

ITALMOBILIARE

2008 half-year financial report



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Half-year financial report

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ITALMOBILIARE

Half-year financial report
at June 30, 2008



August 8, 2008

ITALMOBILIARE
Società per Azioni

Via Borgonuovo, 20
20121 Milan - Italy
Share Capital € 100,166,937
Milan Companies Register

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 Mercurio	

Substitute auditors

Marco Confalonieri	
Leonardo Cossu	
Enrico Locatelli	
Angelo Maria Triulzi	Manager in charge of preparing the company's 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 (in accordance with the Code of Conduct)
- 6 Lead independent director
- 7 Member of the Compliance Committee
- 8 Secretary to the Executive Committee

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Company officers and delegation of powers

The current Board of Directors was appointed by the Shareholders' Meeting of April 30, 2008, for the three-year period 2008-2010, that is, until approval of the financial statements at December 31, 2010.

On the same date, the Board of Directors appointed the company officers and attributed their powers.

The company By-laws provide that the Board of Directors be invested with full powers for the management of the company's ordinary and extraordinary operations. Therefore, the Board may perform all acts and draw up all dispositions that it deems appropriate for the attainment of the corporate purpose, with the sole exception of those acts and dispositions that, by law, are expressly reserved for the Shareholders' Meeting.

The company By-laws attribute the **legal representation** of the company jointly to the Chairman and also to the Deputy Chairman (or Deputy Chairmen) and to the Chief Executive Officer if appointed.

The powers delegated within the sphere of the Board of Directors are as follows:

- to the **Executive Committee**, consisting of five members, all the powers of the Board of Directors, with the exception of those powers that, under the Italian Civil Code and the company By-laws, may not be delegated. As specified at the time of the appointments, the resolutions adopted by the Executive Committee shall be reported to the Board of Directors at the following Board meeting;
- to the **Chairman-Chief Executive Officer**, Giampiero Pesenti, in addition to the powers envisaged by the company By-laws and by the voluntary code of conduct, inter alia, powers to undertake acts, including buying and selling equity investments, securities and credit operations, accepting guarantees, providing guarantees on real assets and guarantees to third parties provided that they are directly or indirectly controlled subsidiaries or associates of Italmobiliare S.p.A., within a financial limit of 150 million euro for each transaction; undertaking real estate transactions, property swaps and divisions involving easement or property rights generally, within a financial limit of 25 million euro for each transaction; to recruit staff including managers, to set their remuneration, and to suspend and dismiss them;
- to the **Deputy Chairman**, Italo Lucchini, the powers to represent the company, pursuant to the By-laws, to be exercised without distinction from the Chairman – Chief Executive Officer;
- to the **Chief Operating Officer (COO)**, Carlo Pesenti, the power to oversee the performance of subsidiaries and associates generally and the power to make proposals to the Chief Executive Officer regarding the organization of the company. The Chief Operating Officer also has the power, inter alia, to undertake acts regarding the management of the company including securities and credit transactions, assuming obligations of whatever kind on behalf of the company including those backed by guarantees on real assets in favor of third parties provided that they are directly or indirectly controlled subsidiaries of Italmobiliare S.p.A., buying and selling government securities, debentures, mortgage bonds, shares, company stakes, arranging swaps and advances on securities within a financial limit of 75 million euro for each transaction; negotiate credit lines with banks within a financial limit of 75 million euro, for higher amounts up to a financial limit of 100 million euro with the joint signature of the Administration and Finance Director.

Other powers were delegated to the Administration and Finance Joint General Manager and to the Secretary to the Board as part of their respective competences.

The Chief Operating Officer delegated specific and limited powers to employees of the company for day-to-day operations.

Remuneration Committee and Internal Control Committee

The corporate governance structure, as set out in the binding articles of the company By-laws and in the non-binding provisions of the Voluntary Code of Conduct (the «Code»), reflects Italmobiliare S.p.A.'s compliance with generally accepted best practice.

The «Code» provides, *inter alia*, for the Board of Directors to appoint, from among its members, a «Remuneration Committee» and an «Internal Control Committee», whose role is to provide assistance and submit proposals.

During the meeting at which the company officers were appointed, the Board of Directors also named the «Remuneration Committee» and the «Internal Control Committee», both consisting of three non-executive directors, of whom two are independent. All the members of the Internal Control Committee have adequate experience in accounting and finance (as required by the «Code» of at least one committee member).

During the half-year, the Remuneration Committee met twice, while the Internal Control Committee met four times. Both committees met with the complete attendance of their respective members, except on one occasion.

Compliance Committee

The Compliance Committee, established pursuant to the «Organization, management and control model» (the «Model») adopted by the Company in application of Legislative Decree 231/01, is responsible for on-going monitoring of the effectiveness and enforcement of the «Model» and for recommending updates.

In compliance with the provisions of the «Model» itself, the Compliance Committee consists of an independent director (subsequently appointed Chairman), the company Head of Internal Auditing and an external professional.

During the half-year the Compliance Committee met 6 times to perform the functions attributed by the «Model».

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Lead independent director

The most recent text of the «Code» as approved by the Board of Directors on February 8, 2007, provides, with reference to independent directors, that in cases where the Chairman of the Board of Directors is the principal officer responsible for the management of the company, the Board of Directors should designate a lead independent director, to provide a reference for and to coordinate the contributions and petitions of the non-executive directors, and in particular, those who are independent.

During the meeting which appointed the company officers, the Board of Directors named independent director Professor Mauro Bini as lead independent director.

Executive director responsible for supervising the internal control system

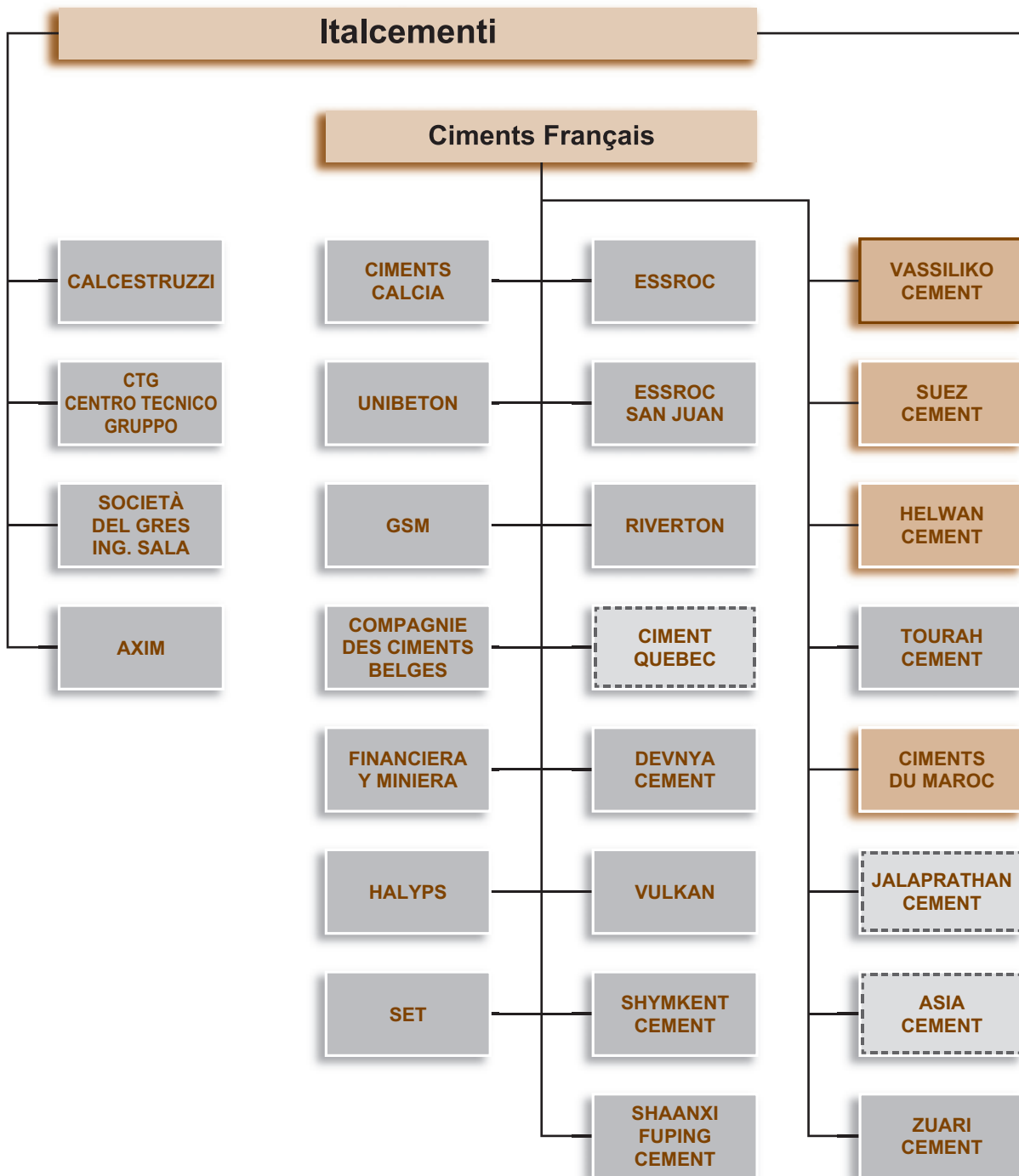
With regard to the system of controls, the «Code» provides for the Board of Directors to select, with the assistance of the Internal Control Committee, an executive director to supervise the internal control system.

During the meeting which appointed the company officers, the Board of Directors, on the recommendation of the Internal Control Committee, confirmed the Chairman-Chief Executive Officer, Giampiero Pesenti, as the executive director responsible for supervising the internal control system.

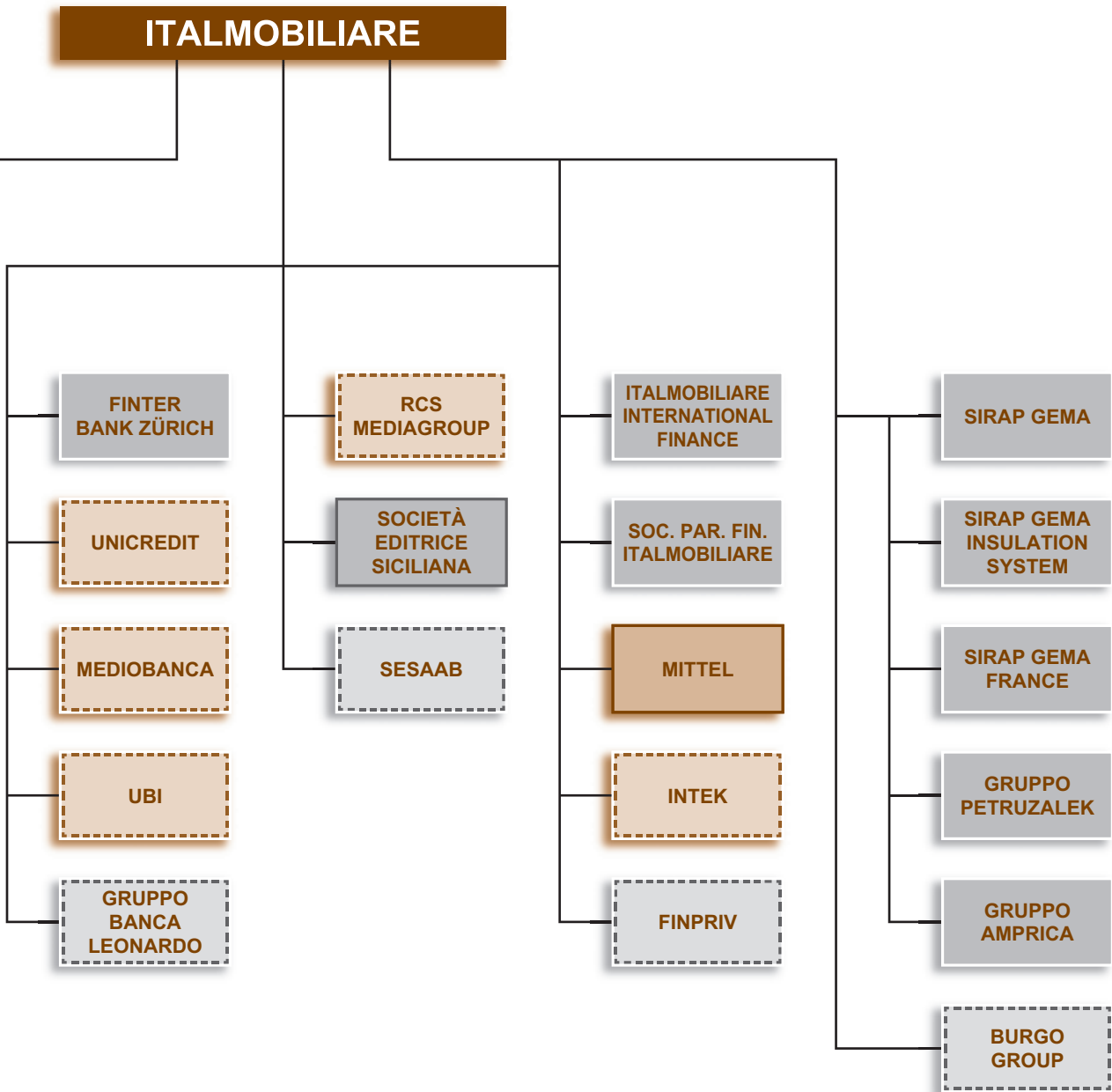
Manager in charge of preparing the company financial reports

At the meeting which appointed the company officers, the Board of Directors confirmed Angelo Maria Triulzi, Administration and Finance Joint General Manager at Italmobiliare S.p.A., as the Manager in charge of preparing the company financial reports, pursuant to art. 154-bis of the Consolidated Law on Financial Intermediation and to art. 29 of the company By-laws.

Group structure
(at June 30, 2008)



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Group financial highlights

(in millions of euro)	June 30, 2008 published	June 30, 2007 IFRS 5	June 30, 2007 published
Revenues	3,028.1	3,156.1	3,283.0
Recurring EBITDA	610.7	750.0	774.1
EBITDA	613.0	759.6	783.9
EBIT	396.7	541.4	558.4
Net profit from continuing operations	238.0	354.4	
Net profit for the period	237.6	367.0	367.0
Group net profit	67.8	131.1	131.1
Investments in fixed assets	490.7	235.9	414.8

(in millions of euro)	June 30, 2008	June 30, 2007
Total shareholders' equity	5,675.8	6,300.2
Group shareholders' equity	2,513.9	2,909.6
Net debt	2,375.3	2,149.6
Net debt / Shareholders' equity	41.85%	34.12%
Net debt / Recurring EBITDA	1.85	1.47
(Diluted) earnings per ordinary share	1.783	5.714
(Diluted) earnings per savings share	1.822	5.792
Shareholders' equity per share ¹	66.814	77.330
Number of employees at period end	23,611	24,356

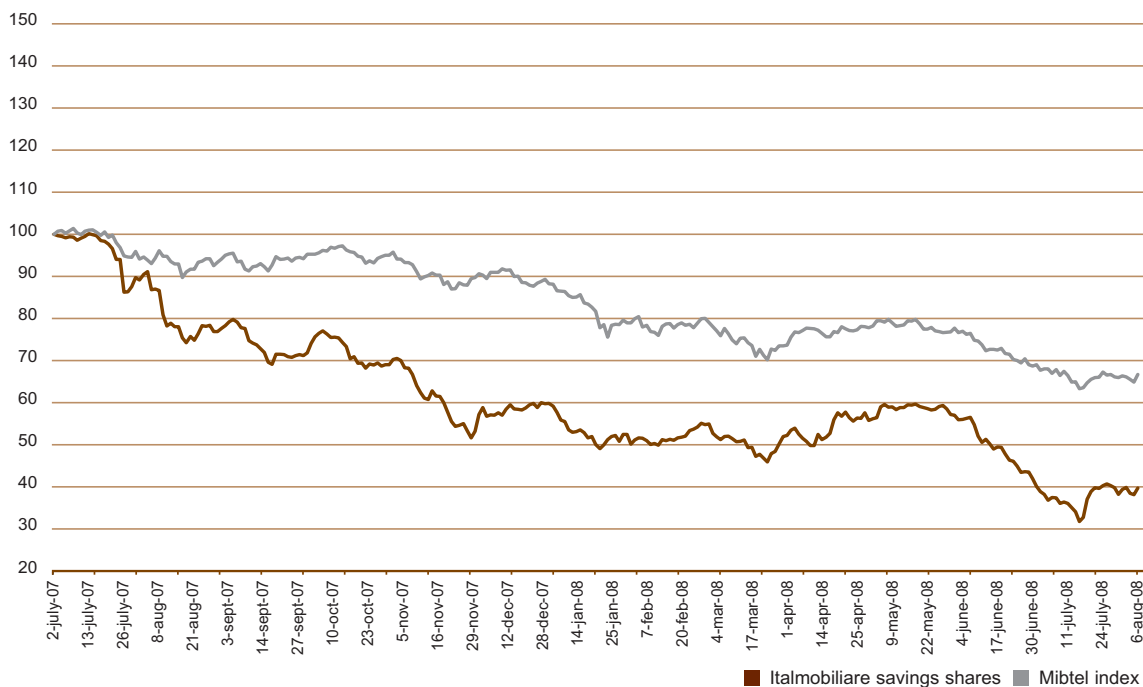
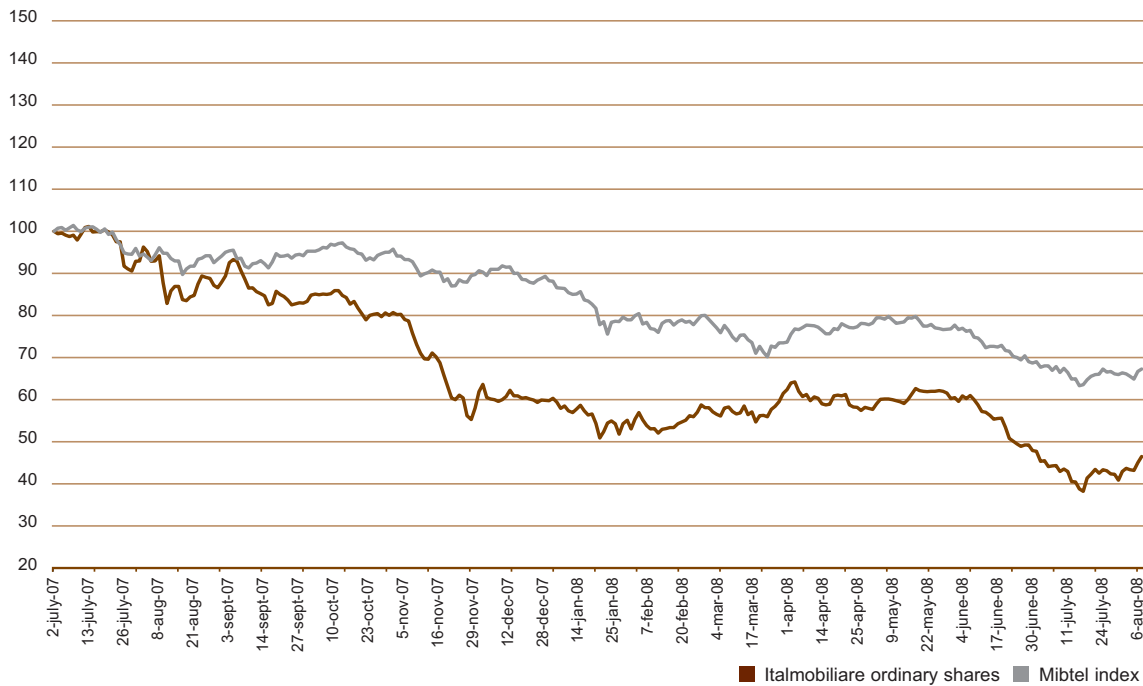
¹ net of treasury shares

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On the Stock Exchange

Share prices from 07.02.2007 to 08.06.2008

(in euro)	maximum	minimum	07.02.2007	08.06.2008	performance
Ordinary shares	106.11 07.13.2007	40.06 07.16.2008	104.88	48.77	-53.499%
Savings shares	80.68 07.13.2007	25.60 07.15.2008	80.58	33.34	-58.625%
Mibtel	33,385 07.09.2007	20,836 07.15.2008	32,928	22,167	-32.680%





Half-year directors' report



Foreword

The half-year financial report as at June 30, 2008, has been drawn up in compliance with article 154 ter, paragraphs 2, 3 and 4, of Legislative Decree no. 58 of February 24, 1998, and subsequent amendments.

As contemplated by the above-mentioned paragraph 3, the condensed half-year report has been drawn up in consolidated form.

No changes have taken place with respect to the accounting principles applied in the preparation of the consolidated financial statements as at and for the year ended December 31, 2007.

As explained in the directors' report to the 2007 financial statements and the interim report on operations at March 31, 2008, as a result of the loss of control determined by the preventive seizure of the assets of Calcestruzzi S.p.A. ordered on January 29, 2008, and still in force, the **Calcestruzzi group** is no longer included in the scope of consolidation, pursuant to IAS 27 § 21. Accordingly, at June 30, 2008, the carrying amount of Calcestruzzi S.p.A.'s consolidated shareholders' equity at September 30, 2007, included in the Italmobiliare S.p.A. consolidated financial statements as at and for the year ended December 31, 2007, was classified under "Other equity investments" and written down to reflect the losses reported by the Calcestruzzi Group in the fourth quarter of 2007 and the first half of 2008. An update on the situation at Calcestruzzi is provided in the construction materials sector.

