactions with the subgroup are included under dealings with related parties. Italcementi S.p.A. and subsidiaries sold goods and services to Calcestruzzi S.p.A. and its subsidiaries for 31.5 million euro and charged net finance costs for 1.0 million euro.

Dealings with other related parties

Dealings with related parties in the first quarter were as follows:

- administrative, financial, contractual and fiscal consultancy services, supplied to the Italmobiliare Group by Finsise S.p.A., whose majority shareholder is Italo Lucchini, Deputy Chairman of Italmobiliare, for considerations totaling approximately 72,900 euro, while the share of the consideration accrued by Mr Lucchini as a director of Ciments Français S.A. was 5,000 euro;
- consultancy services for the senior management of Italmobiliare in relation to the rationalization and development of Group activities, provided by Piergiorgio Barlassina, a director of Italmobiliare, for considerations totaling 62,500 euro;
- legal consultancy, judicial and extrajudicial assistance provided to Italmobiliare by the associate professional studio Dewey & LeBoeuf, of which Italmobiliare director Luca Minoli is a partner, for considerations totaling 20,000 euro;

Under the terms of the contract for the supply of corporate administration services and costs sustained on behalf of the Italcementi Cav. Lav. Carlo Pesenti foundation, Italcementi S.p.A. charged the foundation an amount of approximately 43,000 euro, while CTG S.p.A. provided the foundation with services for approximately 7,000 euro.

OUTLOOK

The macroeconomic scenario remains very uncertain and, as indicated in March in the annual report for the year to and as at December 31, 2008, the severe financial crisis has now spread to the real economy. A number of sometimes contradictory signs offer hope for a future recovery in the economic cycle, although the timing is still unclear.

2009 will be a year of very difficult economic conditions that are not easily identifiable. For this reason, and based on the projections provided above for the individual sectors in which the Group operates, it is currently difficult, after only one quarter, to draw up a reliable outlook for the consolidated results to be achieved this year.

CONSOLIDATED QUARTERLY SITUATION

Financial statements

Consolidated income statement

(in thousands of euro)	Q1 2009	%	Q1 2008 re-stated	%	Change	%	Q1 2008 published	%
Revenues	**1,276,209**	**100.0**	**1,430,874**	**100.0**	**(154,665)**	**-10.8**	**1,386,353**	**100.0**
Other revenues	20,907		13,135		7,772		13,087	
Change in inventories	(17,583)		15,632		(33,215)		8,613	
Internal work capitalized	9,005		6,470		2,535		6,470	
Goods and utilities expenses	(500,332)		(581,312)		80,980		(546,896)	
Services expenses	(280,318)		(320,734)		40,416		(312,086)	
Employee expenses	(253,424)		(254,867)		1,443		(246,910)	
Other operating income (expense)	(89,240)		(82,470)		(6,770)		(79,645)	
Recurring EBITDA	**165,224**	**12.9**	**226,728**	**15.8**	**(61,504)**	**-27.1**	**228,986**	**16.5**
Net capital gains on sale of fixed assets	747		5,325		(4,578)		5,263	
Non-recurring employee expenses for re-organizations	(12,340)		(4,340)		(8,000)		(4,340)	
Other non-recurring income (expense)	117		185		(68)		186	
EBITDA	**153,748**	**12.0**	**227,898**	**15.9**	**(74,150)**	**-32.5**	**230,095**	**16.6**
Amortization and depreciation	(116,264)		(111,186)		(5,078)		(107,289)	
Impairment variation			(102)		102		(101)	
EBIT	**37,484**	**2.9**	**116,610**	**8.1**	**(79,126)**	**-67.9**	**122,705**	**8.9**
Finance income	8,879		9,688		(809)		7,483	
Finance costs	(36,670)		(43,092)		6,422		(43,617)	
Net exchange-rate differences and derivatives	(3,212)		(3,419)		207		(3,282)	
Adjustments to financial asset values								
Share of results of associates	7,467		361		7,106		361	
Result before tax	**13,948**	**1.1**	**80,148**	**5.6**	**(66,200)**	**-82.6**	**83,650**	**6.0**
Income tax expense	(16,834)		(32,066)		15,232		(31,605)	
Net result from continuing operations	**(2,886)**	**-0.2**	**48,082**	**3.4**	**(50,968)**	**n.s.**	**52,045**	**3.8**
Net result from discontinued operations							(4,829)	
Net result for the period	**(2,886)**	**-0.2**	**48,082**	**3.4**	**(50,968)**	**n.s.**	**47,216**	**3.4**
Attributable to:								
Equity holders of the parent	(28,001)	-2.2	(18,882)	-1.3	(9,119)	-48.3	(19,166)	-1.4
Minority interests	25,115	2.0	66,964	4.7	(41,849)	-62.5	66,382	4.8