The main changes compared to 2007 occurred in the Italcementi group and mainly refer to the acquisitions in 2007 of: **Cambridge** (ready mixed concrete, Canada) and **Arrow** (ready mixed concrete, USA), **Fuping Cement Co. Ltd.** (cement, China), **Decom S.A.E.** (ready mixed concrete, Egypt), **Hilal Cement Company** (cement and clinker trading, Kuwait) and the acquisitions this year of:

- **Verticalnet Inc.** (e-business, USA), consolidated line-by-line since the end of January 2008;
- **Crider & Shockey** (ready mixed concrete, USA) consolidated line-by-line since March 2008;
- **Kuwait German Ready Mix** (ready mixed concrete, Kuwait) consolidated line-by-line since May 2008;
- **International City for Ready Mix** (ex Arabian Ready Mix Co.; ready mixed concrete, Saudi Arabia) consolidated on a proportionate basis since the beginning of 2008.

As explained in the interim report on operations at March 31, 2008, after examining various options for strategic optimization of its equity investments (industrial and financial), the Italcementi group has decided to sell its operations in Turkey conducted by the companies **Set Group, Set Cimento, Set Beton and Afyon Cimento**, which are controlled through Ciments Français S.A. In compliance with IFRS 5 "Non-current assets held for sale and discontinued operations", the net profit/loss from discontinued operations is reflected in a single income statement line item, both for the current period and for the corresponding period in the prior year.

In the Sirap Gema group, following an operation affecting the subsidiary, **Inline Ukraine L.C.F.I.**, the company was removed from the consolidation at December 31, 2007 since the Group no longer held control.

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Comments on operations

The oil and raw material price trends of recent years were a key factor in the deterioration of the international economic situation, generating widespread inflationary pressures and eroding available real income, especially in countries with high energy imports.

At the same time, a return to greater stability on the financial and credit markets after the disruption caused by the US mortgage crisis still seems a long way off. This has a significant impact on the prices of both bonds and shares, leads to interest rate rises, and creates less favorable credit conditions and a further contraction in the real estate market.

Despite this turbulence, growth in the first quarter of the year remained positive if slower in the main mature economies, especially in the euro zone and in Germany in particular. The latest indications suggest, however, that the output dynamic weakened in the second quarter and could lose further impetus in the second half of the year.

Against this background, in the first half of 2008 the Italmobiliare Group recorded **total net profit** of 237.6 million euro and **Group net profit** of 67.8 million euro, while in the corresponding period in the prior year the profit recorded was respectively 367.0 million euro and 131.1 million euro. The fall in the profit was due to the construction materials sector, the financial sector and, to a lesser extent, the banking sector.

The other main highlights for the half ended at June 30, 2008 were:

- **Revenues:** 3,028.1 million euro against 3,156.1 million euro at June 30, 2007 (-4.1%);
- **Recurring EBITDA:** 610.7 million euro against 750.0 million euro at June 30, 2007 (-18.6%);
- **EBITDA:** 613.0 million euro against 759.6 million euro at June 30, 2007 (-19.3%);
- **EBIT:** 396.7 million euro against 541.4 million euro at June 30, 2007 (-26.7%);
- **Finance income and costs** (including net exchange rate differences and derivatives): net finance costs of 74.4 million euro against 58.4 million euro at June 30, 2007 (+27.6%);
- **Adjustments to financial asset values:** a charge of 15.2 million euro (the item was not present at June 30, 2007);
- **Share of results of associates:** 14.0 million euro against 5.0 million euro at June 30, 2007;
- **Profit before tax:** 321.1 million euro against 488.0 million euro at June 30, 2007 (-34.2%);
- **Net profit from continuing operations:** 238.0 million euro against 354.4 million at June 30, 2007 (-32.9%);
- **Net profit/loss from discontinued operations:** a loss of 0.3 million euro against a profit of 12.6 million euro at June 30, 2007.

At the end of June 2008 **net shareholders' equity** totaled 5,675.8 million euro compared with 6,300.2 million euro at December 31, 2007.

Net debt at June 30, 2008 was 2,375.3 million euro, while at the end of December 2007 it was 2,149.6 million euro.

Following the changes in shareholders' equity and debt, gearing (the ratio of net debt to shareholders' equity) rose from 34.12% at the end of December 2007 to 41.85% at the end of June 2008.

The Net Asset Value (NAV) of Italmobiliare at June 30, 2008 was 2,543.5 million euro (2,902.6 million euro at March 31, 2008 and 3,324.3 million euro at the end of 2007). The calculation was made using the methods set out in the directors' report to the separate financial statements of Italmobiliare S.p.A at December 31, 2007.

The performance of the individual sectors which make up the Italmobiliare Group may be summarized as follows:

-
- the **construction materials sector**, consisting of the Italcementi group (Italmobiliare's main industrial equity investment) in the first half of 2008, as for in the first quarter, recorded a fall in sales volumes (which was exacerbated by the very poor performance in June), which mainly affected the mature markets and Kazakhstan. The trend in sales prices, which was positive in all the countries (with the sole exception of North America), only partly offset the sharp rise in variable and fixed costs. Revenues of 2,814.7 million euro, down by 4.5% compared to the prior-year period (+3.6% at constant exchange rates and size), were adversely affected by the change in the scope of consolidation and the negative exchange rate impact. Operating results, which were affected by a significant increase in operating costs, fell compared to the first half of 2008: **recurring EBITDA** of 589.1 million euro fell by 15.4%, while **EBIT** of 381.3 million euro fell by 22.4%. After net finance costs, adjustments to financial asset values (Calcestruzzi), the share of results of companies valued at equity and taxes, the **net profit from continuing operations** (before the results of the Turkish companies destined for sale) was 222.1 million euro (-26.2 %) with **Group net profit** of 132.0 million euro (-36.6%);
 - the **food packaging and thermal insulation sector**, consisting of the Sirap Gema group, recorded a rise in revenues of 7.8%, reaching 130.1 million euro, thanks to the increase in sales in the thermal insulation sector and, at the Amprica and Petruzalek groups, in the food packaging sector. Recurring EBITDA, on the other hand, fell by 21.5% owing to the fall in demand for food packaging, which had a negative impact on sales prices. Consequently, EBIT also fell from 8.9 million euro at June 30, 2007 to 5.4 million euro in the first half of 2008. Profit before tax was 1.9 million euro, down on the prior-year period (5.1 million euro), and was affected by both the lower EBIT and higher finance costs on debt owing above all to the increase in interest rates. However, the net profit for the period rose from 1.9 million euro in the first half of 2007 to 3.4 million euro at June 30, 2008. This significant improvement was largely due to a positive tax situation arising from the application of the regulations which enabled the release of reserves through the payment of a reduced rate and at the same time the release of provisions for deferred tax liabilities;
 - the **financial sector**, which includes the parent company Italmobiliare and the wholly owned financial subsidiaries, made a net profit of 51.3 million euro compared to 91.7 million euro in the first half of 2007. The sharp fall in profit in the sector compared to the prior-year period was mainly due to the writedowns of the bond and share trading portfolio, the higher finance costs linked to debt, the cancellation of provisions for risks of which the previous year had benefited and a less favorable tax component;
 - the **banking sector** includes the business of Finter Bank Zürich and Crédit Mobilier de Monaco. The sector recorded net profit of 3.6 million euro, down by 34.6% on the 5.6 million euro in the prior-year period, owing above all to the fall in profits from trading and the increase in some operating costs;
 - the **property sector, services and others** is not particularly important within the global context of the Group and therefore the results are not normally significant. In this half, however, one of the Group's property companies made a significant sale of some land and buildings, and so brought the net profit for the sector to 4.3 million euro (compared to 1.8 million euro in the first half of 2007).

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Consolidated figures at June 30, 2008

(in millions of euro)	1st half 2008	1st half 2007(IFRS 5) ¹	% change	1st half 2007 published
Revenues	3,028.1	3,156.1	(4.1)	3,283.0
Recurring EBITDA	610.7	750.0	(18.6)	774.1
<i>% of revenues</i>	20.2	23.8		23.6
Other non-recurring income (expense)	2.3	9.6	(76.3)	9.8
EBITDA	613.0	759.6	(19.3)	783.9
<i>% of revenues</i>	20.2	24.1		23.9
Amortization and depreciation	(216.3)	(217.7)	(0.7)	(225.0)
Impairment variation	-	(0.5)	n.s.	(0.5)
EBIT	396.7	541.4	(26.7)	558.4
<i>% of revenues</i>	13.1	17.2		17.0
Finance income (costs)	(74.4)	(58.4)	27.6	(59.2)
Adjustment to financial asset values	(15.2)			
Share of results of associates	14.0	5.0	n.s.	4.9
Profit before tax	321.1	488.0	(34.2)	504.1
<i>% of revenues</i>	10.6	15.5		15.4
Income tax expense	(83.1)	(133.6)	(37.8)	(137.1)
Net profit from continuing operations	238.0	354.4	(32.9)	
<i>% of revenues</i>	7.9	11.2		
Net profit/loss from discontinued operations	(0.3)	12.6	(102.7)	
Net profit for the period	237.6	367.0	(35.3)	367.0
<i>% of revenues</i>	7.8	11.6		11.2
Group net profit	67.8	131.1	(48.3)	131.1
<i>% of revenues</i>	2.2	4.1		4.0
Minority interest	169.8	235.9	(28.0)	235.9
Cash flow from operating activities	250.7	413.3		425.0
Investments in fixed assets	490.7	410.9		414.8

n.s.: not significant

¹ data recalculated to take account of IFRS 5

(in millions of euro)	June 30, 2008	December 31, 2007
Total shareholders' equity	5,675.8	6,300.2
Group shareholders' equity	2,513.9	2,909.6
Net debt	2,375.3	2,149.6
Number of employees at period end	23,611	24,356

Recurring EBITDA corresponds to the difference between revenues and costs, excluding other non-recurring income (expense), amortization and depreciation, impairment variation, finance income (costs), the share of results of associates and taxes.

EBITDA corresponds to the above including other (non-recurring) income (expense).

EBIT corresponds to the above including amortization and depreciation and impairment variation.

Calcestruzzi effect on consolidation

As noted in the consolidated directors' report for 2007 and in the quarterly report at March 31, 2008, the **Calcestruzzi group**, as a result of loss of control caused by the preventive seizure of the assets of Calcestruzzi S.p.A. ordered on January 29, 2008 and which is still ongoing, is not included in the scope of consolidation for 2008 on the basis of the provisions set out in IAS 27 § 21.

An update on the Calcestruzzi situation is provided in the construction materials sector.

The following table compares the main income statement items of the Italmobiliare Group, excluding from the figures for the first half of 2007 those referring to the Calcestruzzi group.

(in millions of euro)	June 30, 2008	June 30, 2007*	% change
Revenues	3,028.1	2,948.3	2.7
Recurring EBITDA	610.7	739.5	(17.4)
EBITDA	613.0	748.4	(18.1)
EBIT	396.7	537.6	(26.2)
Net profit from continuing operations	238.0	356.6	(33.3)
Net profit for the period	67.8	132.0	(48.6)

(*) excluding the results of the Calcestruzzi subgroup

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Quarterly trend

(in millions of euro)	1st half 2008	Q2 2008	Q1 2008
Revenues	3,028.1	1,641.8	1,386.4
<i>% change on 2007</i>	(4.1)	(3.6)	(4.6)
Recurring EBITDA	610.7	381.7	229.0
<i>% change on 2007</i>	(18.6)	(16.9)	(21.3)
<i>% of revenues</i>	20.2	23.3	16.5
EBITDA	613.0	382.9	230.1
<i>% change on 2007</i>	(19.3)	(18.0)	(21.4)
<i>% of revenues</i>	20.2	23.3	16.6
Amortization and depreciation	(216.3)	(109.0)	(107.3)
Impairment variation	-	0.1	(0.1)
EBIT	396.7	274.0	122.7
<i>% change on 2007</i>	(26.7)	(23.2)	(33.5)
<i>% of revenues</i>	13.1	16.7	8.9
Finance income (costs)	(74.4)	(35.0)	(39.4)
Adjustments to financial asset values	(15.2)	(15.2)	
Share of results of associates	14.0	13.7	0.4
Profit before tax	321.1	237.5	83.7
<i>% of revenues</i>	10.6	14.5	6.0
Income tax expense	(83.1)	(51.6)	(31.7)
Net profit from continuing operations	238.0	185.9	52.0
<i>% of revenues</i>	7.9	11.3	3.8
Net profit/loss from discontinued operations	(0.3)	4.5	(4.8)
Net profit for the period	237.6	190.4	47.2
<i>% of revenues</i>	7.8	11.6	3.4
Group net profit	67.8	87.0	(19.2)
<i>% of revenues</i>	2.2	5.3	(1.4)
Minority interests	169.8	103.4	66.4

The seasonal factors typical of the Group's core businesses normally produce stronger performance in the second quarter compared with the first. This trend was confirmed in 2008.

In fact, while the first quarter of 2008 recorded net profit for the period of 47.2 million euro (with a Group loss of 19.2 million euro), the second quarter recorded net profit of 190.4 million euro (87.0 million euro for Group net profit), despite recording a write down of Calcestruzzi for 15.2 million euro.

Also in comparison with the corresponding quarters in 2007, there was an improving trend, albeit still with negative percentages. While net profit for the first quarter of 2008 fell by 55.7% compared to the first quarter of 2007, this change fell back to 26.9% in the second quarter, despite the aforementioned write down of Calcestruzzi.

In terms of dividing the profit for the period between the Group (-10.1%) and minority interests (-36.8%), there was a change in the second quarter compared to the first, which recorded the following percentage changes: -155.8% for Group profit and -8.1% for minority interests.

Revenues and operating results

Contribution to consolidated revenues

(net of intragroup eliminations)

(in millions of euro)	1st half 2008		1st half 2007		Change	
	1st half 2008	%	1st half 2007	%	%	% ¹
Business sector						
Construction materials	2,811.8	92.8	2,943.5	93.3	(4.5)	3.6
Packaging and insulation	130.1	4.3	120.7	3.8	7.8	7.6
Finance	57.0	1.9	65.1	2.1	(12.4)	(12.6)
Banking	22.8	0.8	25.9	0.8	(12.1)	(13.4)
Property, services, etc.	6.4	0.2	0.9	-	n.s.	n.s.
Total	3,028.1	100.0	3,156.1	100.0	(4.1)	3.5
Geographical area						
European Union	1,959.9	64.7	2,155.8	68.3	(9.1)	0.3
Other European countries	32.9	1.1	35.5	1.1	(7.2)	(7.3)
North America	228.2	7.6	286.5	9.1	(20.3)	(11.8)
Asia	202.4	6.7	200.3	6.3	1.0	5.1
Africa	461.3	15.2	380.0	12.1	21.4	26.1
Trading	143.4	4.7	98.0	3.1	46.4	30.3
Total	3,028.1	100.0	3,156.1	100.0	(4.1)	3.5

¹ at constant size and exchange rates

n.s. not significant

Revenues and operating results by sector and geographical area

(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	H1 2008	% change vs. H1 2007	H1 2008	% change vs. H1 2007	H1 2008	% change vs. H1 2007	H1 2008	% change vs. H1 2007
Business sector								
Construction materials	2,814.7	(4.5)	589.1	(15.4)	590.8	(15.9)	381.3	(22.4)
Packaging and insulation	130.1	7.8	11.5	(21.5)	11.5	(21.5)	5.4	(39.1)
Finance	108.1	(7.6)	48.0	(40.7)	48.5	(42.1)	48.4	(42.1)
Banking	22.8	(12.1)	4.8	(38.0)	4.8	(38.0)	4.3	(38.9)
Property, services, etc.	7.0	n.s.	5.7	n.s.	5.8	n.s.	5.7	n.s.
Inter-sector eliminations	(54.6)	(0.3)	(48.4)	(2.1)	(48.4)	(2.1)	(48.4)	(2.1)
Total	3,028.1	(4.1)	610.7	(18.6)	613.0	(19.3)	396.7	(26.7)
Geographical area								
European Union	2,019.9	(8.3)	355.4	(21.4)	355.9	(22.7)	230.4	(31.0)
Other European countries	32.9	(7.2)	5.0	(37.4)	5.1	(38.0)	4.3	(38.0)
North America	228.2	(20.3)	22.8	(55.6)	23.6	(53.8)	1.0	(96.4)
Asia	215.2	0.8	56.3	(11.2)	56.6	(10.3)	36.1	(17.8)
Africa	466.3	16.0	169.1	(1.3)	169.4	(1.3)	125.2	(0.4)
Trading	186.0	3.2	15.1	37.3	15.2	24.5	13.6	19.3
Inter-area eliminations	(120.4)	(26.8)	(13.0)	82.2	(12.8)	77.8	(13.9)	62.5
Total	3,028.1	(4.1)	610.7	(18.6)	613.0	(19.3)	396.7	(26.7)

n.s. not significant

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The fall in **revenues** of 4.1% on the first half of 2007 was caused by:

- business growth for 3.5%;
- the aforementioned changes in the consolidation area for – 4.9%;
- a negative exchange-rate effect of – 2.7%, following the depreciation in the dollar and other currencies against the euro, except for the Swiss franc.

Business growth was due to: the construction materials sector thanks to the increase in sales prices in most countries where it is present; the packaging and insulation sector owing to the increase in sales in food packaging at the Amprica (rigid transparent packaging) and Petruzalek (present in Eastern Europe) groups, and in thermal insulation; the property sector, services and others. The banking sector and financial sector, on the other hand, saw a fall in business.

Recurring EBITDA and **EBITDA** fell respectively by 139.3 million euro (-18.6%) and 146.6 million euro (-19.3%) compared to the first half of 2007. All the sectors, except for property, services and others, contributed to this fall, but the most significant reductions in absolute terms were seen in the construction materials sector and the financial sector.

EBIT, after amortization and depreciation which were slightly below that for the first half of 2007 (216.3 million euro against 217.7 million euro), fell by 26.7%, from 541.4 million euro to 396.7 million euro.

Operating results by geographical area show: significant growth in turnover in trading and in Africa and a particularly sharp fall in North America; a fall in EBITDA and EBIT in all areas, with the exception of trading. In absolute terms, the countries of the European Union were overall the biggest contributor both in terms of revenues and EBIT.

Finance costs and other items

Net finance costs, including net exchange-rate differences and derivatives totaled 74.4 million euro, up by 16.0 million euro compared to the first half of 2007 (58.4 million euro) owing to the increase in average debt and interest rates.

Adjustments to financial asset values consisted of a prudent writedown of 15.2 million euro on the Calcestruzzi company to reflect the difference between the cost of the equity investment at the time of loss of control (January 2008) and the value attributable at June 30, 2008; the difference arose as a result of changes in the fourth quarter of 2007, previously not included in the consolidated financial statements, and changes during the first half of 2008.

The **share of results of associates** was 14.0 million euro, up by 9.0 million euro compared to the prior-year period (5.0 million euro), owing to the improvement in the results of some associates in the construction materials sector.

Net profit

Profit before tax in the half was 321.1 million euro, down by 34.2% compared to June 30, 2007 (488.0 million euro).

Taxes in the period totaled 83.1 million euro, down by 37.8% on the first half of 2007, largely due to the fall in profit before tax and also due to the reduction in the total average tax rate from 27.4% to 25.9%.

Net profit from continuing operations (before the results of the Turkish companies which are classified as destined for sale in accordance with IFRS 5) stood at 238.0 million euro (-32.9% compared to the first half of 2007). The overall profit for the period, after the losses of the Turkish companies, was 237.6 million euro (-35.3%).

Group net profit, after minority interests of 169.8 million euro (-28.0%), was 67.8 million euro, compared to 131.1 million euro in the first half of 2007 (-48.3%). This negative trend was mainly due to the fall in the results of the wholly owned companies, or companies with limited minority interests, compared to the greater weight of companies in which there are significant minorities.

Net debt

At June 30, 2008 **net debt** was 2,375.3 million euro (including 11.3 million for the debt of the Turkish companies which are destined for sale) and, compared to the situation at December 31, 2007 (2,149.6 million euro), saw an increase of 225.7 million euro.

Excluding for comparative purposes, the net debt at December 31, 2007 of 157.9 million euro of the Calcestruzzi group, which left the scope of consolidation in 2008, net debt would have been 1,991.7 million euro, in respect of which net debt reflected an increase of 383.6 million euro.

This was largely due to significant investments in financial and industrial fixed assets in the first half (490.8 million euro), dividends paid (188.0 million euro) and a net cash outflow on discontinued operations in Turkey (27.2 million euro not fully offset by cash flows on operating activities (250.7 million euro) and the advance payment received for the sale of the Turkish companies (50.0 million euro).

The ratio of net debt to shareholders' equity at June 30, 2008 was 41.85%, down compared to 34.12% at December 31, 2007.

Breakdown of net debt

(in millions of euro)	June 30, 2008	December 31, 2007
Cash, cash equivalents and current financial assets	(1,605.7)	(1,521.7)
Short-term financing	993.6	1,124.5
Medium/long-term financial assets	(88.5)	(71.8)
Medium/long-term financing	3,064.6	2,618.6
Net debt	2,364.0	2,149.6
NFP discontinued operations	11.3	
Total net debt	2,375.3	2,149.6

Financial ratios

(absolute values in millions of euro)	June 30, 2008	December 31, 2007
Net debt	2,375.3	2,149.6
Consolidated shareholders' equity	5,675.8	6,300.2
Gearing	41.85%	34.12%
Net debt	2,363.9	2,149.6
EBITDA before other income/(expense) ¹	1,275.6	1,462.1
Leverage	1.85	1.47

¹ rolling year basis

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Summary balance sheet

(in millions of euro)	June 30, 2008	December 31, 2007
Property, plant and equipment	3,906.5	4,257.4
Intangible assets	1,991.5	2,071.2
Other non-current assets	1,500.1	1,799.5
Non-current assets	7,398.1	8,128.1
Current assets	4,143.4	4,145.9
Non-current assets in respect of discontinued operations	327.7	
Total assets	11,869.2	12,274.0
Group shareholders' equity	2,513.9	2,909.6
Minority interests	3,161.9	3,390.6
Total shareholders' equity	5,675.8	6,300.2
Non-current liabilities	3,748.4	3,425.7
Current liabilities	2,364.6	2,548.1
Total liabilities	6,113.0	5,973.8
Liabilities directly relating to non-current discontinued operations	80.4	
Total shareholders' equity and liabilities	11,869.2	12,274.0

Summary financial flows

(in millions of euro)	1st half 2008	1st half 2007
Net debt at start of period	(2,149.6)	(1,857.3)
Net debt of Calcestruzzi group	157.9	
Adjusted net debt at start of period	(1,991.6)	(1,857.3)
Cash flow from operating activities	250.7	413.3
Investments in fixed assets:		
<i>Tangible and intangible assets</i>	<i>(315.1)</i>	<i>(225.3)</i>
<i>Financial assets</i>	<i>(175.6)</i>	<i>(185.6)</i>
Total investments in fixed assets	(490.7)	(410.9)
Divestments	20.7	32.3
Dividends paid	(188.0)	(191.0)
Net flow from treasury share purchases/sales	-	(3.4)
Net debt of companies acquired/sold	(4.5)	(17.9)
Net flow from discontinued operations	(27.1)	7.4
Advance received on sale of Turkish companies	50.0	
Other	5.2	41.5
Change in net debt	(383.7)	(128.7)
Net debt at period end	(2,375.3)	(1,986.0)

Investments in fixed assets

(in millions of euro)	Investments in financial assets		Investments in PPE		Investments in intang. assets	
	H1 2008	H1 2007	H1 2008	H1 2007	H1 2008	H1 2007
Business sector						
Construction materials	174.8	174.7	253.4	181.3	3.0	2.4
Packaging and insulation	0.8	1.4	12.0	4.5	0.2	0.5
Finance	18.2	11.0	-	-	-	-
Banking	-	-	0.7	0.2	0.2	-
Property, services, other	-	-	0.1	0.1	-	-
Inter-sector eliminations	(12.6)					
Total	181.2	187.1	266.2	186.1	3.4	2.9
Change in payables	(5.6)	(1.5)	45.5	36.3		-
Total investments in fixed assets	175.6	185.6	311.7	222.4	3.4	2.9
Geographical area						
European Union	112.4	25.2	112.4	114.1	2.6	2.6
Other European countries	2.2	5.4	0.7	0.9	0.2	-
North America	32.4	49.2	71.1	39.3	0.2	-
Asia		28.2	43.3	19.1	-	-
Africa	15.8	75.5	32.9	10.0	-	-
Trading	17.5	2.6	4.3	2.0	-	0.2
Other	0.9	1.0	1.5	0.7	0.4	0.1
Total	181.2	187.1	266.2	186.1	3.4	2.9
Change in payables	(5.6)	(1.5)	45.5	36.3	-	-
Total investments in fixed assets	175.6	185.6	311.7	222.4	3.4	2.9

In the half year the significant investments in fixed assets made by the Group of 490.7 million euro, up by 79.8 million euro on the first half of 2007, were aimed in particular at enhancing and rationalizing the existing industrial structure and the purchase of equity investments.

Capital expenditure, mainly for the construction materials sector and, to a lesser extent, the food packaging and thermal insulation sector was 315.1 million euro, up by 89.8 million euro compared to the first half of 2007 (225.3 million euro).

Investments in financial fixed assets of 175.6 million euro (185.6 million euro in the first half of 2007) were for acquisitions made by the construction materials sector for 169.2 million euro, the financial sector for 5.6 million euro and the packaging and insulation sector for 0.8 million euro.

Shareholders' equity

Net shareholders' equity at June 30, 2008 of 5,675.8 million euro fell by 624.4 million euro compared to December 31, 2007, due for 395.7 million euro to Group shareholders' equity and 228.7 million euro for minority interests. The overall change was mainly caused, on the positive side, by the net profit for the half (237.6 million euro) and, on the negative, by the change in the fair value reserve for equity investments (467.1 million euro owing to the fall in the current values of securities held in other entities), the fall in the translation reserve (209.9 million euro owing to the strengthening of the euro against the main currencies) and dividends paid (188.0 million euro). The changes in net shareholders' equity are shown in the "Statement of movements in consolidated total shareholders' equity" in the notes.

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Construction materials sector

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

	1st half 2008	1st half 2007 (IFRS 5)	% change	1st half 2007 published
(in millions of euro)				
Revenues	2,814.7	2,946.2	(4.5)	3,073.1
Recurring EBITDA	589.0	696.0	(15.4)	720.0
<i>% of revenues</i>	20.9	23.6		23.4
Other non-recurring income (expense)	1.7	6.7	(73.8)	6.9
EBITDA	590.8	702.7	(15.9)	726.9
<i>% of revenues</i>	21.0	23.8		23.7
Amortization and depreciation	(209.5)	(211.0)	(0.7)	(218.3)
Impairment variation	0.0	(0.5)	(96.9)	(0.5)
EBIT	381.3	491.2	(22.4)	508.1
<i>% of revenues</i>	13.5	16.7		16.5
Finance income (costs)	(72.7)	(57.7)	(25.9)	(58.7)
Adjustment to financial asset values	(15.2)			
Share of results of associates	13.1	4.0	229.0	4.0
Profit before tax	306.5	437.5	(29.9)	453.4
<i>% of revenues</i>	10.9	14.8		14.8
Income tax expense	(84.3)	(136.3)	(38.1)	(139.7)
Net profit from continuing operations	222.2	301.2	(26.2)	
<i>% of revenues</i>	7.9	10.2		
Net profit/loss from discontinued operations	(0.3)	12.6	(102.7)	
Net profit for the period	221.8	313.8	(29.3)	313.7
<i>% of revenues</i>	7.9	10.2		10.2
Group net profit	132.0	208.0	(36.6)	208.0
Minority interest	89.9	105.8	(15.0)	105.7
Cash flow from operating activities	248.5	388.6	(36.1)	400.3
Investments in fixed assets	471.2	393.2	19.8	397.0
(in millions of euro)				
		June 30, 2008		December 31, 2007
Total shareholders' equity		4,442.8		4,760.5
Group shareholders' equity		3,252.3		3,479.5
Net debt		2,608.3		2,418.2
Number of employees at period end		22,042		22,810

The economic cycle in the construction industry has in some cases anticipated and in other cases accompanied the decline in the macro-economic scenario. In the USA, the residential building crisis has lasted longer than any previous recessionary phase, while the counterbalancing effect provided by the non-residential segments has now come to an end. In the group's European countries, the divergences among cyclical positions have continued to widen: at one extreme, France is still reporting moderate growth, at the other Spain is experiencing a decline in residential building of significant proportions which is affecting overall industry growth.

In the group's emerging countries, performance in the construction industry remained strong, with the sole exceptions of Kazakhstan and Thailand.

Calcestruzzi

The table below sets out a comparison of the main income statement items for the Italcementi Group, with values for the Calcestruzzi subgroup also excluded from the 2007 first-half comparatives.

(in millions of euro)	1st half 2008	1st half 2007*	% change
Revenues	2,814.7	2,738.4	2.8
Recurring EBITDA	589.1	685.4	(14.1)
EBITDA	590.8	691.4	(14.6)
EBIT	381.3	487.4	(21.8)
Net profit from continuing operations	222.1	303.3	(26.8)
Net profit for the period	221.7	315.9	(29.8)

* excluding the results of the Calcestruzzi subgroup

On July 9, 2008, the Calcestruzzi S.p.A. 2007 separate financial statements were approved by the shareholders and made available on the Italcementi Group website, www.italcementigroup.com. The site also includes the financial statements of the Calcestruzzi S.p.A. subsidiaries (Cemencal, Speedybeton, E.I.C.A. and E.S.A. Monviso).

On the same date, the Calcestruzzi S.p.A. Board of Directors issued the following statement.

“Bergamo, July 9, 2008 – At a meeting today, the shareholders of Calcestruzzi S.p.A. approved the 2007 financial statements. The financial year ended December 31, 2007, closed with **revenues** of 457.0 million euro (463.6 million euro for the year ended December 31, 2006). The decrease in sales volumes and the generalized rise in **costs** and **operating expense** led to a reduction in **EBITDA** to 5.9 million euro (20.2 million euro in 2006). After **depreciation and amortization** totaling 10.4 million euro, in line with 2006, and **impairment variations** of approximately 5.5 million euro, the company posted negative **EBIT** of 10 million euro (compared with positive EBIT of 9.7 million euro in 2006).

Net finance income of 0.5 million euro (net finance costs of 3.8 million euro in 2006) reflected the positive impact of the write-back of 6.8 million euro on the Greek subsidiary Domiki Beton S.A., which was sold to third parties in January 2008, as well as the impact of write-downs on equity investments in associates totaling 2 million euro (1.4 million euro in the year to December 31, 2006) and a rise of 1.4 million euro in interest expense. **Capital expenditure** of 11.3 million euro focused on production facility upgrade and modernization projects, construction of new plant and property purchases.

After income tax expense of 1.5 million euro (6.7 million euro in 2006), Calcestruzzi posted a **net loss for the year** of 11.0 million euro, compared with a net loss of 0.9 million euro in 2006.

In view of the extraordinary events concerning the company, the Calcestruzzi Board of Directors adopted rigorous criteria of diligence and prudence in drawing up the 2007 draft financial statements and conducted detailed analyses, described in full in the report on operations; to this end, it was supported by assistance from PricewaterhouseCoopers and constructive contacts with the court-appointed receiver.

The KPMG company, engaged to perform by law the independent audit on the 2007 financial statements, issued an unqualified opinion with a simple emphasis paragraph. Similarly, in a recent letter sent to KPMG and in copy to the board, the court-appointed receiver stated that to date no evidence had been found of cash flows that were “anomalous” or not connected with valid business considerations.

The directors did not apply adjustments to the value of equity investments in subsidiaries, but recorded impairment of approximately 5.5 million euro on goodwill as a prudent reflection of the effects of the changes in the conditions under which the company is operating and the outlook on the ready mixed concrete market in Italy. In the first part of 2008, the fall in sales was larger

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than expected due in part to the slowdown in investments in public works and in residential construction.

The financial statements also reflect provisions for risks and charges totaling 1.8 million euro in connection with disputes over supplies and work disputes. Consistently with the rigorous valuation criteria adopted by the Board of Directors, given the general slowdown on the ready mixed concrete market, an amount of approximately 5.2 million euro was set aside to the provision for bad debts (2.9 million euro in 2006).

The Calcestruzzi Board of Directors elected exoneration from preparation of consolidated financial statements. The Calcestruzzi S.p.A. annual report has been posted on the www.italcementigroup.com site together with the annual reports of the subsidiaries Cemencal, Speedybeton, E.I.C.A. and E.S.A. Monviso.”

On July 22, 2008, the Calcestruzzi S.p.A. Board of Directors approved the company balance sheet and income statement as at and June 30, 2008, and recorded the results set out in the consolidated balance sheet and income statement as at June 30, 2008. The Calcestruzzi S.p.A. balance sheet and income statement as at June 30, 2008, and the corresponding consolidated financial statements were forwarded to Italcementi S.p.A. to permit valuation of the equity investment in Calcestruzzi for preparation of the Italcementi S.p.A. consolidated condensed financial statements.

The Calcestruzzi S.p.A. 2008 half-year balance sheet and income statement reflect:

- revenues of 207.9 million euro (-12.5% from 237.5 million euro in the first half of 2007)
- negative recurring EBITDA of 3.3 million euro (positive recurring EBITDA of 7.1 million euro in the first half of 2007)
- negative EBIT of 8.2 million euro (positive EBIT of 2.2 million euro in the first half of 2007)
- a net loss for the period of 11.3 million euro (net loss of 2.3 million euro in the first half of 2007)
- shareholders' equity of 131.2 million euro (142.5 million euro at June 30, 2007)
- a negative net financial position of 129.4 million euro (120.6 million euro at December 31, 2007).

The Calcestruzzi S.p.A. 2008 half-year consolidated balance sheet and income statement reflect:

- revenues of 260.4 million euro (-12.4% from 297.2 million euro in the first half of 2007)
- negative recurring EBITDA of 2.5 million euro (positive recurring EBITDA of 10.6 million euro in the first half of 2007)
- negative EBIT of 9.8 million euro (positive EBIT of 3.8 million euro in the first half of 2007)
- a net loss for the period of 4.7 million euro (net loss of 2.2 million euro in the first half of 2007)
- shareholders' equity of 142.6 million euro (158.2 million euro at June 30, 2007)
- a negative net financial position of 155.2 million euro (148.8 million euro at December 31, 2007).

On July 22, 2008, the Calcestruzzi S.p.A. court-appointed receiver informed Italcementi that there was no information or assessment that was not already known to the Board of Directors, the Board of Statutory Auditors and the independent auditors. The receiver also stressed that there were no additional elements at that date such as to indicate potentially critical situations.

On the basis of this information, the Italcementi equity investment in Calcestruzzi carried at cost at 153 million euro at the time of deconsolidation was written down by 15.2 million euro, a prudent amount reflecting the adjustments applied as a result of the losses reported by the core business and the writedowns and provisions deemed appropriate by the subsidiary.

Performance of the construction materials sector in the half

(in millions of euro)	1st half 2008 ¹	% change on 1H 2007	
		Historic	Constant size
Cement and clinker (millions of metric tons)	30.2	(1.4)	(3.8)
Aggregates ² (millions of metric tons)	25.0	(16.6)	(4.5)
Ready mixed concrete (millions of m ³)	6.1	(40.6)	(1.4)

¹ amounts refer to companies consolidated on a line-by-line basis and, pro quota, to companies consolidated on a proportionate basis

² excluding outgoes on work-in-progress account

The data set out above does not include operations in Turkey in 2008 Q2 and in the 2007 comparatives. The changes to the historic scope of consolidation in the aggregates and ready mixed concrete sectors reflect the deconsolidation of the Calcestruzzi group, which was only partly offset (in the ready mixed concrete segment) from the entry into the scope of consolidation of the purchases in North America and Egypt.

In the **cement and clinker** segment, the fall in sales volumes mainly concerned the markets of mature countries, especially Italy, Spain and North America. In the emerging countries on the other hand, sales volumes grew on domestic markets (particularly Egypt, Morocco and India) thus reducing availability for exports and trading. In terms of these countries the situation in Kazakhstan also had an impact, where the suspension of authorizations for the use of quarries led to the temporary stop to production and sales until mid-April.

In the **aggregates** segment, on a like for like basis, sales volumes were affected by the significant fall recorded in Spain, while sales were broadly stable in France and positive in other markets, in particular Belgium, Greece and Morocco.

In the **ready mixed concrete** segment, again on a like for like basis, the fall seen in Central Western Europe (owing to the sharp fall in Spain and Greece) led to a fall in overall volumes. There was a positive performance in Egypt and Morocco, while sales volumes in Thailand fell.

Revenues in the first half of 2,814.7 million euro fell by 4.5% compared to the first half of 2007 owing to the net change in the scope of consolidation (-5.2%, with the Calcestruzzi group impacting by 7.1%) and the negative exchange-rate effect (-2.9%) against growth in business (+3.6%) backed by the positive trend in sales prices.

Operating results in the half were penalized by the rise in operating costs, which accelerated during the second quarter. This was mainly due to the trend in variable costs, in particular fuel, electricity, logistic costs and costs arising from the procurement of cement and clinker from third parties. Fixed costs also rose mainly as a result of specific effects in the second quarter concerning personnel, maintenance and general overheads.

The satisfactory trend in sales prices offset only in part the fall in sales volumes and the rise in expenses, which were accompanied by negative exchange-rate and consolidation effects.

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Recurring EBITDA (589.1 million euro) decreased by 15.4%, while **EBIT**, at 381.3 million euro, fell by 22.4%.

Finance costs, net of finance income, amounted to 72.7 million euro, an increase of 25.9% from the corresponding period in the prior year (57.7 million euro) largely due to higher exchange-rate losses (6.4 million euro), the rise in net debt (7.4 million euro) and the general rise in interest rates (3.2 million euro). The 2007 half-year result moreover reflected the impact of costs (5.2 million euro) for the early redemption of the Ciments Français debenture maturing in July 2009.

Adjustments to financial asset values consisted of a prudent writedown of 15.2 million euro on the Calcestruzzi company to reflect the difference between the cost of the equity investment at the time of loss of control (January 2008) and the value attributable at June 30, 2008; the difference arose as a result of changes in the fourth quarter of 2007, previously not included in the consolidated financial statements, and changes during the first half of 2008.

The **share of results of associates** was 13.1 million euro, an increase of 9 million euro from the first half of 2007 (4.0 million euro).

Net profit from continuing operations (before the results of the companies in Turkey which are destined for sale) was 222.1 million euro (-26.2% YoY); net profit was penalized by operating results and the increase in net finance costs, but benefited from significantly lower tax expense compared with the first half of 2007 (-38.1%), partly as a result of the increased weight of countries with lower tax burden and a reduction in tax rates in some countries (Spain and Morocco in particular).

Net profit for the period, at 221.7 million euro (-29.3%), reflected a small loss from discontinued operations (0.3 million euro) compared with a net profit in the corresponding period in the prior year (12.6 million euro).

The decrease in results of companies with low or zero minority interests (Italcementi S.p.A. in particular) and the greater weight of the results of companies with significant minority interests (the Egyptian companies in particular) generated a decrease in **group net profit** (-36.6%, from 208.0 million euro to 132.0 million euro) and a smaller decrease in net profit attributable to **minorities** (-15.0%).

Total **investments in fixed assets** in the first half of 2008 were 471.2 million euro (393.2 million euro in the corresponding period in the prior year). Capital expenditure totaled 302.0 million euro (220.0 million euro in the corresponding period in the prior year) and investments in fixed assets totaled 169.2 million euro (173.2 million euro in the corresponding period in the prior year), and mainly related to the purchase of equity investments, as illustrated in the section on significant events in the half.

Net debt at June 30, 2008 amounted to 2,608.3 million euro compared with 2,418.2 million euro at December 31, 2007. Excluding for comparative purposes, the net debt of 157.9 million euro of the Calcestruzzi group, which left the scope of consolidation in 2008, net debt at December 31, 2007, would have been 2,260.3 million euro, in respect of which net debt at June 30, 2008, would have reflected an increase of 348.0 million euro. This was largely due to significant investments in fixed assets in the first half (471.2 million euro), dividends paid (166.1 million euro) and a net cash outflow of 27.2 million euro on discontinued operations in Turkey, not fully offset by cash flows on operating activities (248.5 million euro) and the advance payment received for the sale of the Turkish companies (50.0 million euro). The first half of 2007 also benefited from an improvement of 114.9 million euro in cash flows from operating activities, as a result of the reduction in working capital following no-recourse factoring of trade receivables.

Total **shareholders' equity** at June 30, 2008, was 4,442.8 million euro, a decrease of 317.8 million euro from December 31, 2007 (4,760.5 million euro) relating to the group for 227.2 million euro and to minority interests for 90.6 million euro.

The main increase was in net profit for the period (221.7 million euro), the main decreases were in translation reserves (214.9 million euro) as a result of the depreciation of the main currencies against the euro, in the fair value reserve (168.3 million euro) as a result of the fair value losses on securities held in other entities, and in dividends paid (169.8 million euro).

Quarterly trend

(in millions of euro)	1st half 2008	Q2 2008	Q1 2008
Revenues	2,814.7	1,508.1	1,306.6
<i>% change on 2007</i>	<i>(4.5)</i>	<i>(4.4)</i>	<i>(4.5)</i>
Recurring EBITDA	589.1	328.1	260.9
<i>% change on 2007</i>	<i>(15.4)</i>	<i>(21.9)</i>	<i>(5.3)</i>
<i>% of revenues</i>	<i>20.9</i>	<i>21.8</i>	<i>20.0</i>
EBITDA	590.8	329.1	261.6
<i>% change on 2007</i>	<i>(15.9)</i>	<i>(22.6)</i>	<i>(5.6)</i>
<i>% of revenues</i>	<i>21.0</i>	<i>21.8</i>	<i>20.0</i>
EBIT	381.3	223.7	157.5
<i>% change on 2007</i>	<i>(22.4)</i>	<i>(29.7)</i>	<i>(8.8)</i>
<i>% of revenues</i>	<i>13.5</i>	<i>14.8</i>	<i>12.1</i>
Net profit from continuing operations	222.1	135.9	86.2
<i>% of revenues</i>	<i>7.9</i>	<i>9.0</i>	<i>6.6</i>
Net profit for the period	221.7	140.4	81.3
<i>% of revenues</i>	<i>7.9</i>	<i>9.3</i>	<i>6.2</i>
Group net profit	132.0	94.0	37.9
<i>% of profits</i>	<i>4.7</i>	<i>6.2</i>	<i>2.9</i>
Net debt (at period end)	2,608.3	2,608.3	2,306.5

As noted in the previous interim reports, the group core businesses are subject to seasonal trends, whereby performance is normally stronger in the second quarter than the first.

Overall Q2 **sales volumes** were affected by negative performance in June; although they were down on the corresponding period in the prior year, the decrease was smaller than in Q1, which compared with a particularly strong first quarter in 2007.

2008 Q2 **revenues** replicated the Q1 trend with a decrease of 4.4% compared to the second quarter 2007.

Operating results were considerably lower than in Q2 2007 due to larger cost increases and a significant negative exchange-rate effect, countered only in part by the still positive sales price trend.

Q2 **recurring EBITDA** showed a decrease of 21.9% compared to the same period of the previous year, while **EBIT** slowed by 29.7%.

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Significant events in the half-year

Significant events in the first half of 2008, as already partly illustrated in the interim report on operations at March 31, 2008, are described below.

In January the group closed the acquisition of a **grinding center in Ravenna** for cement production, for an investment of approximately 55 million euro. The plant has a production capacity of approximately 500,000 metric tons/year.

Also in January, as part of the re-organization of the group's ready mixed concrete and aggregates operations in Greece, Calcestruzzi S.p.A. and Halyps S.A. sold all their shares in the **Domiki Beton S.A.** subsidiary, raising net proceeds of 9.5 million euro.