Consolidated statement of comprehensive income

(in thousands of euro)	Q1 2009	%	Q1 2008 re-stated	%	Change	%	Q1 2008 published	%
Net result for the period	**(2,886)**	**-0.2**	**48,082**	**3.4**	**(50,968)**	**-106.0**		
Fair value adjustments to:								
Available-for-sale financial assets	(82,806)		(234,371)		151,565			
Derivative financial instruments	(23,268)		(6,119)		(17,149)			
Translation differences	39,658		(214,212)		253,870			
Tax relating to components of other comprehensive income	194		381		(187)			
Components of other comprehensive income	**(66,222)**		**(454,321)**		**388,099**			
Total comprehensive income	**(69,108)**	**-5.4**	**(406,239)**	**-28.4**	**337,131**	**-83.0**		
Attributable to:								
Equity holders of the parent	(105,024)		(273,472)		168,448			
Minority interests	35,916		(132,767)		168,683			

Financial position

(in thousands of euro)	March 31, 2009	December 31, 2008	Change	%
Cash, cash equivalents and current financial assets	(1,635,175)	(1,573,543)	(61,632)	3.9
Short-term financing	1,291,032	1,245,522	45,510	3.7
Medium/long-term financial assets	(96,015)	(111,050)	15,035	-13.5
Medium/long-term financing	3,045,457	3,010,954	34,503	1.1
Total net debt	**2,605,299**	**2,571,883**	**33,416**	**1.3**

Shareholders' equity

(in thousands of euro)	March 31, 2009	December 31, 2008 re-stated	Change	%	December 31, 2008 published
Total shareholders' equity	**5,423,726**	**5,488,239**	**(64,513)**	**-1.2**	**5,481,575**

With the exclusion of the Calcestruzzi group from the scope of consolidation, consolidated net debt reflects the Italcementi S.p.A. current account balance with respect to the Calcestruzzi group companies, which stood at 181.7 million euro at March 31, 2009 (175.4 million euro at December 31, 2008).

Comments on the financial statements

Foreword

This quarterly report at March 31, 2009, has been drawn up in accordance with the provisions of article 154 ter, paragraph 5, of Legislative Decree no. 58 of February 24, 1998, and subsequent amendments. It has been prepared using the measurement and valuation criteria of the International Financial Reporting Standards (IFRS).

Basis of presentation

The consolidated financial statements are based on the accounts at March 31, 2009, of the consolidated companies, adjusted where necessary to ensure alignment with the IFRS-compliant classification criteria and accounting principles adopted by the Group.