At the end of January, **BravoSolution USA, Inc.** closed its acquisition of 100% of the shares of **Verticalnet, Inc.** Simultaneously, the two companies merged into a new entity with the name Verticalnet, Inc. d.b.a. (doing business as) BravoSolution US.

At the end of February, **Essroc** closed its acquisition of **Crider & Shockey**, a company active in North Virginia, where a full revamping of the Martinsburg cement plant is underway. The acquisition strengthens the vertical integration of the group's ready mixed concrete operations in North America that began last year.

Within the programs of verticalization of group operations in Kuwait, at the end of February, through **Hilal Cement Company**, the group closed the acquisition of **Kuwait German Ready Mix**, active in ready mixed concrete with a capacity of approximately 140,000 m³/year. The program continued through the first half with two other acquisitions: **Al Mahaliya** (capacity of approximately 330,000 m³/year) in June and an agreement, still subject to a final due diligence, for the acquisition of **Gulf Ready Mix** (ready mixed concrete sales of approximately 200,000 m³ in 2007). With these three companies, the Italcementi group becomes the leading ready mixed concrete producer in Kuwait and, following the 2007 purchase of Hilal Cement Company, the country's third-largest cement company, completes a rapid vertical integration. For Hilal, the acquisitions involved an overall outlay of approximately 36 million dollars, of which 49% borne by the Muhaidib group, Italcementi's partner in the initiative.

In the interests of dynamic management of its operations worldwide, at the end of March the group reached an agreement for the **sale** of its operations in Turkey through the Set Group, Set Cimento, Set Beton and Afyon Cimento companies, for 600 million euro. The sale to **Sibirskiy Cement**, Russia's second cement producer and the leading player in the region east of the Urals, is subject to a number of conditions, including approval by the Turkish antitrust authorities and privatization authorities, both of which were received in July; closing is expected during August. Sibirskiy Cement will pay Italcementi a cash consideration of 400 million euro and shares worth 200 million euro in Sibirskiy Cement (5.4% of share capital). Italcementi will also have a 220 million euro put option on the shares, exercisable between 18 and 24 months after closing.

On the financial front, in May the **Moody's Investor Services** ratings agency downgraded its outlook for Italcementi from stable to negative, confirming the Baa1 long-term rating; it confirmed its Baa1 rating with stable outlook for Ciments Français. **Standard & Poor's** downgraded its long-term rating for Italcementi and for the Ciments Français subsidiary from "BBB+" to "BBB"; the outlook for both companies is stable.

In June, confirming its commitment to strengthen its strategic presence in North Africa/Middle East, the group announced a new partnership with the **Saudi Muhaidib group** to build a **new cement plant in Syria** with a capacity of 3.2 million metric tons; this follows other agreements in ready mixed concrete in the Gulf region. Ciments Français will take a 12.5% stake in the venture, which has an authorized share capital equivalent to approximately 260 million US dollars. The plant is scheduled to begin operations at the end of 2010.

Also in June, a licensing agreement was signed with **Heidelberg Cement** for joint use of a series of patents for photocatalytic cement and binders developed by the Italcementi group and for the **TX Active®** brand. The agreement launches a new technical research cooperation program to define criteria and standards for potential application to photocatalytic products,

establishing a European standard. Through the agreement, TX Active® becomes the world benchmark brand for the quality of cement-based photocatalytic products.

During the first quarter of 2008, **Société Internationale Italcementi France S.a.s.** purchased 139,310 **Ciments Français** shares on the market for an outlay of approximately 14.6 million euro. At June 30, 2008, its investment represented 78.94% of share capital (89.40% of voting rights).

During the second quarter, in connection with the program approved by the shareholders on April 14, 2008, **Ciments Français S.A.** acquired 272,567 treasury shares for a value of approximately 32.8 million euro. At June 30, 2008, it held 1,010,222 **treasury shares**, representing 2.68% of share capital. On July 31, 2008, the Ciments Français S.A. Board of Directors approved the cancellation of 964,522 shares.

At June 30, 2008, **Italcementi S.p.A.** held 3,793,029 ordinary treasury shares, representing 2.14% of ordinary share capital and 105,500 savings treasury shares (0.1% of savings share capital). The quantity of treasury shares held was unchanged compared to the end of 2007.

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Performance by geographical area

(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	H1 2008	% change vs. H1 2007	H1 2008	% change vs. H1 2007	H1 2008	% change vs. H1 2007	H1 2008	% change vs. H1 2007
Geographical area								
Central Western Europe	1,750.2	(10.3)	311.4	(18.4)	311.1	(19.6)	198.0	(27.1)
North America	228.2	(20.3)	22.8	(55.6)	23.6	(53.8)	1.0	(96.4)
Eastern Europe and Southern Med Rim	548.2	16.6	196.9	0.6	197.6	0.7	147.0	1.5
Asia	215.2	0.8	56.3	(11.2)	56.6	(10.3)	36.1	(17.8)
Cement and clinker trading	186.0	3.2	15.2	37.3	15.3	24.5	13.6	19.3
Other and inter-area eliminations	(113.1)	n.s.	(13.5)	n.s.	(13.4)	n.s.	(14.4)	n.s.
Total	2,814.7	(4.5)	589.1	(15.4)	590.8	(15.9)	381.3	(22.4)

n.s. not significant

Central Western Europe

In Central Western Europe revenues in the first half of 2008 fell by 10.3%, owing to the sharp fall in Italy and, to a lesser extent, in Spain and Greece, against increases in France and Belgium.

The fall in operating results was even more pronounced, above all in Italy, since the price increases generally did not manage to offset the negative trend in volumes which was also affected by less favorable weather than in the first half of 2007, and the increase in some operating expenses (above all for energy).

North America

Following the aforementioned negative period for the construction sector, above all for residential construction, cement sales volumes of the Italcementi group in North America at the end of June were down by 13.5% compared to the prior-year period, in line with market trends. Weak demand also affected sales prices, which fell compared to 2007 during the second quarter. As a consequence overall revenues in local currency fell despite the positive impact of the acquisitions made in the ready mixed concrete business.

The increase in variable production costs (mainly for energy), but above all, the fall in sales volumes caused a sharp drop in operating results.

Eastern Europe and Southern Med Rim

All the countries in the area (Egypt, Morocco and Bulgaria) saw increasing revenues as a result of the growth in their respective domestic markets, both in terms of volumes and of prices.

EBIT in Egypt and Bulgaria improved since they managed to offset the increase in operating expenses with the increase in revenues, while in Morocco operating results, albeit still positive, were penalized partly by the increase in expenses, but above all by the purchases of clinker to respond to market growth.

Asia

There were differing trends in the Asian countries where the group is present.

In Thailand the difficult political situation affected the country's economic performance with an impact on cement consumption. Operating results fell owing to the increase in some operating expenses (above all fuel) and the negative exchange rate impact, only partly offset by the increase in sales prices.

In India cement consumption continued to fall, with a consequent saturation of the group's production capacity. Operating results made good progress, thanks also to the favorable trend in sales prices, which was only partially contained by the marked increase in operating expenses and the negative exchange-rate effect.

Sales volumes in the first five months of 2008 in China were modest, in part due to the disastrous weather conditions in January, the reduced activity in February (Chinese New Year) and the earthquake which struck South China and especially the province around Sichuan in May.

In Kazakhstan the problems recorded on quarrying licenses prevented production and sales operations until mid April. The effects were only partially compensated by a very strong increase in sales prices in May. Performance in the first half, which compares with excellent results in 2007, obviously reflects the impact of the events illustrated above.

Cement and clinker trading

2008 first-half intragroup and third-party cement and clinker sales volumes decreased by 13.6% on the corresponding period in the prior year.

Clinker and cement availability for export was affected by the lower contribution from Egypt as it responded to high local demand. Average C&F sales prices rose in part as a result of higher logistic costs.

Operating results made good progress thanks to the improvement in margins and the positive consolidation effect (mainly line-by-line consolidation of Hilal Cement Company as from September 30, 2007), which more than made up for the decrease in sales volumes and the negative exchange-rate effect.

Discontinued operations

After an outstanding 2006 and good first half in 2007, the **Turkish** economy showed signs of slowing, especially in the construction industry. During the first half of 2008, the local currency lost 12.9% against the euro. Despite the slight improvement on the cement market in the first half of 2008 compared to 2007, group **cement** sales volumes suffered from the business decline in the areas where it operates (Central Anatolia).

In these unfavorable conditions, **ready mixed concrete** sales volumes also slackened slightly. Overall, despite a small improvement in cement in Q2, the fall in sales volumes and negative sales price trend caused operating results to slide and were also affected by the rise in production expenses.

E-business initiatives

In the half year BravoSolution S.p.A. and its subsidiaries continued their favorable growth trend and recorded a 42.8% rise in consolidated revenues to 23.7 million euro, partly due to the broader scope of consolidation with the acquisition of the US company Verticalnet, Inc. On a like for like basis the increase in revenues was approximately 23%. EBITDA fell to 1.4 million euro (3.6 million euro in the corresponding period in the prior year) partly due to restructuring expenses which are expected to bring benefits already in the second half of 2008.

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Energy project

During the first half of 2008, work continued on various projects in Italy and abroad.

In **Italy**, with regard to the revamping of the Villa di Serio power station, in March the Government confirmed the Integrated Environmental Authorization granted by the Ministry of the Environment in 2006. In June, at the joint conference convened by the Lombardy Regional Authority to acquire opinions on the Environmental Impact Assessment procedure for the variation to the gas pipeline route, all the local authorities expressed a favorable opinion.

In **Morocco**, technical-economic assessment of the offers presented for turnkey supply of the 50 MW wind farm is underway.

In **Turkey**, work continued on the project for a 142.5 MW wind farm, including the acquisition of all of the shares in Bares Uretim, the company that holds the wind farm licenses (for further detail see "Significant post balance sheet events").

In **Egypt**, with regard to plans for possible construction of a wind farm on the Red Sea, an Action Plan was signed providing for an Environmental Impact Assessment to be completed by the end of the first quarter 2009.

Disputes

Egypt

The court hearings took place for the investigation begun in October 2007 by the Egyptian antitrust authority into cement producers on the domestic market. The Suez group representatives involved in the proceedings filed a written defense; the court is expected to hand down its sentence at the next hearing, due to be held on August 25.

Spain

With regard to the investigation by the Spanish antitrust authority into possible unfair trading practices by some ready mixed concrete producers in the Cantabria region, extended in December 2007 to Hormigones y Minas (HyM), the investigators do not consider HyM to be one of the organizers of the cartel, which would be a reason to apply a heavier sanction. The investigative phase has been completed and the case has now passed to the Competition Council.

Italy

In July 2007 the court of Reggio Calabria served a notice on Italcementi S.p.A. ordering the "temporary suspension from administration of assets" for the production and sales network in Calabria, in connection with investigations and proceedings against third parties.

On July 21, 2008, the Reggio Calabria court revoked the temporary asset administration suspension order, fully reinstating Italcementi to possession and administration of its assets in Calabria.

The revocation order makes full acknowledgement of the fact that the Italcementi company has adopted procedures to prevent the risk of relations with criminal organizations.

With regard to Calcestruzzi, information on which is provided in the specific section, on June 12 the Italcementi company and its Chief Executive Officer were served notice that the Calanissetta Prosecutor had requested that collection of pre-trial evidence be extended to include them, integrating a similar request filed in March by the Calcestruzzi defense lawyers.

The documents served on Italcementi do not indicate any reasons for the involvement of the company in the investigation into its subsidiary.

The Italcementi company is taking every step to establish that it had absolutely no connection with the facts, which concern a number of Calcestruzzi supply contracts in Sicily.

With regard to the proceedings begun by the Competition & Market authority against eleven ready mixed concrete companies active in Italy, including Calcestruzzi S.p.A. and Cemencal S.p.A., no further developments have taken place since the events illustrated in the 2007 annual report.

All appeals are currently pending with the *Consiglio di Stato*, Italy's supreme judicial-administrative review body; so far, no date has been set for a hearing.

Significant post balance sheet events

In July, consistently with its sustainable development policies, through its **Italgen S.p.A.** subsidiary the group completed the acquisition in Turkey of Bares Uretim which holds the licenses for construction of a major **wind farm** in the **Balikesir** region (**North West Turkey**) on a plateau exposed to constant winds and close to nodes with the national power grid. After the agreements in Egypt and Morocco, the Turkish installation will enable Italgen to expand its renewable energy business in keeping with its strategic plan.

Outlook

The short-term outlook is highly uncertain at present, due to the impossibility of drawing up reliable forecasts for energy prices and the difficulties on the financial markets. Even assuming a return to less critical conditions, economic performance in the industrialized countries is expected to be flatter in the second half of the year than in the first. Moreover, it is possible that some of the main emerging countries will show signs of an economic slowdown due to growing inflationary pressures.

Given this situation, the group is intensifying actions to ensure that the reduction in profitability reported in the first half is kept at significantly contained levels already from the second half of the year. Specifically, the group will continue incisive actions to contain variable costs and also will benefit from the measures already taken in the first half to contain fixed costs.

In light of the negative performance of the industry at the end of the second quarter, the targets published at the end of the first quarter indicating full-year operating results in line with 2007 are now no longer applicable.

Subject to currently unforeseeable events, the group's second-half operating results are expected to be slightly down compared to the second half of 2007.

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Food packaging and thermal insulation sector

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

(in millions of euro)	1st half 2008	1st half 2007	% change	Full year 2007
Revenues	130.1	120.7	7.8	248.2
Recurring EBITDA	11.5	14.7	(21.5)	28.6
<i>% of revenues</i>	8.9	12.2		11.5
Other non-recurring income (expense)	-	-	<i>n.s.</i>	(4.0)
EBITDA	11.5	14.7	(21.5)	24.6
<i>% of revenues</i>	8.9	12.2		9.9
Amortization and depreciation	(6.1)	(5.8)	6.2	(11.4)
Impairment variation	-	-	-	(4.9)
EBIT	5.4	8.9	(39.1)	8.3
<i>% of revenues</i>	4.2	7.4		3.4
Finance income (costs)	(3.5)	(3.8)	(7.4)	(8.0)
Profit before tax	1.9	5.1	(62.7)	0.3
<i>% of revenues</i>	1.5	4.3		0.1
Income tax expense	1.5	(3.2)	<i>n.s.</i>	(1.5)
Net profit	3.4	1.9	78.8	(1.2)
<i>% of revenues</i>	2.6	1.6		0.5
Group net profit	3.5	2.0	76.7	0.5
Minority interest	(0.1)	(0.1)	<i>n.s.</i>	(1.7)
Investments	12.2	5.0		11.9

(in millions of euro)	June 30, 2008	December 31, 2007
Total shareholders' equity	52.8	48.8
Group shareholders' equity	50.8	46.2
Net debt	136.4	128.2
Number of employees at period end	1,369	1,341

n.s. not significant

The first half of 2008 saw the continuation of the main phenomena which were already evident in 2007: in food packaging, the market for expanded polystyrene containers in Western Europe was affected by the fall in consumption with a consequent impact on prices in France and volumes in Italy, while the solid performance of the markets of Central Eastern Europe continued. As for thermal insulation, demand remained high with the requirement for thicker insulation following application of the regulation on energy saving.

The trend in the cost of polymers was slightly favorable owing to weak demand (manufacturers succeeded in increasing prices only at the end of June), but there were significant increases for other expenses which were directly influenced by the oil price (energy/transport).

Revenues rose by 7.8% (+7.6% on a like for like basis and constant exchange rates), above all due to the growth in sales of products for food packaging in Eastern European countries, rigid containers in Italy and thermal insulation products.

EBIT was 5.4 million euro, down significantly on the first half of 2007 (-39.1%), mainly due to expanded polystyrene containers in Italy, but also exacerbated by a series of contingent phenomena which had an, albeit lesser, impact on the other areas.

Profit before tax was 1.9 million euro and fell compared to the first half of 2007 (5.1 million euro), owing to the combined effect of the fall in EBIT, higher finance costs linked to the debt, positive exchange-rate differences and the realization of some capital gains.

Taxes for the period represented income of 1.5 million euro, while they were an expense of 3.2 million euro at June 30, 2007. This is a consequence of the fact that Italian companies have arranged, on the basis of a tax regulation which has recently come into force, to release reserves arising from application of higher amortization rates for tax purposes and, since the cost of the operation was lower than ordinary taxation, the deferred tax liabilities which were set aside at the time have proved excessive and so have been cancelled for the corresponding amount.

Net profit was 3.4 million euro, an improvement on 1.9 million euro in the first half of 2007.

Net debt was 136.4 million euro, higher than at December 31, 2007 following the investments in fixed assets made in the period and the increase in working capital.

Investments in fixed assets totaled 12.2 million euro (5 million euro in the first half of 2007) and mainly involved food packaging.

Significant events in the period

On January 3, 2008, Sirap Gema SpA became aware of an operation to the detriment of its subsidiary Inline Ukraine L.C.F.I., on the basis of which Inline Poland in fact lost control of the former's business and so arranged to exclude it from the scope of consolidation. The impact on income and equity was recorded in the financial statements at December 31, 2007. A legal studio in Kiev was immediately appointed to look closely at the situation and on the basis of this analysis civil and penal action has been started to regain formal control of Inline Ukraine and to recover possession of the removed assets as well as to protect Petruzalek's business in the country.

In the half Sirap Gema SpA arranged to buy a further 17.42% of the share capital of the subsidiary Universal Imballaggi Srl for an outlay of 0.8 million euro, thus increasing to 92.64% its holding in the company.

At the end of the group's corporate reorganization, on February 22 Sirap Gema SpA arranged to sell its equity investment in the subsidiary Sirap Gema Finance SA to the related company Société de Participation Financière Italmobiliare SA at the price of 12.6 million euro, as assessed by independent professionals.

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Quarterly performance

(in millions of euro)	1st half 2008	Q2 2008	Q1 2008
Revenues	130.1	69.8	60.3
% change on 2007	7.8	8.6	6.9
Recurring EBITDA	11.5	7.2	4.3
% change on 2007	(21.5)	(16.7)	(28.4)
EBITDA	11.5	7.2	4.3
% change on 2007	(21.5)	(16.7)	(28.4)
EBIT	5.4	4.0	1.4
% change on 2007	(39.1)	(32.4)	(52.8)
Total net profit	3.4	4.5	(1.1)
% change on 2007	75.8	n.s.	n.s.
Group net profit	3.5	4.5	(1.1)
n.s. not significant			
Net debt (at period end)	136.4	136.4	126.4

The trend in the 2nd quarter of 2008 saw a recovery in profitability thanks to higher revenues and the improvement in the structure of operating expenses in keeping with the seasonal trend for the period.

Performance by line of business and geographical area

(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	1st half 2008	% change on 1st half 2007	1st half 2008	% change on 1st half 2007	1st half 2008	% change on 1st half 2007	1st half 2008	% change on 1st half 2007
Food packaging								
- Italy	54.5	3.4	6.3	(27.6)	6.3	(27.6)	2.9	(48.6)
- France	12.7	(2.3)	(0.2)	n.s.	(0.2)	n.s.	(0.8)	(30.3)
- Other European Union countries	33.8	18.8	1.7	(5.3)	1.7	(5.3)	0.7	(28.0)
- Other non-EU countries	10.8	7.0	0.5	(19.8)	0.5	(19.8)	0.2	72.7
Eliminations	(9.1)	-	-	-	-	-	-	-
Total	102.7	8.2	8.3	(25.3)	8.3	(25.3)	3.0	(50.9)
Thermal insulation - Italy	32.1	7.7	3.2	(9.9)	3.2	(9.9)	2.4	(13.3)
Eliminations	(4.7)		-		-			
Total	130.1	7.8	11.5	(21.5)	11.5	(21.5)	5.4	(39.1)

n.s. not significant

Food packaging

For food packaging the half was characterized by the difficulties in France and Italy for expanded polystyrene containers: the general fall in consumption and the reduced use of red meat had a significant impact in terms of volumes (in Italy) and sales prices (in France).

The group's Italian and French companies therefore undertook a series of initiatives to improve the sales mix and manufacturing efficiency: the positive results achieved were not, however, sufficient to offset the effects of the negative economic situation and the increase in structural costs.

On the other hand, demand for transparent rigid containers rose in all the key countries thanks to the greater use of packaged food (fruit and vegetables, cold meats, ready to eat meals). Revenues thus improved markedly, while profits were affected by the court ordered closure of a plant (following an accident) for most of the second quarter which meant it was necessary to buy semi-finished products from third parties. The plant was reopened at the end of June.

Demand in the countries of Central Eastern Europe, which are mainly controlled by the Petruzalek group, remained high and assisted the growth in turnover of the companies which operate in that area.

Investments in the half totaled 10.1 million euro and were aimed at the overall improvement in efficiency and production capacity as well as new moulds and the purchase of land for the new rigid packaging plant in Poland.

Thermal insulation

The Italian market continues to show strong demand helped by the application of the new technical regulations on energy saving which require the use of thicker and/or higher performance panels.

Revenues rose (+7.7%) in the half thanks to the higher volumes sold of extruded polystyrene sheets and expanded sheets for roof insulation.

Nonetheless, EBIT fell; the current limited capacity and the intense use of plant to meet the strong demand led, in particular at the start of the year, to lower manufacturing efficiency. Sales orders which exceeded manufacturing capacity were fulfilled by making more use of the purchase of finished goods from third parties with markedly lower margins. These problems gradually diminished during the half and will be finally resolved with the operating start-up of a new production line in the second half of the year.

Investments in fixed assets totaled 1.9 million euro, mainly due to the new line which is currently being built.