The measurement criteria and consolidation principles are those used to prepare the 2008 annual report, supplemented and amended with the following criteria and principles adopted as from January 1, 2009:

- IAS 1 revised “Presentation of Financial Statements”: approved by the European Commission in December 2008. Application of this standard requires presentation of an income statement including, in addition to the usual income statement items, components previously included directly in shareholders' equity, and therefore designated a “statement of comprehensive income”. In applying this standard, the Group has elected to present its comprehensive income using two statements: the first statement reflects traditional income statement components and the net result for the period, while the second statement, beginning with the net result for the period, presents other components of comprehensive income previously reflected only in the statement of movements in consolidated shareholders' equity: fair value gains and losses on available-for-sale financial assets and financial derivatives, translation gains and losses.
- IAS 23 revised “Borrowing costs”: approved by the European Commission in December 2008. This standard requires capitalization of finance costs that are directly attributable to the acquisition, construction or production of “qualifying assets”. In compliance with paragraph 28 of IAS 23, the Group has established January 1, 2006, as the commencement date for capitalization of finance costs.
- With regard to the criterion governing “Accounting treatment of interests held by minorities”, the Group has decided to change the criterion applied until December 31, 2008, and to adopt the accounting treatment indicated by the new IFRS 3 and IAS 27, which are due to come into force as from January 1, 2010. The new criterion is as follows:
  - purchases of interests after control has been obtained do not require revaluation of identifiable assets and liabilities. The difference between the cost and the equity interest acquired is recognized as Group shareholders' equity;
  - transactions that reduce the percentage interest held, without loss of control, are treated as sales to minorities and the difference between the interest sold and the price paid is recognized as Group shareholders' equity.

Presentation of 2008 comparatives

To permit a YoY first-quarter comparison, the 2008 figures have been re-stated for compliance with IAS 1 revised and IAS 23 revised as illustrated above, and with operations in Turkey consolidated on a line-by-line basis rather than in compliance with IFRS 5

Exchange rates used to translate the financial statements of foreign entities

The accounts denominated in foreign currency of the foreign subsidiaries consolidated on a line-by-line basis or a proportionate basis and those of the foreign associates valued with the equity method have been translated into the reporting currency using the exchange rate at March 31, 2009, for assets and liabilities and the average exchange rate for the first three months of 2009 for income and expense.

Exchange rates for 1 euro:

	Average rate			Closing rate		
Currencies	**Q1 2009**	**Full year 2008**	**Q1 2008**	**March 31, 2009**	**December 31, 2008**	**March 31, 2008**
Thai baht	46.03913	48.47535	46.46065	47.22300	48.28500	49.78400
Czech crown	27.60083	24.94600	25.56387	27.38800	26.87500	25.33500
Slovak crown (*)		31.26170	34.34680		30.12600	32.58200
Serbian dinar	93.86010	81.43250	80.04170	94.97790	89.39120	82.39930
Kuwaiti dinar	0.37838	0.39526	0.40703	0.38808	0.38449	0.41994
Moroccan dirham	11.09667	11.34752	11.39424	11.15930	11.19130	11.50030
Canadian dollar	1.62226	1.55942	1.50218	1.66850	1.69980	1.62260
US dollar	1.30286	1.47076	1.49760	1.33080	1.39170	1.58120
Hungarian florin	294.19100	251.51200	252.31800	308.18000	266.70000	259.43000
Swiss franc	1.49769	1.58739	1.60136	1.51520	1.48500	1.57380
Ukrainian hrivna	10.42620	7.68728	6.60926	10.55770	10.95960	7.92886
Croatian kuna	7.41158	7.22389	7.36561	7.47690	7.35550	7.26900
Albanian lek	128.18024	122.71747	123.60408	131.33500	123.18400	123.51200
Moldavian leu	13.83270	15.23560	16.80190	14.58580	14.47400	16.66700
Bulgarian lev	1.95583	1.95583	1.95583	1.95583	1.95583	1.95583
Egyptian pound	7.26997	7.99545	8.23518	7.50409	7.67609	8.62437
Bosnian mark	1.95583	1.95583	1.95583	1.95583	1.95583	1.95583
New Turkish lira	2.15138	1.89525	1.78847	2.22580	2.14080	2.01560
New Romanian leu	4.26816	3.68264	3.38120	4.23850	4.02250	3.72680
Mauritanian ouguiya	338.88243	354.12828	371.33297	352.86200	363.93000	383.28300
Chinese renmimbi	8.90659	10.22361	10.72685	9.09420	9.49560	11.08740
Russian ruble	44.41650	36.42070	34.47950	45.03200	41.28300	37.11300
Indian rupee	64.79482	63.73427	59.60983	67.39200	67.63600	63.30370
Sri Lanka rupee	148.71532	159.24368	161.62552	154.01100	157.20600	170.48400
Pound sterling	0.90878	0.79628	0.75698	0.93080	0.95250	0.79580
Kazakh tange	181.09378	176.96299	180.41419	201.09200	168.22700	190.81800
Polish zloty	4.49884	3.51210	3.88635	4.68850	4.15350	3.86680