Disputes

With reference to the information in previous reports on the general tax audit of Sirap Gema S.p.A. by the Verolanuova tax agency during 2004, and following the company's appeal, on June 27, 2008, notification was received of the sentence of the Brescia Provincial Tax Commission declaring the two main charges illegitimate (waiving a receivable due from the Luxembourg-based subsidiary of 7,070 thousand euro and transfer prices to Sirap Gema France S.A.S. for 233 thousand euro). On the other hand, the third finding regarding the non-deductibility of some entertainment expenses was confirmed, albeit for a modest sum (8.6 thousand euro). The Tax Agency now has the option of presenting its own appeal.

On June 4 and 5, officials of the European Commission – Directorate General 4 (“Competition”) carried out an inspection in the offices of Sirap Gema S.p.A. in Verolanuova (Brescia).

This inspection is the first stage in an investigation started by the European Commission regarding supposed violations of EU competition laws in the plastic materials market for food packaging. The Commission believes it has identified such violations and, according to the Commission, Sirap Gema was also involved, together with other Italian and foreign manufacturers.

In particular, the Commission posits the existence of agreements or commonly agreed practices for the sale of such materials in member states of the European Union, including Italy, aimed at fixing prices, dividing up customers and coordinating during tenders organized by customers, as

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well as the illegal exchange of commercially sensitive information regarding the sale of such products.

Following the above, Sirap Gema immediately engaged a leading law office which specializes in Italian and EU competition law in order to provide assistance in the proceedings.

Outlook

In the second half of 2008 it is expected that the main phenomena seen in the first part of the year will be repeated: strong demand on the insulation market, solid performance in sales of transparent rigid packaging and significant pressure over expanded polystyrene products on the Italian and French markets.

As for polymer prices, in the second half, the rising trend should continue, as already seen at the end of June and confirmed by announcements of price increases as from August 1st by the main manufacturers.

The increase in oil prices will of course not only impact on raw materials, but on the whole structure of expenses, directly affecting items such as transport and energy.

The main uncertainties and risks in the second half, therefore, concern not only ongoing disputes but also the trend in demand on the main markets where the group operates and the trend in the cost of raw materials and other cost factors which are directly or indirectly linked to the oil price.

Consolidated net profit for the full year, subject to currently unforeseeable events, is, nonetheless, expected to be up on 2007, which was negatively affected by non-recurring events.

Financial sector

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

- Sance S.r.l. joined the financial sector as from January 1, 2008 following the corporate restructuring which gave this company responsibility for share trading;
- SG Finance joined the financial sector when in February 2008 Société de Participation Financière Italmobiliare S.A. bought this equity investment from Sirap Gema S.p.A.

The overall contribution by these companies to the total financial sector is marginal.

(in millions of euro)	1st half 2008	1st half 2007	% change	Full year 2007
Revenues	108.1	116.9	(7.5)	155.9
EBIT	48.4	83.7	(42.1)	69.5
Net profit for the period	51.3	91.7	(44.1)	85.3

(in millions of euro)	June 30, 2008	December 31, 2007
Net financial position	276.3	299.4
Shareholders' equity	1,555.6	1,861.7
Number of employees at period end	44	46

Quarterly performance

(in millions of euro)	1st half 2008	Q2 2008	Q1 2008
Revenues	108.1	97.2	10.9
% change on 2007	(7.6)	7.1	(58.4)
EBIT	48.4	85.7	(37.3)
% change on 2007	(42.1)	24.8	n.s.
Net profit for the period	51.3	86.0	(34.7)
% change on 2007	(44.1)	19.3	n.s.
Net financial position (at period end)	276.3	251.4	251.4

n.s. not significant

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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.

(in millions of euro)	1st half 2008	1st half 2007	% change	Full year 2007
Net income on equity investments	80.3	77.7	3.3	90.4
Net income from cash investments	(9.0)	22.6	(139.8)	19.5
Net debt charges	(12.2)	(9.1)	(34.2)	(24.4)
Total financial income and expenses	59.1	91.2	(35.2)	85.5
Operating income and expense	(9.8)	(6.7)	(47.0)	(13.2)
Income tax expense	2.0	7.1	(72.4)	13.0
Net profit for the period	51.3	91.6	(44.1)	85.3

Net income on equity investments rose in the first half from 77.7 million euro in 2007 to 80.3 million euro, largely due to higher dividends received from other companies (i.e. companies which are not subsidiaries or associates). This more than offset the negative difference which was seen in the first quarter above all owing to a different time distribution of dividends.

Net income from cash investments in the first half of 2008 fell to a loss of 9.0 million euro, down by 31.6 million euro on the prior-year period, which had seen a positive result of 22.6 million euro. This deterioration largely depends on the markedly negative trend on share and bond markets in the first half of 2008, continuing and even surpassing the negative trend in the second half of 2007, which led to an adjustment of assets held to current values.

The market continued to be negatively affected by the sub-prime mortgage crisis, with the consequent need for many banks to massively writedown their portfolios, and the fall in the liquidity of the system and the possibility of accessing credit. Therefore, many operators, in particular funds, had to sell to meet their cash needs. Share and bond prices were affected by all of this and also our trading portfolios underwent major adjustments.

It should be noted that the performance in the second quarter of 2008 was better, with net income of 16.4 million euro, compared to the first quarter which recorded net charges of 25.4 million euro.

Net debt charges were higher (+3.1 million euro) than those of the prior-year period owing to higher interest rates and the higher level of average debt. However, the increase was limited by the positive outcome from interest rate swaps undersigned in the second half of 2006. In the second quarter net debt charges were lower than in the previous year (4.1 million euro compared to 4.7 million)

Operating expenses, net of income, rose from 6.7 million euro to 9.8 million euro. This increase was due above all to the presence, in the first half of 2007, of some non-recurring income. The tax item was once again positive overall, falling from +7.1 million euro to +2.0 million euro, owing to differing situations in the two years and to the change in some tax law elements.

For the above reasons **net profit** for the period therefore stood at 51.3 million euro, down by 40.4 million euro compared to the prior-year period.

The companies which make up the financial sector hold significant equity investments, most of which are classified as "Available for sale". Changes in the fair value of these equity investments, with the exclusion of those consolidated at cost, are recorded under shareholders' equity in the "Fair value reserve". At the end of June 2008 the consolidated size of this reserve in the financial sector totaled 242.7 million euro, compared with 541.5 million euro at December 31, 2007. The sharp reduction is connected to the negative performance of stock market prices, which especially affected the banking (Unicredito, Mediobanca, UBI) and editorial (RCS MediaGroup) sectors which companies in the financial sector have invested in.

Significant events in the period

As for the financial sector, in the first half of 2008 the following significant events should be noted:

- in January, after Capitalia Partecipazioni S.p.A. sold all the **RCS MediaGroup** shares held in the RCS shareholder agreement, Franco Tosi purchased 1,756,334 RCS ordinary shares for an outlay of 5.6 million euro, and contributed them to the voting trust;
- in February, Société de Participation Financière Italmobiliare S.A. acquired from the subsidiary Sirap Gema S.p.A. 99.97% of the capital of the Luxembourg-based **Sirap Gema Finance S.A.** at a price of 12.6 million euro, based on an independent valuation. Subsequently the company changed its name to SG Finance.

During the first half Italmobiliare did not buy back shares nor were any stock options exercised by option holders. Consequently, at June 30, 2008 the company had 871,411 ordinary treasury shares, representing 3.928% of ordinary share capital, as well as 28,500 savings shares (0.714% of total savings shares).

Information on some companies in the sector

Italmobiliare International Finance Limited

The company, the main financial part of the Italmobiliare Group, operates on international capital markets and offers financial support to Group companies.

In the first half of 2008 its net loss was 2 million euro, which was an improvement on the loss of 13.5 million at March 31, 2008. The loss, which reflected the unfavorable performance of the financial markets, made up for much of the losses realized in the first quarter thanks to the coupons which accrued in the period, the receipt of some expired bonds and lower writedowns of the bond portfolio and alternative funds of funds.

At the end of June the trading portfolio totaled 585.2 million euro, consisting of:

- a lower risk bond portfolio for a total of 293.4 million euro, mainly including bonds (with an average AA rating, and residual average life of 3.57) and bank deposits (for 18.4 million euro); the yield at the date was +0.20% (compared to -2.57% in the first quarter of 2008);
- a higher risk bond portfolio for a total of 68.5 million euro, mainly including bonds (with an average A- rating and a residual average life of 3.48) and bank deposits (for 5.6 million euro); the yield at the date was -2.76% (compared to -5.66% in the first quarter of 2008);

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- investment funds of 44.6 million euro; the yield at the date was -2.23% (compared to -2.66% in the first quarter of 2008);
- capitalization policies for 79.5 million euro; the yield at the date was +2.03% (compared to +1.07% in the first quarter of 2008);
- alternative funds of funds for 93.0 million euro; the yield at the date was -1.58% (compared to -3.35% in the first quarter of 2008);
- interest-bearing intercompany loans for 6.2 million euro; the yield at the date was +2.16% (compared to +1.07% in the first quarter of 2008);

The average yield on the trading portfolio at June 30, 2008 was -0.32%, compared to -2.51% at March 31, 2008.

Overall the bond portfolio consists of fixed rate bonds for 14.7% and floating rate bonds for 85.3%. Through the use of futures and interest rate swaps the duration of the bond portfolios was nonetheless kept close to zero, in expectation of market rate increases.

Société de Participation Financière S.A.

This company's net loss was 10.7 million euro, higher than the loss in the first quarter (- 9.7 million euro). While financial management (net interest income, capital gains/losses realized and confirmed on debentures, and the result of alternative funds of funds) performed much better in the second part of the half, achieving a profit of 0.5 million euro (a loss of 1.2 million in the first quarter) at June 30, 2008, the management of equity investments for trading, despite the receipt of dividends, was affected by the negative performance of the stock market which especially penalized banking and publishing shares, thus recording a loss of 11.0 million euro in the half, above that recorded up to March 31, 2008 (8.4 million euro).

The share trading portfolio consisted of 2,071,530 RCS Media Group shares, 1,600,000 UBI shares and 2,300,000 Unicredit shares. Their overall value at June 30, 2008 was 35.6 million euro.

The bond portfolio at the end of half totaled 33.6 million euro (with an average rating of A and a residual average life of 3.13). The yield at the date was -0.29% (compared to -1.09% in the first quarter of 2008). The bond portfolio was 10.9% invested at a fixed rate and 89.1% at a floating rate. The duration of this portfolio was 0.33.

Other investments at the end of June 2008 concerned:

- capitalization policies for 11.5 million euro; the yield at the date was +2.20% (compared to +1.09% in the first quarter of 2008);
- alternative funds of funds for 11.5 million euro; the yield at the date was -1.49% (compared to -2.22% in the first quarter of 2008);
- loans to associates not belonging to the financial sector for 32.5 million euro; the yield at the date was +3.30% (compared to +1.61% in the first quarter of 2008).

The overall yield of the bond portfolio and the above investments was 0.98% at June 30, 2008 (-0.81% at March 31, 2008).

Italmobiliare S.p.A.

In the first half of 2008 Italmobiliare S.p.A. recorded revenues of 86.7 million euro compared to 93.0 million in the prior-year period. The fall is basically due to lower dividends from subsidiaries and associates.

Higher finance costs and writedowns of the trading portfolio ensured that profit before tax stood at 60.3 million euro (compared to 73.9 million euro in the first half of 2007, which had benefited from some provision applications).

A less favorable tax component (a positive balance of just 1.8 million euro, while in the first half of the prior year it was positive for 8.4 million euro) led to net profit in the period of 62.0 million euro (82.3 million euro net profit at June 30, 2007).

Italmobiliare's trading portfolio, in total 18.3 million euro, consists of 2.3 million euro in shares and 16.0 million euro in debentures.

The average rating of trading debentures is A-, while the residual average life is 3.03. The yield at the date was +1.01% (compared to -1.09% in the first quarter of 2008).

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Equity investments in listed companies in the financial sector

The following is a summary of the equity investments in listed companies held by the financial sector.

	Quantity	% ¹	Investing company
Available-for-sale equity investments			
Subsidiaries			
Italcementi ordinary shares	106,734,000	60.262	Italmobiliare S.p.A.
Italcementi savings shares	3,011,500	2.856	Italmobiliare S.p.A.
Associates			
Mittel	8,522,756	12.913	Italmobiliare S.p.A.
Other			
Unicredito ordinary shares	85,626,509	0.642	Italmobiliare S.p.A.
Unicredito ordinary shares	7,231,104	0.054	Franco Tosi S.r.l.
Mediobanca	9,971,282	1.217	Franco Tosi S.r.l.
Rcs MediaGroup ordinary shares	37,606,889	5.133	Franco Tosi S.r.l.
Ubi Banca	1,718,500	0.269	Italmobiliare S.p.A.
Ubi Banca	1,465,166	0.229	Sance S.r.l.
Intek ordinary shares	9,821,000	2.824	Franco Tosi S.r.l.
Intek warrants	3,480,820	2.966	Franco Tosi S.r.l.
Other equity investments for trading ²			
Unicredito ordinary shares	2,300,000	0.017	Soparfi S.A.
Unicredito ordinary shares	400,000	0.003	Soparfinter S.A.
Rcs MediaGroup ordinary shares	2,071,530	0.283	Soparfi S.A.
Ubi Banca	1,600,000	0.250	Soparfi S.A.
A2A	992,000	0.032	Italmobiliare S.p.A.

¹ The % refers to the total securities issued for the corresponding category

² Equity investments for trading form part of the net financial position

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 of the financial sector.

(in thousands of euro)	June 30, 2008		December 31, 2007	
	Italmobiliare	Financial sector ²	Italmobiliare	Financial sector ¹
Cash, cash equivalents and current financial assets	27,780	730,753	44,066	796,018
Short-term financing	(192,252)	(197,168)	(177,840)	(212,591)
Short-term net financial position	(164,472)	533,585	(133,774)	583,427
Medium/long-term financial assets	3,265	62,607	2,792	62,460
Medium/long-term financing	(319,860)	(319,860)	(346,440)	(346,440)
Medium/long-term net financial position	(316,595)	(257,253)	(343,648)	(283,980)
Net financial position	(481,067)	276,332	(477,422)	299,447

¹ consisting of: Italmobiliare S.p.A. - Italmobiliare International Finance Ltd. - Italmobiliare International B.V. - Société de participation Financière S.A. - Fincomind A.G. - Soparfinter S.A. - Franco Tosi S.r.l.

² Besides the companies indicated at point 1, in 2008 the financial sector also included Sance S.r.l. and SG Finance S.A.

ITALMOBILIARE

Italmobiliare had net debt of 481.1 million euro (477.4 million euro at December 31, 2007), slightly up (3.7 million euro) owing to some non-recurring items.

On the other hand, the consolidated financial position of the financial sector, which also includes the parent company Italmobiliare, was positive at 276.3 million euro (299.4 million euro at December 31, 2007), down by 23.1 million euro, as a consequence mainly of higher finance costs linked to the writedown of the trading portfolio.

The change in the net financial position of Italmobiliare and the financial sector is shown in the following table.

(in millions of euro)	Italmobiliare	Financial sector
Sale of equity investments	0.3	0.7
Equity investments acquired	-	(5.6)
Commitments with private equity funds	-	(5.0)
Dividends paid	(61.5)	(61.5)
Dividends received	77.2	80.9
Finance income (costs)	(8.2)	(21.5)
Current operations and non-recurring items	(11.4)	(11.2)
Total	(3.6)	(23.1)

Outlook

The results of the financial sector for the whole year depend basically on the trend of the financial markets, which in the final part of 2007 and in the first half of 2008 was unfavorable and very volatile. The future trend in interest rates and the performance of stock and bond markets involve elements of uncertainty and risk for the rest of the year which make it difficult to currently formulate a reliable full-year forecast for results in this sector.

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Banking sector

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

(in millions of euro)	1st half 2008	1st half 2007	% change	Full year 2007
Revenues	22.8	25.9	-12.1	50.6
EBIT	4.3	7.0	-38.9	11.8
Net profit for the period	3.6	5.6	-34.6	9.7

(in millions of euro)	June 30, 2008	December 31, 2007
Net financial position	85.0	93.5
Shareholders' equity	92.5	94.1
Group shareholders' equity	91.9	93.6
Number of employees at period end	144	144

Quarterly performance

(in millions of euro)	1st half 2008	Q2 2008	Q1 2008
Revenues	22.8	11.2	11.6
<i>% change on 2007</i>	-12.1	-12.8	-8.1
EBIT	4.3	1.9	2.4
<i>% change on 2007</i>	-38.9	41.7	-36.6
Net profit for the period	3.6	1.5	2.1
<i>% change on 2007</i>	-34.6	-38.2	-31.4
Net financial position at period end	85.0	85.0	90.1

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.

(in millions of euro)	1st half 2008	1st half 2007	% change	Full year 2007
Net interest income	3.3	3.3	0.5	6.6
Intermediation margin	20.9	22.7	-7.7	45.2
EBITDA	4.9	7.9	-37.6	13.5
Profit from operations	4.3	6.6	-35.2	11.8
Net profit for the period	3.6	5.6	-34.6	9.7

The results for this sector consist almost entirely of the results of Finter Bank Zürich.

Finter Bank Zürich

In the first half of 2008 the Finter Bank Zürich group recorded a fall in consolidated revenues from 41.4 to 35.6 million Swiss francs (-14.0% compared to the first half of 2007). This result was the consequence of lower interest income (offset, however, by lower interest charges), plus reduced fees on client transactions and less positive results from the securities portfolio, as a consequence of the negative performance of the main financial markets.

The fall in revenues together with an increase in operating expenses saw EBIT fall from 11.2 million Swiss francs, in the first half of 2007, to 6.6 million Swiss francs.

The consolidated net profit, after finance costs and tax, was 5.7 million Swiss francs in the first half of 2008 compared to 9.0 million Swiss francs in the prior-year period (-36.4%) .

The insurance company Finter Life (90% owned by Finter Bank Zürich and consolidated on a line-by-line basis) started operating during 2007. So far its contribution to the result for the first half of 2008 is a loss of 686 thousand Swiss francs, higher than the forecast loss as it had to face higher start-up expenses.

Consolidated shareholders' equity rose from 146.2 million Swiss francs at December 31, 2007 to 139.4 million Swiss francs at June 30, 2008, after the distribution of dividends totaling 10 million Swiss francs. Total shareholders' equity was also negatively affected by the conversion to Swiss francs of the subsidiary in the Bahamas which is expressed in dollars.

Assets under management at the end of the first half of 2008 totaled 5.2 billion Swiss francs. The fall, compared to the end of 2007, was due to the fall in the values on financial markets and therefore the lower value of assets, as well as the effect due to the appreciation of the Swiss franc against the dollar and euro. The movements linked to the entry and exit of clients more or less cancelled each other out.

Crédit Mobilier de Monaco

Crédit Mobilier de Monaco is a bank in Monaco whose main activity is guarantee-backed loans. In the 1st half of 2008 it saw a slight increase in net interest income and the containment of administrative and employee expenses.

Consequently the profit for the year of 89 thousand euro was up compared with the same period of the prior-year (70 thousand euro).

Outlook

In the second half of the year, the banking sector must confront the uncertainties connected to the performance of the financial markets as well as some organizational expenses to be incurred to reduce compliance, operating and legal risks which are typical of the sector. After taking account of the results achieved and the above elements, it is forecast that the result for full-year 2008 may be lower than that for 2007, subject to currently unforeseeable events.

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Property sector, services and others

This sector includes a number of real estate companies and services companies. Assets held by the property companies include rented property and property and land held for sale.

The services companies essentially provide services within the Group.

At June 30, 2008 revenues for the sector totaled 7.0 million euro, sharply up on the prior-year period (1.5 million euro), thanks to the sale of some real estate assets by Populonia Italica, a wholly owned subsidiary which is part of the sector.

As a consequence of the earnings made with this sale, EBIT was 5.7 million euro and the overall profit was 4.3 million euro, markedly up on the first half of 2007, respectively 0.1 million euro and 2.2 million euro.

It should be noted that during the past year, as highlighted in the annual report for 2007, the sector was subject to some corporate restructuring.

No particular risks and uncertainties are noted in this sector in the second part of the year.

Human resources

The number of employees at June 30, 2008 was 23,611 heads, compared with 24,356 at December 31, 2007 and 24,282 at June 30, 2007.

The following table provides a breakdown of employees by business sector and geographical area.

(number of employees*)	June 30, 2008		December 31, 2007		June 30, 2007	
		%		%		%
Business sector						
Construction materials	22,042	93.4	22,810	93.7	22,587	93.0
Packaging and insulation	1,369	5.7	1,341	5.5	1,489	6.1
Financial	44	0.2	46	0.2	44	0.2
Banking	144	0.6	144	0.5	144	0.6
Property and services	12	0.1	15	0.1	18	0.1
Total	23,611	100.0	24,356	100.0	24,282	100.0
Geographical area						
European Union	11,780	49.9	12,716	52.2	12,797	52.7
Other European countries	275	1.2	268	1.1	418	1.7
North America	2,235	9.5	2,133	8.8	2,114	8.7
Asia	2,867	12.1	2,916	12.0	2,392	9.9
Africa	5,943	25.1	5,923	24.3	6,203	25.5
Other countries	511	2.2	400	1.6	358	1.5
Total	23,611	100.0	24,356	100.0	24,282	100.0

(*) including employees of companies consolidated on a line-by-line or proportionate basis. The number of employees for companies consolidated on a proportionate basis is in line with the consolidation proportion.

The above data do not include the employees of the Turkish companies which are to be sold and number: 860 at June 30, 2008; 896 at December 31, 2007 and at June 30, 2007.

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Dealings with related parties

For the purposes of the consolidated half-year condensed financial statements, dealings with related parties were with:

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

The summarized figures of dealings with related parties at June 30, 2008 are shown in the explanatory notes.

Dealings with subsidiaries and associates

Among companies in the construction materials sector, dealings with related parties reflect the interest in leveraging the synergies in the sector to enhance production and commercial integration, employ competencies efficiently, and rationalize use of central structures and financial resources.

All dealings are of a business and/or financial nature.

Italmobiliare also provides administration services for some associates, regulated on the basis of the costs of providing the service.

Dealings with other related parties

Dealings with other related parties in the half concerned:

- administrative, financial, contractual and fiscal consultancy services for the Italmobiliare Group provided by Finsise S.p.A., a company whose majority shareholder is Italo Lucchini, Deputy Chairman of Italmobiliare, for considerations totaling 147 thousand euro;
- legal consultancy, judicial and extrajudicial assistance provided to Italmobiliare Group by the associate professional studio Dewey LeBoeuf, of which Italmobiliare director Luca Minoli is a partner, for considerations totaling 145 thousand 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 and consequent expenses of 142 thousand euro;
- legal consultancy services provided to the Italcementi group by Giorgio Bonomi, a director of Italmobiliare, for considerations totaling 48 thousand euro.

After the deconsolidation of Calcestruzzi S.p.A. and its subsidiaries, all economic and financial transactions are included among dealings with related companies. In the first half of 2008, Italcementi S.p.A. and its subsidiaries sold goods and services to Calcestruzzi S.p.A. and its subsidiaries for 84.1 million euro, and charged net finance costs for 3.1 million euro.

Under the terms of the contract for the supply of corporate administration services and services provided by its personnel, Italcementi S.p.A. charged the Italcementi Cav. Lav. Carlo Pesenti foundation an amount of approximately 98 thousand euro, while CTG S.p.A. provided the foundation with services for approximately 38 thousand euro.

All dealings with related parties, whether for the exchange of goods and services, or financial services, are conducted at normal market conditions.

No atypical or unusual transactions took place in the half.

Disputes

Appropriate provision has been made on an accrual basis for legal and tax disputes concerning Group companies, in cases where, in respect of risks that have emerged and their assessment, contingent liabilities are probable and measurable.

Details of the main disputes have been provided above in the sections related to the individual sectors.

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Outlook

The difficult conditions of the financial markets and the increase in the price of oil and the main commodities have started to have a negative impact on the economy, which is giving strong signs of slowing down, especially in mature economies. Inflationary pressure is clear and is a serious problem and risks causing a deterioration in the economic situation in emerging countries too.

In this situation and given the risks and uncertainties for the remainder of the year as identified and described for the individual sectors, it remains difficult to make valid forecasts for the whole year. The results achieved in the first half and the forecasts made for each sector lead to the expectation that, subject to currently unforeseeable events, the Group's operating results for full-year 2008 should be lower than those achieved in 2007.

Milan, August 8, 2008

For the Board of Directors
The Chairman
Giampiero Pesenti

Condensed consolidated half-year financial statements



Financial statements

Condensed consolidated balance sheet

(in thousands of euro)	Notes	06.30.2008	12.31.2007	Change
Non-current assets				
Property, plant and equipment	1	3,882,949	4,229,262	(346,313)
Investment property		23,538	28,147	(4,609)
Goodwill	2	1,923,478	2,001,125	(77,647)
Intangible assets		68,045	70,117	(2,072)
Investments in associates	3	249,616	214,288	35,328
Other equity investments	4	1,073,703	1,417,241	(343,538)
Non-current trade and other receivables		136,144	127,317	8,827
Deferred tax assets		40,591	40,176	415
Non-current receivables due from employees		40	438	(398)
Total non-current assets		7,398,104	8,128,111	(730,007)
Current assets				
Inventories		844,190	887,074	(42,884)
Trade receivables	5	1,327,276	1,423,349	(96,073)
Other assets		405,346	365,048	40,298
Income tax assets		90,038	68,073	21,965
Equity investments and financial receivables	6	1,006,083	900,811	105,272
Cash and cash equivalents	7	470,420	501,527	(31,107)
Total current assets		4,143,353	4,145,882	(2,529)
Total continuing operations		11,541,457	12,273,993	(732,536)
Discontinued operations		327,693		327,693
Total assets		11,869,150	12,273,993	(404,843)
Shareholders' equity				
Share capital	8	100,167	100,167	
Reserves	9	501,800	858,179	(356,379)
Treasury shares, at cost	10	(21,226)	(21,226)	
Retained earnings	9	1,933,190	1,972,492	(39,302)
Group shareholders' equity		2,513,931	2,909,612	(395,681)
Minority interests		3,161,826	3,390,564	(228,738)
Total shareholders' equity		5,675,757	6,300,176	(624,419)
Non-current liabilities				
Interest-bearing loans and long-term borrowings	12	2,999,044	2,572,200	426,844
Employee benefit liabilities		174,164	198,135	(23,971)
Non-current provisions	11	231,923	276,682	(44,759)
Other non-current liabilities		68,893	46,526	22,367
Deferred tax liabilities		274,378	332,132	(57,754)
Total non-current liabilities		3,748,402	3,425,675	322,727
Current liabilities				
Bank overdrafts and short-term borrowings	12	658,293	675,354	(17,061)
Interest-bearing loans and short-term borrowings	12	88,809	230,995	(142,186)
Trade payables	13	733,737	807,442	(73,705)
Current provisions	11	2,937	3,157	(220)
Income tax liabilities		49,874	37,805	12,069
Other current liabilities		830,946	793,389	37,557
Total current liabilities		2,364,596	2,548,142	(183,546)
Total liabilities linked to continuing operations		6,112,998	5,973,817	139,181
Liabilities directly linked to discontinued operations		80,395		80,395
Total shareholders' equity and liabilities		11,869,150	12,273,993	(404,843)

Pursuant to Consob resolution no. 155519 of July 27, 2006, the effects of dealings with related parties on balance sheet, income statement and financial items are shown in the specific explanatory annexes.

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Condensed consolidated income statement

		1st half 2008	%	1st half 2007	%	Change	%	1st half 2007	%
(in thousands of euro)	Notes			IFRS 5				published	
Revenues	14	3,028,140	100.0	3,156,144	100.0	(128,004)	-4.1	3,283,028	100.0
Other revenues		29,740		47,632		(17,892)		48,196	
Change in inventories		(2,321)		8,116		(10,437)		8,781	
Internal work capitalized		15,712		9,360		6,352		9,360	
Purchase of goods and expenses for utilities	15	(1,135,979)		(1,107,690)		(28,289)		(1,177,539)	
Services expenses	16	(686,170)		(750,201)		64,031		(768,015)	
Employee expenses	17	(505,392)		(507,897)		2,505		(520,920)	
Other operating income (expense)	18	(133,011)		(105,435)		(27,576)		(108,819)	
Recurring EBITDA		610,719	20.2	750,029	23.8	(139,310)	-18.6	774,072	23.6
Net capital gains on sale of fixed assets		5,985		6,501		(516)		6,740	
Non-recurring employee expenses for reorganizations		(4,340)				(4,340)			
Other non-recurring income (expense)		621		3,042		(2,421)		3,042	
EBITDA		612,985	20.2	759,572	24.1	(146,587)	-19.3	783,854	23.9
Amortization and depreciation		(216,285)		(217,739)		1,454		(225,037)	
Impairment		(23)		(466)		443		(466)	
EBIT		396,677	13.1	541,367	17.2	(144,690)	-26.7	558,351	17.0
Finance income	19	22,783		21,531		1,252		23,376	
Finance costs	19	(90,199)		(81,224)		(8,975)		(82,393)	
Net exchange rate differences and net derivatives	19	(6,967)		1,390		(8,357)		(207)	
Adjustments to financial asset values	4	(15,235)							
Share of results of associates		14,061		4,979		9,082		4,979	
Profit before tax		321,120	10.6	488,043	15.5	(166,923)	-34.2	504,106	15.4
Income tax expense	20	(83,163)		(133,666)		50,503		(137,108)	
Net profit from continuing operations		237,957	7.9	354,377	11.2	(116,420)	-32.9	366,998	11.2
Net profit (loss) from discontinued operations	21	(336)		12,621		(12,957)			
Net profit for the period		237,621	7.8	366,998	11.6	(129,377)	-35.3	366,998	11.2
Attributable to:									
Group		67,826	2.2	131,093	4.1	(63,267)	-48.3	131,093	4.0
Minority interests		169,795	5.6	235,905	7.5	(66,110)	-28.0	235,905	7.2
Earnings per share	22								
- Basic									
ordinary shares		1.786 €		3.468 €				3.468 €	
savings shares		1.825 €		3.507 €				3.507 €	
- Diluted									
ordinary shares		1.783 €		3.455 €				3.455 €	
savings shares		1.822 €		3.494 €				3.494 €	

Condensed statement of movements in consolidated total shareholders' equity

	Attributable to equity holders of the parent										Minority interests	Total shareholders' equity
	Share capital	Share premium reserve	Reserve for general banking risks	Fair value reserve for AFS	Fair value reserve for derivatives	Other reserves	Treasury shares	Translation reserves	Retained earnings	Total capital and reserves		
(in thousands of euro)												
Balances at December 31, 2006	100,167	177,191	16,608	791,417	2,541	41,531	-22,176	-2,101	1,869,776	2,974,954	3,432,903	6,407,857
Change in fair value on:												
Held-for-sale financial assets				-5,658							-5,658	4,947
Derivative financial instruments					2,731						2,731	5,350
Stock options						928					928	928
Other						1,818					1,818	349
Currency translation differences			-365					7,203	365	7,203	24,729	31,932
Net gains (losses) recognized directly in equity			-365	-5,658	2,731	2,746		7,203	365	7,022	35,375	42,397
Net profit for the period									131,093	131,093	235,905	366,998
Total gains (losses) for the period			-365	-5,658	2,731	2,746		7,203	131,458	138,115	271,280	409,395
Distribution of profits:												
Dividends									-55,830	-55,830	-139,648	-195,478
Treasury share buybacks and exercise of options							950			950		950
Reclassifications												
Change % control, consolidation area and other changes									-5,445	-5,445	-48,294	-53,739
Balances at June 30, 2007	100,167	177,191	16,243	785,759	5,272	44,277	-21,226	5,102	1,939,959	3,052,744	3,516,241	6,568,985
Change in fair value on:												
Held-for-sale financial assets				-171,884							-171,884	-27,075
Derivative financial instruments					590						590	669
Stock options						847					847	847
Other			-415			414					-1	-2,356
Currency translation differences			-115					-26,717	-365	-27,197	-87,416	-114,613
Net gains (losses) recognized directly in equity			-530	-171,884	590	1,261		-26,717	-365	-197,645	-116,178	-313,823
Net profit for the period									86,131	86,131	207,815	293,946
Total gains (losses) for the period			-530	-171,884	590	1,261		-26,717	85,766	-111,514	91,637	-19,877
Exercise of options									277	277		277
Change % control, consolidation area and other changes									-31,895	-31,895	-217,314	-249,209
Balances at December 31, 2007	100,167	177,191	15,713	613,875	5,862	45,538	-21,226	-21,615	1,994,107	2,909,612	3,390,564	6,300,176
Change in fair value on:												
Held-for-sale financial assets				-366,416							-366,416	-100,697
Derivative financial instruments					5,820						5,820	9,834
Stock options						3,737					3,737	7,677
Other			480								480	480
Currency translation differences								-53,655		-53,655	-156,197	-209,852
Net gains (losses) recognized directly in equity			480	-366,416	5,820	3,737		-53,655		-410,034	-243,120	-653,154
Net profit for the period									67,826	67,826	169,795	237,621
Total gains (losses) for the period			480	-366,416	5,820	3,737		-53,655	67,826	-342,208	-73,325	-415,533
Distribution of profits:												
Dividends									-61,474	-61,474	-126,488	-187,962
Change % control, consolidation area and other changes									8,001	8,001	-28,925	-20,924
Balances at June 30, 2008	100,167	177,191	16,193	247,459	11,682	49,275	-21,226	-75,270	2,008,460	2,513,931	3,161,826	5,675,757

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Condensed consolidated cash flow statement

(in thousands of euro)	1st half 2008	1st half 2007 IFRS 5	1st half 2007 published
A) Cash flow from operating activities			
Profit before tax	321,120	488,043	504,106
Adjustments for:			
Amortization, depreciation and impairment	232,192	218,151	225,449
Reversal of undistributed results of associates	(9,725)	(648)	(648)
Capital (gains) losses on sale of fixed assets	(9,350)	(10,693)	(10,932)
Change in employee benefit liabilities and other provisions	(1,797)	(27,025)	(27,120)
Stock options	7,656	4,811	4,811
Reversal of finance costs	25,077	21,416	20,721
Cash flow from operating activities before tax, finance income/costs and change in working capital	565,173	694,055	716,387
Change in working capital:			
Inventories	(27,601)	(70,513)	(72,330)
Trade receivables	(198,291)	(51,298)	(58,741)
Trade payables	36,792	(1,442)	5,204
Other receivables/payables, accruals and deferrals	7,555	61,631	53,524
	(181,545)	(61,622)	(72,343)
Cash flow from operating activities before tax, finance income/costs:	383,628	632,433	644,044
Net finance costs paid	(72,446)	(58,008)	(57,616)
received	37,490	31,658	31,960
Taxes paid	(97,937)	(192,737)	(193,423)
	(132,893)	(219,087)	(219,079)
Flow from discontinued operations	(14,538)	11,620	
Total A)	236,197	424,966	424,965
B) Cash flow from investing activities:			
Investments in fixed assets:			
Property, plant and equipment and investment property	(311,705)	(222,376)	(226,234)
Intangible assets	(3,438)	(2,923)	(2,933)
Financial assets (equity investments) net of cash acquired (*)	(173,952)	(185,053)	(185,053)
Total investments	(489,095)	(410,352)	(414,220)
Proceeds from divestments of fixed assets	70,694	49,664	51,170
Total divestments	70,694	49,664	51,170
Flow from investments of discontinued operations	(10,262)	(2,783)	
Total B)	(428,663)	(363,471)	(363,050)
C) Cash flow from financing activities:			
New interest-bearing loans and long-term borrowings	340,063	173,348	175,304
Change in financial receivables	20,567	(63,824)	(63,824)
Change in current equity investments	15,343	3,076	3,076
Net change on treasury shares		(3,388)	(3,388)
Share capital increases by minorities		(405)	(405)
Dividends paid	(187,962)	(190,953)	(192,272)
Other movements	241	4,178	4,064
Flow from financing of discontinued operations	7,483	523	
Total C)	195,735	(77,445)	(77,445)
D) Currency translation differences and other changes	Total D)		
Currency translation differences and other changes	(13,391)	1,572	2,176
Currency translation differences and other changes in relation to discontinued operations	(3,533)	1,024	
Total D)	(16,924)	2,596	2,176
E) Cash and cash equivalents of Calcestruzzi	Total E)		
	(2,991)		
F) Change in cash and cash equivalents (A+B+C+D+E)	(16,646)	(13,354)	(13,354)
F) Opening cash and cash equivalents	501,527	533,269	533,269
Closing cash and cash equivalents (E+F)	484,881	519,915	519,915
Closing cash and cash equivalents of discontinued operations	14,461		
Closing cash and cash equivalents of continuing operations	470,420	519,915	519,915
(*) cash and cash equivalents of companies purchased and subsidiaries	1,655	594	594

Notes to the consolidated condensed financial statements

The Italmobiliare S.p.A. condensed consolidated financial statements as at and for the six months ended June 30, 2008, were approved by the Board of Directors on August 8, 2008. At the meeting, the Board authorized publication of a press release dated August 8, 2008, containing key information from these financial statements.

Declaration of compliance with the IFRS – Accounting policies

The condensed consolidated financial statements have been drawn up in compliance with the International Financial Reporting Standards (IFRS) adopted by the EC Commission, applicable at June 30, 2008; specifically, these interim condensed consolidated financial statements have been drawn up in compliance with International Accounting Standard 34 governing interim financial reporting.

The interpretations approved by the European Union that apply to this half-year report (IFRIC 11, IFRIC 12, IFRIC 13 and IFRIC 14) have had no impact on the Group consolidated accounts.

The condensed consolidated half-year financial statements do not present all the information and notes presented in the annual report and should therefore be read in conjunction with the Italmobiliare S.p.A. consolidated financial statements as at and for the year ended December 31, 2007.

No changes have been adopted in the Italmobiliare S.p.A. condensed consolidated half-year financial statements with respect to the options elected in the consolidated financial statements as at and for the year ended December 31, 2007.

Discontinued operations – Turkey

These operations are recognized in accordance with IFRS 5 “Non-current assets held for sale and discontinued operations”.

The assets and liabilities in Turkey of the companies Set Group, Set Cimento, Set Beton and Afyon Cimento at the end of the reporting period are recognized separately on the face of the consolidated balance sheet under “Assets in respect of discontinued operations” and “Liabilities directly relating to discontinued operations”.

There are no changes in shareholders' equity at the end of the period, nor in the balance sheet at December 31, 2007.

On the consolidated income statement, income and expense in respect of discontinued operations are classified under “Net profit (loss) from discontinued operations”; for comparative purposes, the consolidated income statement for the corresponding period in the prior year has been restated in accordance with IFRS 5.

On the cash flow statement, cash flows in respect of discontinued operations are reflected separately, both for the 2008 half-year and for the corresponding period in the prior year.

The preparation of the consolidated financial statements and the notes in compliance with the international accounting policies requires management to make estimates affecting the value of assets, liabilities, income and expense, such as amortization, depreciation and provisions, and the disclosures in the notes relating to contingent assets and liabilities.

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Exchange rates used to translate the financial statements of foreign entities

Exchange rates for 1 euro:

Currency	Average			Period end		
	1st half 2008	Full year 2007	1st half 2007	June 30, 2008	December 31, 2007	June 30, 2007
Thai baht	48.48030	44.21070	44.27028	52.73800	43.80000	42.61500
Czech crown	25.19066	27.76832	28.14914	23.89300	26.62800	28.71800
Slovak crown	32.22270	33.77150	34.04090	30.20500	33.58300	33.63500
Serbian dinar	81.84440	79.98710	80.52490	78.61810	79.76700	78.79690
Kuwaiti dinar	0.41122	0.38934		0.41740	0.40198	
Moroccan dirham	11.42994	11.21992	11.16055	11.47530	11.36180	11.19800
Canadian dollar	1.54013	1.46861	1.50842	1.59420	1.44490	1.42450
US dollar	1.53042	1.37018	1.32944	1.57640	1.47210	1.35050
Hungarian florin	253.58400	251.29200	250.24900	235.43000	253.73000	246.15000
Swiss franc	1.60648	1.64264	1.63185	1.60560	1.65470	1.65530
Ukrainian hryvna	7.57240	6.90196	6.69804	7.42106	7.43411	6.80146
Croatian kuna	7.27016	7.33819	7.35843	7.23650	7.33080	7.30350
Albanian lek	122.89602	123.65163	125.06219	122.01000	122.20400	122.26400
Moldavian leu	16.30920	16.57800		15.58460	16.68160	
Bulgarian lev	1.95583	1.95583	1.95583	1.95583	1.95583	1.95583
Egyptian lira	8.31824	7.73302	7.57462	8.41127	8.13006	7.69535
Bosnian mark	1.95583	1.95583	1.95583	1.95583	1.95583	1.95583
New Turkish lira	1.87808	1.77835	1.81863	1.92710	1.71020	1.76960
New Romanian leu	3.67011	3.33527	3.33090	3.64150	3.60770	3.13400
Mauritanian ougulyia	371.77089	355.55277	352.49988	367.28500	369.49700	348.29400
Chinese renminbi	10.79888	10.41780		10.80510	10.75240	
Russian ruble	36.61500	35.01600	34.66980	36.94770	35.98600	34.80700
Indian rupee	62.39002	56.57839	56.73399	67.79740	58.02100	55.01530
Sri Lankan rupee	165.06927	151.62035	145.75745	169.79800	159.92000	150.41600
Pound sterling	0.77521	0.68429	0.67478	0.79225	0.73335	0.67400
Kazakh tange	184.46973	167.83269	163.59834	190.36000	177.30700	164.73100
Polish zloty	3.49011	3.78412	3.84352	3.35130	3.59350	3.76770

The exchange rates used to translate the financial statements of the foreign entities are those published by the Bank of Italy, with the exception of the "New Turkish lira," published by the Turkish Central Bank.

Consolidation area

Changes

The change in the scope of consolidation refers mainly to the reclassification of Asment shares in equity investments valued at equity, and the treatment of Calcestruzzi S.p.A. shares, which were previously consolidated on a line-by-line basis, as described below.

As a result of the loss of control determined by the preventive seizure of the assets of Calcestruzzi S.p.A. ordered on January 29, 2008, and still in force, the Calcestruzzi group is no longer included in the scope of consolidation, pursuant to IAS 27 § 21; following the loss of control, the equity investment is accounted for in accordance with IAS 39 § 46 and classified under "Other equity investments".

The other main changes in the scope of consolidation with respect to 2007 are as follows:

- line-by-line consolidation of the following companies:

- Cambridge (Canada), as from March 1, 2007, and Arrow (USA) as from April 1, 2007;
- Fuping Cement Co. Ltd. (China) and Decom (Egypt), as from July 1, 2007;
- Hilal Cement Company (Kuwait), as from September 30, 2007;
- Verticalnet (USA) as from January 25, 2008;
- Crider & Shockey (USA) as from March 1, 2008;
- Kuwait German Ready Mix (Kuwait), as from May 1, 2008;

- consolidation on a 50% proportionate basis of the equally owned joint venture in Saudi Arabia, International City for Ready Mix (ex Arabian Ready Mix Co.);

- consolidation under the equity method of Asment Cement (Morocco) as from April 1, 2008.

Inline Ucraina was removed from the consolidation on December 31, 2007 (consolidated until May 31, 2007 at equity).

The equity investments in subsidiaries, joint ventures and associates, and the respective method of consolidation, are listed in the annex.