(*) The euro was adopted by the Slovak Republic on January 1, 2009

Scope of consolidation

No material changes took place in the scope of consolidation in the first quarter of 2009.

Income Statement

Revenues

Revenues from sales and services totaled 1,276,209 thousand euro, as follows:

(in thousands of euro)	Q1 2009	Q1 2008	Change	% change
Industrial revenues				
Product sales	1,215,797	1,367,229	(151,432)	-11.1%
Revenues from services	31,222	41,979	(10,757)	-25.6%
Other revenues	6,998	795	6,203	780.3%
Total	**1,254,017**	**1,410,003**	**(155,986)**	**-11.1%**
Financial revenues				
Interest	3,793	7,653	(3,860)	-50.4%
Dividends	17	62	(45)	-72.6%
Capital gains	2,111	61	2,050	n.s.
Other revenues	7,024	720	6,304	875.6%
Total	**12,945**	**8,496**	**4,449**	**52.4%**
Banking revenues				
Interest	1,894	1,987	(93)	-4.7%
Commissions and other revenues	7,020	9,886	(2,866)	-29.0%
Total	**8,914**	**11,873**	**(2,959)**	**-24.9%**
Property and services revenues	**333**	**502**	**(169)**	**-33.7%**
Grand total	**1,276,209**	**1,430,874**	**(154,665)**	**-10.8%**

Goods and utilities expenses

Goods and utilities expenses totaled 500,332 thousand euro, as follows:

(in thousands of euro)	Q1 2009	Q1 2008	Change	% change
Raw materials and semifinished goods	111,745	165,627	(53,882)	-32.5%
Fuel	103,346	133,062	(29,716)	-22.3%
Materials and machinery	79,568	93,846	(14,278)	-15.2%
Finished goods	46,865	67,882	(21,017)	-31.0%
Electricity, water, gas	115,637	116,975	(1,338)	-1.1%
Change in inventories of raw materials, consumables, other	43,171	3,920	39,251	n.s.
Total	**500,332**	**581,312**	**(80,980)**	**-13.9%**

Services expenses

Services expenses totaled 280,318 thousand euro, as follows:

(in thousands of euro)	Q1 2009	Q1 2008	Change	% change
External services and maintenance	88,585	138,689	(50,104)	-36.1%
Transport	100,820	106,645	(5,825)	-5.5%
Legal fees and consultancy	19,759	17,178	2,581	15.0%
Rents	20,180	22,658	(2,478)	-10.9%
Insurance	11,543	11,602	(59)	-0.5%
Subscriptions	2,812	2,776	36	1.3%
Other	36,619	21,186	15,433	72.8%
Total	**280,318**	**320,734**	**(40,416)**	**-12.6%**

Employee expenses

Employee expenses totaled 253,424 thousand euro, as follows:

(in thousands of euro)	Q1 2009	Q1 2008	Change	% change
Wages and salaries	156,483	162,478	(5,995)	-3.7%
Social security contributions	43,728	53,319	(9,591)	-18.0%
Provisions and pension funds	12,944	9,158	3,786	41.3%
Cost of stock option plans	3,829	3,236	593	18.3%
Other costs	36,440	26,676	9,764	36.6%
Total	**253,424**	**254,867**	**(1,443)**	**-0.6%**

"Other costs" related mainly to costs of temporary personnel, canteen costs, employee insurance costs and personnel training and recruitment.