Seasonal nature of interim business

The Group's core businesses are subject to seasonal trends and this must be taken into account when examining and assessing performance in interim periods. Specifically, operations are affected by meteorological conditions, which usually are less favorable in the winter months (in Europe and North America), although obviously they vary from year to year. Consequently, performance in the first half of the year is not necessarily a reliable indicator of the full-year trend.

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Segment reporting

The Group's primary sector is by business and the secondary sector by geographical location.

The sectors in which the Group operates and which are reported in the primary segment are: construction materials, other industrial sectors (packaging and insulation), finance, banking, property, services and others.

The managerial and organizational structure of the Group basically reflects the primary segment by business sector.

The group's geographical areas for secondary segment reporting are: the European Union, other European countries, North America, Asia, Africa, Trading and others.

Primary sector

The following table sets out primary sector revenues and results at June 30, 2008:

	Revenues	Intragroup sales	Revenues from third parties	Recurring EBITDA	EBITDA	EBIT	Share of results of associates
(in thousands of euro)							
Construction materials	2,814,695	(2,927)	2,811,768	589,055	590,795	381,254	13,089
Packaging and insulation	130,101		130,101	11,528	11,528	5,443	
Finance	108,093	(51,101)	56,992	48,020	48,471	48,445	971
Banking	22,795		22,795	4,843	4,840	4,252	
Property, services, others	7,011	(527)	6,484	5,724	5,802	5,741	1
Inter-sector eliminations	(54,555)	54,555		(48,451)	(48,451)	(48,458)	
Total	3,028,140		3,028,140	610,719	612,985	396,677	14,061

The following table sets out primary sector revenues and results at June 30, 2007:

	Revenues	Intragroup sales	Revenues from third parties	Recurring EBITDA	EBITDA	EBIT	Share of results of associates
(in thousands of euro)							
Construction materials	2,946,236	(2,721)	2,943,515	695,963	702,616	491,140	3,978
Packaging and insulation	120,681	(4)	120,677	14,685	14,685	8,942	7
Finance	116,937	(51,877)	65,060	81,021	83,731	83,697	986
Banking	25,928		25,928	7,807	7,806	6,960	
Property, services, others	1,058	(94)	964	45	228	120	8
Inter-sector eliminations	(54,696)	54,696		(49,492)	(49,494)	(49,492)	
Total	3,156,144		3,156,144	750,029	759,572	541,367	4,979

The table below sets out other sector data at June 30, 2008:

	June 30, 2008		June 30, 2008			
	Total assets	Total liabilities	Capital expenditure	Financial investments	Amortization/ depreciation of fixed assets	Impairment variation
(in thousands of euro)						
Construction materials	9,693,140	5,250,380	256,454	174,808	209,527	14
Packaging and insulation	276,183	226,891	12,204	830	6,088	
Finance	2,118,221	565,639	22	18,216	26	
Banking	338,558	246,096	880		589	
Property, services, others	25,973	11,519	60		55	9
Inter-sector eliminations	(582,925)	(107,132)		(12,600)		
Total	11,869,150	6,193,393	269,620	181,254	216,285	23

The table below sets out other sector data at December 31, 2007 and June 30, 2007:

	December 31, 2007		June 30, 2007			
	Total assets	Total liabilities	Capital expenditure	Financial investments	Amortization/ depreciation of fixed assets	Impairment variation
(in thousands of euro)						
Construction materials	9,776,303	5,015,774	183,756	174,677	211,022	452
Packaging and insulation	277,089	228,247	4,962	1,400	5,729	14
Finance	2,475,470	617,464	21	11,083	36	
Banking	318,611	224,516	202		846	
Property, services, others	50,591	31,401	125		106	
Inter-sector eliminations	(624,071)	(143,585)				
Total	12,273,993	5,973,817	189,066	187,160	217,739	466

Secondary sector

	Contributive revenues		Capital expenditure		Financial investments		Total assets		Total liabilities	
	06/30/08	06/30/07	06/30/08	06/30/07	06/30/08	06/30/07	06/30/08	12/31/07	06/30/08	12/31/07
(in thousands of euro)										
European Union	1,959,910	2,155,763	115,011	116,719	112,432	25,252	9,537,978	9,913,325	3,407,143	3,390,334
Other European countries	32,927	35,496	934	950	2,205	5,376	669,231	677,607	326,774	306,231
North America	228,216	286,521	71,326	39,281	32,367	49,220	924,552	871,317	404,087	310,158
Asia	202,402	200,369	43,267	19,117		28,209	828,168	890,783	210,880	218,067
Africa	461,249	379,992	32,877	10,009	15,809	75,455	1,997,643	2,056,189	481,440	553,955
Trading	143,436	98,003	6,205	2,990	18,441	3,648	265,870	229,432	123,054	93,105
Inter-area eliminations							(2,354,292)	(2,364,660)	1,240,015	1,101,967
Total	3,028,140	3,156,144	269,620	189,066	181,254	187,160	11,869,150	12,273,993	6,193,393	5,973,817

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Assets

Non-current assets

1) Property, plant and equipment

Property, plant and equipment totaled 3,882,949 thousand euro. Additions of 266,182 thousand euro were mainly focused in North America for 71,116 thousand euro, in Italy for 45,885 thousand euro, in France for 39,037 thousand euro and in India for 35,375 thousand euro.

The net carrying amount at June 30, 2008 of property, plant and equipment securing bank borrowings was 94.8 million euro, down compared with 341.1 million euro at December 31, 2007, following the early repayment in the second quarter of 2008 of the guaranteed loan taken out by Helwan Cement Company. Commitments for purchases of property, plant and equipment are shown in the following table:

(in millions of euro)	June 30, 2008			
		less than 1 year	1 to 5 years	over 5 years
Committments for purchases of PPE	396.1	381.0	15.1	

2) Goodwill

The goodwill on the balance sheet at June 30, 2008 totaled 1,923,478 thousand euro and related to:

- construction materials for 1,886,043 thousand euro, of which 35,264 thousand euro was recorded for Italmobiliare S.p.A.;
- packaging and insulation for 37,435 thousand euro.

Business combinations

Here below is information about the most important business combinations:

North America

The table below shows the balance sheet values and the provisional fair value of the company Crider and Shockey acquired in North America during the first half of the year 2008:

(in millions of euro)	Book value of companies acquired	Fair value adjustment	Fair value attributed to acquisition
Net fixed assets and other non-current assets	2.8	6.3	9.1
Current assets	1.9	-	1.9
Trade payables and other current liabilities	(1.2)	-	(1.2)
Provisions and deferred tax liabilities	-	-	-
Fair value of net assets acquired	-	-	9.8
Goodwill	-	-	17.2
Total cost of purchase			27.0

The cost of the acquisition was as follows:

(in millions of euro)	
Purchase price for securities	26.4
Cost linked to acquisition	0.6
Cost of acquisition	27.0
Cash and cash equivalents acquired	-
Net outlay for acquisition	27.0

The impact on the consolidated accounts for the first half of 2008 arising from the line-by-line consolidation of Crider and Shockey in North America was as follows:

(in millions of euro)	
Revenues *	4.5
Recurring EBITDA	0.4
EBIT	-
Group net profit	-

* after intragroup eliminations

If Crider and Shockey had been consolidated as from January 1, 2008, the additional contribution to the consolidated results for the 1st half would have been as follows:

(in millions of euro)	
Revenues *	6.4
EBITDA	-
EBIT	(0.2)

* after intragroup eliminations

3) Investments in associates

This heading includes equity interests, including goodwill, in associates. The table below lists the main associates:

	Value of investments		Share of result	
	June 30, 2008	December 31, 2007	1st half 2008	1st half 2007
(in thousands of euro)				
Ciment Québec	60,000	63,600	3,663	2,147
Vassiliko Cement Works	66,900	58,200	5,691	2,998
Techno Gravel	3,800	3,700	280	
Asment Cement	37,000		2,317	
Mittel	46,923	53,529	305	364
S.E.S.	16,382	16,412	666	622
Other	18,611	18,847	1,139	(1,152)
Total	249,616	214,288	14,061	4,979

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4) Equity investments in other companies

This item, classified under non-current assets, includes the equity investments included in the “available-for-sale” category as envisaged by IAS 39.

(in thousands of euro)	
At December 31, 2007	1,417,241
Acquisitions	36,842
Sales	(653)
Fair value taken to equity	(409,276)
Change in consolidation area and other	
- Calcestruzzi group	137,818
- Asment - classified under investments in associates	(89,787)
- Other	(18,482)
At June 30, 2008	1,073,703

The fall of 409,276 thousand euro refers to impairment, which is considered non-permanent, arising from the application of official stock market prices at June 30, 2008, compared with the similar figures at the end of 2007. On the basis of specific evaluations regarding the equity investments, the Group considers that this impairment is not permanent.

Acquisitions for the construction materials sector largely refer to the purchase of the shares of Al Mahaliya (Kuwait) for 11.1 million euro, Al Badia (Syria) for 8.4 million euro, ITC Cement Industry for 6.8 million euro, Kuwait German Ready Mix for 4.3 million euro and for 5.6 million euro for the equity investment in RCS MediaGroup.

The breakdown in equity investments at June 30, 2008 was as follows:

	Number of shares	June 30, 2008
(in thousands of euro)		
Investments in listed companies		
Mediobanca	21,494,278	229,494
RCS MediaGroup	54,691,627	80,561
Unicredito	92,857,613	357,316
UBI	3,183,666	47,115
Intek	9,821,000	5,028
Intek Warrant	3,480,820	284
Goltas		44,488
Others		2,624
	Total	766,910
Investments in non-listed companies		
Calcestruzzi group		137,818
Fin Priv		21,427
Burgo Group		51,860
Banca Leonardo group		24,722
Sesaab		10,990
Al Mahaliya - Kuwait		11,109
Others		48,867
	Total	306,793
At June 30, 2008		1,073,703

The fair value of listed companies was determined on the basis of the official share price on the last accounting day. For non-listed companies various evaluation methods were used depending on their features and the data available in accordance with IAS 39.

The investment in Calcestruzzi S.p.A. is recognized under caption "Other equity investments" in compliance with § 21 of IAS 27 and § 10 of IAS 28.

The investment was measured with reference to § 31 and 32 of IAS 27 (Consolidated financial statements) and § 46 of IAS 39 (Financial instruments – recognition and measurement), which states that investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured shall be valued at cost, that is, the investment carrying amount at the time of loss of control.

The amount in question is reviewed for impairment in accordance with IAS 39 § 66, and any resulting losses are recognized in the income statement.

The carrying amount of Calcestruzzi consolidated shareholders' equity in the Group's consolidated financial statements of Italcementi S.p.A. as at and for the year ended December 31, 2007, was 153,703 thousand euro, determined on the basis of the financial statements as at September 30, 2007 (at the date the most recent available consolidated financial statements approved by the Calcestruzzi Board of Directors).

In view of the fact that from January 29, 2008, the Calcestruzzi group has been managed by the receiver appointed by the court of Caltanissetta, the cost of the Calcestruzzi group at a date close to the date of loss of control is the asset value as at September 30, 2007, adjusted to reflect subsequent changes.

The value of Calcestruzzi at June 30, 2008, is 137,818 thousand euro, representing the equity value at September 30, 2007, adjusted to take into account the operating losses, impairment losses and provisions determined by the boards of directors of Calcestruzzi and its subsidiaries in the fourth quarter of 2007 and the first half of 2008.

The prudent writedown of 15,235 thousand euro has been reported in the consolidated income statement under "Adjustments to financial asset values".

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Current assets

5) Trade receivables

(in thousands of euro)	June 30, 2008	December 31, 2007	Change
Gross amount	1,383,439	1,497,486	(114,047)
Writedowns	(56,163)	(74,137)	17,974
Total	1,327,276	1,423,349	(96,073)

Trade receivables factored under the factoring programs stipulated by Ciments Calcia and Unibeton in December 2006 amounted to 155.6 million euro at June 30, 2008 (155.3 million euro at December 31, 2007).

Risk equivalent to approximately 90% of the factored amount is transferred with the receivables.

After this operation, the balance sheet continued to reflect:

- o additional subordinate deposits for 9.8 million euro reflected under other current assets,
- o receivables in the form of arranged guarantees for 12.9 million euro reflected under trade receivables, with balancing entries of 12.1 million euro in loans and borrowings and -0.8 million euro against miscellaneous receivables.

6) Equity investments and financial receivables

“Equity investments and financial receivables” were as follows:

(in thousands of euro)	June 30, 2008	December 31, 2007	Change
Securities and debentures	560,887	649,121	(88,234)
Equity investments for trading	40,704	56,048	(15,344)
Bank receivables	136,591	132,431	4,160
Other financial assets	267,901	63,211	204,690
Net amount	1,006,083	900,811	105,272

7) Cash and cash equivalents

(in thousands of euro)	June 30, 2008	December 31, 2007	Change
Cash and checks	9,857	11,631	(1,774)
Bank and postal accounts	329,014	386,164	(57,150)
Short-term deposits	131,549	103,732	27,817
Net amount	470,420	501,527	(31,107)

Short-term deposits have varying maturities within three months, in relation to the Group's financial requirements; interest matures at the respective short-term rates.

Cash and cash equivalents are also shown under “Closing cash and cash equivalents” on the cash flow statement.

Shareholders' equity and liabilities

Share capital, reserves and retained earnings

8) Share capital

At June 30, 2008 parent company fully paid-up share capital amounted to 100,166,937 euro represented by 38,525,745 shares with a par value of 2.6 euro each, as follows:

	June 30, 2008	December 31, 2007	Change
Number of shares			
Ordinary shares	22,182,583	22,182,583	
Savings shares	16,343,162	16,343,162	
Total	38,525,745	38,525,745	

9) Reserves and retained earnings

Share premium reserve

The reserve stood at 177,191 thousand euro and was unchanged from December 31, 2007.

Fair value reserve for available for sale financial assets

The fall of 366,416 thousand euro was mainly due to the application of the official stock market prices at June 30, 2008 for the evaluation of companies which are listed and available for sale, and to a lesser extent to the fair value assessment of other non-listed, available for sale equity investments.

Translation reserve

This reserve reflects exchange rate differences on the translation of the financial statements of consolidated foreign entities. At June 30, 2008 it stood at 75,270 thousand euro, referring to the following currencies:

(in millions of euro)	June 30, 2008	December 31, 2007	Change
Egypt (Lira)	(26.6)	(20.4)	(6.2)
US and Canada (Dollar)	(27.9)	(14.3)	(13.6)
Thailand (Baht)	(4.4)	10.2	(14.6)
Morocco (Dirham)	(3.7)	(2.5)	(1.2)
India (Rupee)	(9.3)	1.1	(10.4)
Turkey (Lira)	0.7	10.4	(9.7)
Switzerland (Franc)	(5.3)	(6.2)	0.9
Other countries	1.2	0.1	1.1
Net amount	(75.3)	(21.6)	(53.7)

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Dividends paid

Dividends declared and paid by the parent company Italmobiliare S.p.A in 2008 and 2007 are detailed below:

	2008 (euro per share)	2007 (euro per share)	2008 (in thousands of euro)	2007 (in thousands of euro)
Ordinary shares	1.600	1.450	34,098	30,901
Savings shares	1.678	1.528	27,376	24,929
Total dividends			61,474	55,830

10) Treasury shares

At June 30, 2008 the value of treasury shares held was 21,226 thousand euro, unchanged on December 31, 2007, and were deducted against equity. Their breakdown was as follows:

	No. Ordinary shares	Carrying value (in thousands of euro)	No. Savings shares	Carrying value (in thousands of euro)	Total carrying value
At December 31, 2007	871,411	20,830	28,500	396	21,226
increases	-	-	-	-	-
decreases	-	-	-	-	-
At June 30, 2008	871,411	20,830	28,500	396	21,226

Ordinary treasury shares held at June 30, 2008 will service stock option plans for directors and managers.

Non-current liabilities

11) Provisions

Non-current and current provisions totaled 234,860 thousand euro at June 30, 2008 (279,839 thousand euro at December 31, 2007). They mainly include liabilities for environmental restoration of quarries, provisions for industrial re-organizations and provisions for tax and legal disputes.

12) Loans and borrowings

Loans and borrowings are shown below by category, sub-divided by non-current and current liabilities:

(in thousands of euro)	June 30, 2008	December 31, 2007	Change
Amounts due to banks	1,592,472	1,444,093	148,379
Debentures	1,030,805	1,054,169	(23,364)
Financing entities	350,382	61,411	288,971
Finance lease payables	25,385	12,527	12,858
Interest-bearing loans and long-term borrowings	2,999,044	2,572,200	426,844
Fair value non-current hedging derivatives	65,593	46,368	19,225
Total interest-bearing loans and long-term borrowings	3,064,637	2,618,568	446,069
Amounts due to banks	658,293	675,354	(17,061)
Current portion loans and borrowings	64,169	187,406	(123,237)
Debentures	9	9	
Financing entities	247,549	240,947	6,602
Finance lease payables	2,245	1,975	270
Financial accruals and deferred income	9,527	4,581	4,946
Short-term loans and borrowings	981,792	1,110,272	(128,480)
Fair value current hedging derivatives	11,789	14,241	(2,452)
Total short-term loans and borrowings	993,581	1,124,513	(130,932)
Total loans and borrowings	4,058,218	3,743,081	315,137

Medium/long-term loans and borrowings were as follows by currency:

(in thousands of euro)	June 30, 2008	December 31, 2007	Change
Euro	2,580,764	2,088,867	491,897
US and Canadian dollar	319,008	368,717	(49,709)
Egyptian lira	59,900	70,500	(10,600)
Indian rupee	22,400	27,200	(4,800)
Chinese renmimbi	16,200	16,198	2
Hungarian florin	675	627	48
Polish zloty	81	67	14
Bulgarian lev	16	24	(8)
Total	2,999,044	2,572,200	426,844

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Medium/long-term loans and borrowings were as follows by maturity:

(in thousands of euro)	June 30, 2008	December 31, 2007	Change
2008		6	(6)
2009	27,178	255,774	(228,596)
2010	262,247	113,200	149,047
2011	662,634	684,991	(22,357)
2012	384,950	477,647	(92,697)
2013	450,414	236,917	213,497
Beyond	1,211,621	803,665	407,956
Total	2,999,044	2,572,200	426,844

Guarantees on company assets, mainly consisting of liens to secure the borrowings of the Indian and Chinese subsidiaries, totaled 32.6 million euro at June 30, 2008.

At June 30, 2008, in addition to the loans and borrowings on the face of the balance sheet, the Group had available lines of credit for 2,033 million euro (2,362 million euro at December 31, 2007).

The new financing operations completed in the half were:

- in April 2008 Italmobiliare S.p.A. negotiated a 1-year loan with Société Générale for 30 million euro.
- Italcementi S.p.A. re-negotiated and increased a line of credit from 50 to 75 million euro, extending maturity by two years and maintaining absence of financial covenants. The facility was fully drawn at June 30, 2008.
- Italcementi S.p.A. arranged a five-year 100 million euro line of credit with no financial covenants. The facility was undrawn at June 30, 2008.
- in connection with the Yerraguntla and Chennai industrial projects, on June 25, 2008, the Indian subsidiary Zuari Cement Limited arranged a six-year syndicated line of credit with a group of international banks for 6 billion Indian rupee. The facility was undrawn at June 30, 2008.
- Ciments Français: drawings of 300 million euro had been made on the “billets de trésorerie” program at June 30, 2008 (10 million euro at December 31, 2007); the program is carried under medium/long-term financing at “Financing entities”.

Net financial position

The net financial position at June 30, 2008 is set out in the following balance sheet items:

(in thousands of euro)	Balance sheet item	Non NFP	NFP	Short-term assets	Short-term financing	Long-term assets	Long-term financing
Non-current trade and other receivables	136,144	47,519	88,625	65		88,560	
Other current financial assets	405,346	275,908	129,438	129,438			
Financial receivables and equity investments for trading	1,006,083	289	1,005,794	1,005,794			
Cash and cash equivalents	470,420		470,420	470,420			
Interest-bearing loans and long-term borrowings	(2,999,044)		(2,999,044)				(2,999,044)
Other non-current liabilities	(68,893)	(3,299)	(65,594)				(65,593)
Bank overdrafts and short-term borrowings	(658,293)		(658,293)		(658,293)		
Interest-bearing loans and short-term borrowings	(88,809)		(88,809)		(88,809)		
Other current liabilities	(830,946)	(584,467)	(246,479)		(246,479)		
Total	(2,627,992)	(264,050)	(2,363,942)	1,605,717	(993,581)	88,560	(3,064,637)
Net debt from discontinued operations			(11,342)				
Total net debt			(2,375,284)				

Net debt at June 30, 2008 of 2,375,283 thousand euro was made up as follows:

(in thousands of euro)	June 30, 2008	December 31, 2007	Change
Cash, cash equivalents and current financial assets	1,605,717	1,521,740	83,977
Cash and cash equivalents	470,420	501,527	(31,107)
Derivative assets	18,793	19,124	(331)
Other current financial assets	1,116,504	1,001,089	115,415
Short-term financing	(993,581)	(1,124,513)	130,932
Bank overdrafts	(658,293)	(675,354)	17,061
Interest-bearing loans and short-term borrowings	(323,499)	(434,918)	111,419
Derivative liabilities	(11,789)	(14,241)	2,452
Medium/long-term financial assets	88,560	71,773	16,787
Long-term financial assets	46,297	44,594	1,703
Long-term derivative assets	42,263	27,179	15,084
Medium/long-term financing	(3,064,637)	(2,618,568)	(446,069)
Interest-bearing loans and long-term borrowings	(2,999,044)	(2,572,200)	(426,844)
Long-term derivative liabilities	(65,593)	(46,368)	(19,225)
Net debt from continuing operations	(2,363,941)	(2,149,568)	(214,373)
Net debt from discontinued operations	(11,342)		(11,342)
Net debt	(2,375,283)	(2,149,568)	(225,715)

Net debt at June 30, 2008, does not include amounts for the Calcestruzzi group, which is no longer included in consolidation; for comparative purposes, net debt at December 31, 2007, without the Calcestruzzi group would be 1,991,662 thousand euro.