The number of employees is shown below:

(heads)	Q1 2009	Q1 2008	Full year 2008
Number of employees at period end	23,388	24,389	23,864
Average number of employees	23,651	24,308	24,491

Other operating income (expense)

Other operating expense net of other operating income totaled 89,240 thousand euro, as follows:

(in thousands of euro)	Q1 2009	Q1 2008	Change	% change
Other taxes	31,278	18,729	12,549	67.0%
Provision for bad debts	7,014	4,176	2,838	68.0%
Provision for environmental restoration - quarries	5,255	4,010	1,245	31.0%
Interest expense and other expense for companies in finance, banking and insurance	39,714	44,434	(4,720)	-10.6%
Miscellaneous expense	12,030	11,698	332	2.8%
Miscellaneous income	(6,051)	(577)	(5,474)	948.7%
Total	**89,240**	**82,470**	**6,770**	**8.2%**

Amortization and depreciation

The total amount of 116,264 thousand euro (111,186 thousand euro in the first quarter of 2008) includes depreciation of property, plant and equipment for 113,259 thousand euro (108,458 thousand euro in the first quarter of 2008).

Non-recurring income (expense)

Other expense net of income amounted to 11,476 thousand euro (income of 1,170 thousand euro at March 31, 2008), as follows:

(in thousands of euro)	Q1 2009		Q1 2008	
Net capital gains on sale of fixed assets		**747**		**5,325**
Non-recurring employee expenses for re-organizations in Italy	(8,520)		(4,340)	
Non-recurring employee expenses for re-organizations in Thailand	(3,820)			
Total employee expenses for re-organizations		**(12,340)**		**(4,340)**
Other income (expense)	117		185	
Other non-recurring income (expense)		**117**		**185**
Total		**(11,476)**		**1,170**

Finance income (costs), net exchange-rate differences and derivatives

Finance costs net of finance income amounted to 31,003 thousand euro, as follows:

	Q1 2009		Q1 20008	
(in thousands of euro)	Income	Costs	Income	Costs
Interest income	6,134		6,234	
Interest expense		(37,102)		(37,842)
Sub total	**6,134**	**(37,102)**	**6,234**	**(37,842)**
Net interest in respect of net financial position		**(30,968)**		**(31,608)**
Net dividends	657		1	
Capital gains from sale of equity investments	836		827	
Other finance income	1,252		2,626	
Capitalized borrowing costs		3,531		1,427
Other finance costs		(3,099)		(6,677)
Sub total	**2,745**	**432**	**3,454**	**(5,250)**
Total finance income (costs)	**8,879**	**(36,670)**	**9,688**	**(43,092)**
Gains/(losses) on interest-rate derivative contracts	388		203	
Gains/(losses) on foreign-exchange derivative contracts		(10,798)	3,197	
Net exchange-rate differences	7,198			(6,819)
Net exchange-rate differences and derivatives		**(3,212)**		**(3,419)**
Total finance income (costs), net exchange-rate differences and derivatives		**(31,003)**		**(36,823)**

Share of results of associates

(in thousands of euro)	Q1 2009	Q1 2008	Change	% change
Mittel (Italy)	6,225	(466)	6,691	n.s.
Asment (Morocco)	2,154		2,154	n.s.
Vassiliko (Cyprus)	501	1,819	(1,318)	-72.5%
Tecnogravel (Egypt)	311		311	n.s.
Innocon (Canada)	(224)	(351)	127	-36.2%
Ciment Quebec (Canada)	(1,672)	(906)	(766)	84.5%
Other	172	265	(93)	-35.1%
Total	**7,467**	**361**	**7,106**	**1968.4%**

Income tax expense

Income tax expense for the first quarter was 16,834 thousand euro, as follows:

(in thousands of euro)	Q1 2009	Q1 2008	Change	% change
Current tax	26,639	31,792	(5,153)	-16.2%
Prior-year tax and other prior-year fiscally driven items, net	832	188	644	342.6%
Deferred tax	(10,637)	86	(10,723)	n.s.
Total	**16,834**	**32,066**	**(15,232)**	**-47.5%**

Non-recurring transactions

The following tables itemize the most significant non-recurring transactions and their impact on Group shareholders' equity, financial position and net profit:

	Q1 2009					
(in thousands of euro)	Shareholders' equity		Net profit for the period		Net debt	
	amount	%	amount	%	amount	%
Book values	**5,423,726**		**(2,886)**		**(2,605,299)**	
Net capital gains on sale of fixed assets	747	0.01%	747	25.88%	3,608	-0.14%
Non-recurring employee expenses for re-organizations	(12,340)	-0.23%	(12,340)	427.58%		
Other non-recurring income/(expense)	117	0.00%	117	4.05%		
Tax on non-recurring transactions	3,120	0.06%	3,120	108.11%		
Non-recurring taxes						
Total	**(8,356)**	**0.15%**	**(8,356)**	**289.54%**	**3,608**	**-0.14%**
Figurative value without non-recurring transactions	**5,432,082**		**5,470**		**(2,608,907)**	

	Q1 2008					
(in thousands of euro)	Shareholders' equity		Net profit for the period		Net debt	
	amount	%	amount	%	amount	%
Book values	**5,888,189**		**48,082**		**(2,088,812)**	
Net capital gains on sale of fixed assets	5,325	0.09%	5,325	11.07%	8,565	0.41%
Non-recurring employee expenses for re-organizations	(4,340)	0.07%	(4,340)	9.03%		
Other non-recurring income/(expense)	185	0.00%	185	0.38%	(2,000)	0.10%
Tax on non-recurring transactions	(546)	0.01%	(546)	1.14%		
Non-recurring taxes						
Total	**624**	**0.01%**	**624**	**1.30%**	**6,565**	**0.31%**
Figurative value without non-recurring transactions	**5,887,565**		**47,458**		**(2,095,377)**	

Investments in fixed assets

Investments in fixed assets in the first quarter of 2009 are set out below:

(in thousands of euro)	Q1 2009	Q1 2008	Change	% change
Investments in intangible assets	1,406	903	503	55.7%
Investments in property, plant and equipment	152,570	111,457	41,113	36.9%
Investments in non-current financial assets	8,217	121,198	(112,981)	-93.2%
Change payables for PPE and intangible asset purchases	21,539	50,429	(28,890)	-57.3%
Change payables for non-current financial asset purchases	18	(6,177)	6,195	n.s.
Total	**183,750**	**277,810**	**(94,060)**	**-33.9%**

Investments in property, plant and equipment totaled 152,570 thousand euro, and related mainly to North America for 56,064 thousand euro, the European Union for 41,159 thousand euro and Africa for 37,453 thousand euro.

Net debt

Net debt at March 31, 2009, was 2,605,299 thousand euro (2,571,883 thousand euro at December 31, 2008). It comprised gross financing for 4,336,489 thousand euro and gross financial assets for 1,731,190 thousand euro.
Net debt at March 31, 2009, included the current account credit balance of 181,718 thousand euro in respect of the companies of the Calcestruzzi group (175,392 thousand euro at December 31, 2008).

The increase in net debt from December 31, 2008, was 33,416 thousand euro arising from net cash flows generated as follows:

- on operating activities, before changes in working capital, for +138.5 million euro;
- on changes in working capital for +77.5 million euro;
- on investments in fixed assets for -183.7 million euro;
- on divestments for +3.9 million euro;
- on other movements for -69.6 million euro.

* * *

The manager in charge of preparing the company’s financial reports, Mr Angelo Maria Triulzi, declares, pursuant to paragraph 2 article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this document corresponds to the document results, books and accounting entries.