With the exclusion of the Calcestruzzi group consolidation, consolidated net debt at June 30, 2008, continues to reflect the current account financial relationship between Italcementi S.p.A. and the Calcestruzzi group companies, for 145.0 million euro (133.4 million euro at December 31, 2007, excluding the Calcestruzzi group).

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Carrying amount of financial assets and liabilities

The following table sets out the carrying amount by category of financial assets and liabilities at June 30, 2008 and December 31, 2007:

	June 30, 2008	December 31, 2007
(in thousands of euro)	Carrying amount	Carrying amount
Financial assets		
Financial assets at fair value recorded on income statement		
Cash and cash equivalents	470,420	501,527
<i>Short-term derivatives</i>	16,127	11,575
<i>Banking derivatives</i>	2,666	7,549
<i>Medium/long-term derivatives</i>	42,263	27,179
Derivatives	61,056	46,303
Equity investments and financial receivables	1,006,083	900,811
Banking and other receivables	115,645	100,488
Loans and receivables		
Trade receivables	1,327,276	1,423,349
Non-current receivables and other assets	83,518	88,047
Available-for-sale assets		
Non-current equity investments	1,073,703	1,417,241
Investments held until expiry		
Total	4,137,701	4,477,766
Financial liabilities		
Trade payables	733,737	807,442
<i>Interest-bearing loans and short-term borrowings</i>	747,102	906,577
<i>Other financial payables</i>	234,690	203,695
Total short-term financial payables	981,792	1,110,272
<i>Short-term derivatives</i>	9,484	6,945
<i>Banking derivatives</i>	2,305	7,296
<i>Medium/long-term derivatives</i>	65,593	46,368
Total derivatives	77,382	60,609
Non-current financial payables	2,999,044	2,572,200
Total	4,791,955	4,550,523

Trade receivables and payables are short term and their carrying amount reflects a reasonable approximation to their fair value.

Derivatives are accounted for and assessed at their fair value. The fair value of interest rate swaps is determined on the basis of the discounted flows using the zero coupon curve.

The fair value of forward exchange rate contracts is calculated in reference to current exchange rates for contracts with similar maturities.

The fair value of payables and receivables in foreign currency is assessed at the period-end exchange rate. The fair value of fixed rate payables and receivables is determined by using a fixed rate without any credit margin, net of transaction costs which are directly chargeable to financial assets and liabilities.

Derivatives

Here below is the fair value of financial derivatives recorded on the balance sheet broken down by the type of cover:

(in thousands of euro)	June 30, 2008		December 31, 2007	
	Assets	Liabilities	Assets	Liabilities
Interest-rate derivatives hedging cash flows	1,593		1,910	
Interest-rate derivatives hedging fair value				(24)
Trading interest-rate derivatives	11,299	(5,158)	7,857	(3,231)
Interest-rate derivatives	12,892	(5,158)	9,767	(3,255)
Exchange-rate derivatives hedging cash flows	221	(3,651)	430	(2,999)
Exchange-rate derivatives hedging fair value	2,711	(262)	570	(13)
Trading exchange-rate derivatives	303	(413)	808	(678)
Exchange-rate derivatives	3,235	(4,326)	1,808	(3,690)
Total current instruments	16,127	(9,484)	11,575	(6,945)
Interest-rate derivatives hedging cash flows	42,263	(326)	27,179	(458)
Interest-rate derivatives hedging fair value		(10,559)		(6,974)
Interest-rate derivatives	42,263	(10,885)	27,179	(7,432)
Exchange-rate derivatives hedging cash flows				
Exchange-rate derivatives hedging fair value		(54,708)		(38,936)
Exchange-rate derivatives		(54,708)		(38,936)
Total non-current instruments	42,263	(65,593)	27,179	(46,368)
Banking derivatives - forwards	2,640	(2,279)	7,434	(7,181)
Banking derivatives - options	26	(26)	115	(115)
Banking derivatives	2,666	(2,305)	7,549	(7,296)
Total	61,056	(77,382)	46,303	(60,609)

Interest rate derivatives for trading include two interest rate swap from a floating to a fixed rate for 4.3 million euro, negotiated by the parent company during 2006, for a notional total of 100 million euro expiring in September 2011.

Medium/long-term derivatives on interest rates reflected under assets for 42.3 million euro included the following main derivatives:

- a cross currency swap, for 12.6 million euro, hedging a fixed-rate debenture for private investors issued in US dollars; at December 31, 2007, the derivative was carried under assets for 8.9 million euro;
- a floating-rate to fixed-rate interest-rate swap, for 7.6 million euro, as a full hedge on a twenty-year borrowing.

Medium/long-term exchange-rate derivatives hedging fair value reflected under liabilities for 54.7 million euro (38.9 million euro at December 31, 2007) referred to the cross currency swap hedging the fixed-rate debenture for private investors issued in US dollars.

Medium/long-term interest-rate derivatives hedging fair value reflected under liabilities for 10.9 million euro at June 30, 2008 (7.4 million euro at December 31, 2007) referred mainly to the fixed-rate to floating-rate swap indexed to Euribor hedging part of the 500 million euro debenture issued at a fixed rate under the EMTN program.

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Covenants

In addition to the customary clauses, some of the Group's financing contracts include covenants requiring compliance with financial ratios. At June 30, 2008, lines of credit and loans subject to covenants accounted for 39.3% of total drawings represented by gross debt (3,231 million euro at June 30, 2008, excluding the fair value effects of derivatives). At June 30, 2008, the ratios in question were within the limits stipulated by the covenants.

Lines of credit and financing contracts do not contain rating triggers that would require early repayment in the event of a rating downgrade. Equally, they do not contain negative pledges or similar commitments that might affect the Group's ability to finance or refinance its operations.

Objectives and operating policy for financial risks

The objectives and operating policy for financial risks were unchanged compared with December 31, 2007.

13) Trade payables

"Trade payables" were as follows:

(in thousands of euro)	June 30, 2008	December 31, 2007	Change
Amounts due to suppliers	677,706	746,999	(69,293)
Bills payable	43,147	43,545	(398)
Other trade payables	12,884	16,898	(4,014)
Total	733,737	807,442	(73,705)

Income statement

14) Revenues

Revenues from sales and services totaled 3,028,140 thousand euro, as follows:

	1st half 2008	1st half 2007 IFRS 5	Change	% change
(in thousands of euro)				
Industrial revenues				
Product sales	2,849,678	2,969,189	(119,511)	-4.0%
Revenues from services	90,595	93,610	(3,015)	-3.2%
Other revenues	1,714	1,624	90	5.5%
Total	2,941,987	3,064,423	(122,436)	-4.0%
Financial revenues				
Interest	16,062	16,589	(527)	-3.2%
Dividends	34,919	26,983	7,936	29.4%
Capital gains	394	542	(148)	-27.3%
Other revenues	5,657	20,919	(15,262)	-73.0%
Total	57,032	65,033	(8,001)	-12.3%
Banking revenues				
Interest	3,988	4,357	(369)	-8.5%
Commissions	15,964	17,092	(1,128)	-6.6%
Other revenues	2,693	4,298	(1,605)	-37.3%
Total	22,645	25,747	(3,102)	-12.0%
Property and services revenues	6,476	941	5,535	588.2%
Grand total	3,028,140	3,156,144	(128,004)	-4.1%

15) Purchase of goods and expenses for utilities

Purchase of goods and expenses for utilities amounted to 1,135,979 thousand euro, as follows:

	1st half 2008	1st half 2007 IFRS 5	Change	% change
(in thousands of euro)				
Raw materials and semifinished goods	331,561	371,911	(40,350)	-10.8%
Fuel	280,229	218,118	62,111	28.5%
Packaging, materials, machinery, other	183,578	182,867	711	0.4%
Finished goods	132,360	169,139	(36,779)	-21.7%
Electricity, water, gas	218,798	215,974	2,824	1.3%
Change in inventories of raw materials, consumables, other	(10,547)	(50,319)	39,772	-79.0%
Total	1,135,979	1,107,690	28,289	2.6%

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16) Services expenses

Services expenses amounted to 686,170 thousand euro, as follows:

(in thousands of euro)	1st half 2008	1st half 2007 IFRS 5	Change	% change
External services and maintenance	178,182	194,962	(16,780)	-8.6%
Maintenance	96,736	106,016	(9,280)	-8.8%
Transport	261,156	287,249	(26,093)	-9.1%
Legal fees and consultancy	37,301	38,660	(1,359)	-3.5%
Rents	43,914	50,694	(6,780)	-13.4%
Insurance	21,644	23,216	(1,572)	-6.8%
Subscriptions	5,352	5,586	(234)	-4.2%
Other	41,885	43,818	(1,933)	-4.4%
Total	686,170	750,201	(64,031)	-8.5%

The item "Other" mainly arises from the subsidiaries in the construction materials sector.

17) Employee expenses

Employee expenses totaled 505,392 thousand euro, as follows:

(in thousands of euro)	1st half 2008	1st half 2007 IFRS 5	Change	% change
Wages and salaries	333,849	338,238	(4,389)	-1.3%
Social security contributions	105,616	108,794	(3,178)	-2.9%
Provisions and pension funds	20,132	13,822	6,310	45.7%
Cost of stock option plans	7,706	4,810	2,896	60.2%
Other expenses	38,089	42,233	(4,144)	-9.8%
Total	505,392	507,897	(2,505)	-0.5%

"Other expenses" 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)	1st half 2008	1st half 2007
Number of employees at period end	23,611	24,282
Average number of employees	23,506	23,923

Stock options

Based on the results posted in 2007, on March 28, 2008, the Italmobiliare Board of Directors granted a total of 124,200 options to directors and managers, vesting from March 28, 2011.

The following table sets out the assumptions used and results obtained in measuring the above stock option plan:

	2008 plan	
Value of option on grant date	Euro	17.21
Value of share	Euro	65.10
Exercise price	Euro	59.908
Volatility as %		17.5%
Length of option (in years)		10.00
Dividends %		2.23%
BTP 10-year risk-free rate		3.889%

The terms and conditions of the Italmobiliare S.p.A. stock option plans at June 30, 2008 were as follows:

Grant date	No. options granted	Exercise period	Options exercised	Options cancelled	Unexercised options	Underwriting price per option
March 24, 2003	49,283	3/24/2006 - 3/23/2013	39,720		9,563	€ 31.2800
March 30, 2004	96,080	3/30/2007 - 3/29/2014			96,080	€ 35.1990
March 30, 2005	108,437	3/30/2008 - 3/29/2015			108,437	€ 54.5355
March 21, 2006	109,880	3/21/2009 - 3/20/2016			109,880	€ 65.7010
March 21, 2007	122,479	3/21/2010 - 3/20/2017			122,479	€ 86.0685
March 28, 2008	124,200	3/28/2011 - 3/27/2018			124,200	€ 59.9080
Total	610,359		39,720	-	570,639	

18) Other operating income (expense)

Other operating expense net of other operating income amounted to 133,011 thousand euro, as follows:

	1st half 2008	1st half 2007 IFRS 5	Change	% change
(in thousands of euro)				
Other taxes	42,315	33,941	8,374	24.7%
Provision for bad debts	2,674	2,596	78	3.0%
Provision for environmental restoration - quarries	9,233	13,913	(4,680)	-33.6%
Interest expense and other charges of companies in financial and banking sectors	49,364	27,617	21,747	78.7%
Miscellaneous expense	31,156	29,063	2,093	7.2%
Miscellaneous income	(1,731)	(1,695)	(36)	2.1%
Total	133,011	105,435	27,576	26.2%

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

Finance costs, net of finance income, exchange-rate differences and derivatives, amounted to 74,383 thousand euro, as follows:

(in thousands of euro)	1st half 2008		1st half 2007 IFRS 5	
	Income	Costs	Income	Costs
Interest income	14,507		10,044	
Interest expense		(77,006)		(69,037)
Subtotal	14,507	(77,006)	10,044	(69,037)
Net interest in respect of NFP		(62,499)		(58,993)
Net dividends	4,199		7,434	
Capital gains from disposal of equity investments	2,347		1,983	
Other finance income	1,730		2,070	
Other finance costs		(13,193)		(12,187)
Subtotal	8,276	(13,193)	11,487	(12,187)
Total finance income (costs)	22,783	(90,199)	21,531	(81,224)
Gains (losses) from interest-rate derivative contracts	393		2,477	
Gains (losses) from exchange-rate derivative contracts	2,038		420	
Net exchange rate differences		(9,398)		(1,507)
Net exchange rate differences and net derivatives		(6,967)		1,390
Total finance income (costs), exchange-rate differences and net derivatives		(74,383)		(58,303)

20) Income tax expense

Income tax expense for the period was 83,163 thousand euro, as follows:

(in thousands of euro)	1st half 2008	1st half 2007 IFRS 5	Change	% change
Current tax	99,491	126,009	(26,518)	-21.0%
Deferred tax liabilities	(16,328)	7,657	(23,985)	-313.2%
Total	83,163	133,666	(50,503)	-37.8%

21) Discontinued operations

The Group has decided to sell its operations conducted in Turkey through the Set Group, Set Cimento, Set Beton and Afyon Cimento companies, controlled through Ciments Français S.A.

Consequently these operations are recognized in compliance with IFRS 5.

As from April 1, 2008, the date on which operations in Turkey were classified as discontinued, depreciation and amortization of non-current assets was suspended in compliance with IFRS 5 § 25.

Discontinued operations in Turkey reported a loss of 0.3 million euro for the first half of 2008. The main income statement items are detailed below:

(in millions of euro)	1st half 2008	1st half 2007	Change	% change
Revenues (*)	111.9	127.4	(15.5)	-12.2%
Recurring EBITDA	4.2	24.0	(19.8)	n.s.
EBIT	0.5	17.0	(16.5)	n.s.
Net profit (loss) for the period	(0.3)	12.6	(12.9)	n.s.

(*) after infragroup eliminations

22) Earnings per share

Earnings per share at June 30, 2008 and 2007 is computed separately for ordinary shares and for savings shares, on the basis of the net profit for the period attributable to the parent company.

Basic earnings per share

The weighted average number of shares and attributable net profit are shown below:

(in thousands of shares)	June 30, 2008		June 30, 2007	
	Ordinary shares	Savings shares	Ordinary shares	Savings shares
No. shares at January 1	22,183	16,343	22,183	16,343
Treasury shares at January 1	(871)	(29)	(911)	(29)
Weighted average number of treasury shares sold during the period			34	
Total	21,312	16,314	21,306	16,314
Attributable net profit in thousands of euro	38,056	29,770	73,883	57,210
Basic earnings per share in euro	1.786	1.825	3.468	3.507

Net profit attributable to share categories was determined as shown below:

(in thousands of euro)	June 30, 2008		June 30, 2007	
	Ordinary shares	Savings shares	Ordinary shares	Savings shares
Net profit reserved for savings shareholders (0.078 euro per share)		636		636
Residual net profit apportioned to all shares	38,056	29,134	73,883	56,574
Total	38,056	29,770	73,883	57,210

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Diluted earnings per share

Diluted earnings per share is computed in the same manner as basic earnings per share, taking account of the dilution effect of stock options.

The weighted average number of shares and attributable net profit are shown below:

	June 30, 2008		June 30, 2007	
	Ordinary shares	Savings shares	Ordinary shares	Savings shares
(in thousands of shares)				
Weighted average no. of shares at December 31	21,311	16,315	21,306	16,315
Dilution effect of stock options	55		141	
Total	21,366	16,315	21,447	16,315
Attributable net profit for diluted earnings per share in thousands of euro	38,098	29,728	74,094	56,999
Diluted earnings per share in euro	1.783	1.822	3.455	3.494

Net profit attributable to share categories was determined as shown below:

	June 30, 2008		June 30, 2007	
	Ordinary shares	Savings shares	Ordinary shares	Savings shares
(in thousands of euro)				
Net profit reserved for savings shareholders (0.078 euro per share)		636		636
Residual net profit apportioned to all shares	38,098	29,092	74,094	56,363
Total	38,098	29,728	74,094	56,999

23) Dealings with related parties

The following table sets out data on dealings with related parties at June 30, 2008:

(in thousands of euro)	Revenues (costs)	Trade receivables (payables)	Financial receivables (payables)	Finance income (costs)	Other operating income (expense)
Italmobiliare Group					
Subsidiaries and associates not consolidated on a line-by-line basis	12,129	8,946	7,218	77	318
	(16,546)	(3,249)	(1,323)	(27)	(8)
Companies in Calcestruzzi group	83,953	55,055	148,894	3,162	122
	(7)	(9)	(3,898)	(90)	(8)
Other related parties	135	66	-	-	1
	(482)	(10,177)	-	-	(1)
Total	96,217	64,067	156,112	3,239	441
	(17,035)	(13,435)	(5,221)	(117)	(17)
% of financial statement items	3.2%	4.8%	9.2%	14.2%	-0.3%
	0.7%	1.8%	0.1%	0.1%	-

The corresponding figures at June 30, 2007 were:

(in thousands of euro)	Revenues (costs)	Trade receivables (payables)	Financial receivables (payables)	Finance income (costs)	Other operating income (expense)
Italmobiliare Group					
Subsidiaries and associates not consolidated on a line-by-line basis	11,855	9,259	2,689	82	369
	(22,304)	(2,147)	(676)	(7)	(1)
Other related parties	97	50			2,354
	(318)	(193)			(1,200)
Total	11,952	9,309	2,689	82	2,723
	(22,622)	(2,340)	(676)	(7)	(1,201)
	0.4%	0.6%	0.2%	0.4%	2.6%
	0.9%	0.3%	0.0%	0.0%	1.1%

Revenues from and purchases of goods and services in respect of subsidiaries and associates related in the main to transactions with companies consolidated on a proportionate basis, of which the most significant are Société des Carrieres du Tournais, Medcem S.r.l. Atlantica de Graneles and Les Calcaires Girondins S.a.s. and with associates, including the Ciments Quebec Inc. group and Italsigma S.r.l.

Trade and other payables in respect of "Other related parties" for 10,177 thousand euro at June 30, 2008, included 9,939 thousand euro due to Arabian Cement Company for the purchase of property, plant and equipment by International City for Ready Mix.

Dealings with Calcestruzzi group companies

Following the deconsolidation of the Calcestruzzi group, all business and financial transactions in the first half of 2008 with Calcestruzzi S.p.A. and the companies in its group are treated as dealings with related parties.

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24) Non-recurring transactions

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

(in thousands of euro)	1st half 2008					
	Shareholders' equity		Net profit for the period		Net debt	
	amount	%	amount	%	amount	%
Book values	5,675,757		237,621		(2,375,283)	
Net capital gains on sale of fixed assets	5,985	0.11%	5,985	2.52%	19,345	0.81%
Non-recurring employee expenses for reorganizations	(4,340)	0.08%	(4,340)	1.83%		
Other non-recurring income (expense)	621	0.01%	621	0.26%	(2,012)	0.08%
Tax on non-recurring transactions	(80)	0.00%	(80)	0.03%		
Non-recurring tax	(745)	0.01%	(745)	0.31%		
Total	1,441	0.03%	1,441	0.61%	17,333	0.73%
Figurative value without non-recurring transactions	5,674,316		236,180		(2,392,616)	

(in thousands of euro)	1st half 2007					
	Shareholders' equity		Net profit for the period		Net debt	
	amount	%	amount	%	amount	%
Book values	6,568,985		366,998		(1,985,910)	
Net capital gains on sale of fixed assets	6,501	0.10%	6,501	1.77%	23,834	-1.20%
Non-recurring employee expenses for reorganizations						
Other non-recurring income (expense)	3,042	0.05%	3,042	0.83%	(4,379)	-0.22%
Tax on non-recurring transactions	1,499	0.02%	1,499	0.41%		
Non-recurring tax						
Total	11,042	0.17%	11,042	3.01%	19,455	-0.98%
Figurative value without non-recurring transactions	6,557,943		355,956		(2,005,365)	

Capital gains on sale of fixed assets in the first half of 2008 include a gain of 4.0 million euro on the sale of land no longer used at the Gargenville production facility in France.

"Non-recurring employee expenses for re-organizations" refer to the Italcementi S.p.A. production and logistics re-organization, under which approximately seventy jobs will be eliminated.

Post balance sheet events

No significant events have taken place since June 30, 2008 that require amendments to or additional comments on the Group balance sheet, income statement and financial position at June 30, 2008.

Milan, August 8, 2008

For the Board of Directors
The Chairman
Giampiero Pesenti



Annex



Annex

The following table has been prepared in accordance with CONSOB Resolution no. 11971, art. 126, of May 14, 1999, which requires listed companies to disclose their investments in unlisted companies when such investments exceed 10% of the companies' voting capital.

For the purpose of a full description of the consolidated companies, the table also sets out equity investments held in listed companies when such investments exceed 10% of the companies' voting capital.

The table also shows the consolidation method and indicates investments valued with the equity method.

Company	Registered office		Share capital		Interest held by Group companies			Method	
					Direct	Indirect	%		
Parent company Italmobiliare S.p.A.	Milan	IT	EUR	100,166,937.00					
Amprica S.p.A.	Castelbelforte	IT	EUR	7,362,470.44		100.00	100.00	Sirap Gema S.p.A.	Line-by-line
Amprica Immobiliare S.r.l.	Verolanuova	IT	EUR	10,000.00	-	100.00	100.00	Amprica S.p.A.	Line-by-line
Azienda Vendite Acquisti A.V.A. S.r.l.	Milan	IT	EUR	2,550,000.00	100.00	-	100.00	Italmobiliare S.p.A.	Line-by-line
Burgo Group S.p.A.	Altavilla Vicentina	IT	EUR	205,443,391.40	-	11.68	11.68	Société de Participation Financière Italmobiliare SA	At cost/Fair Value
CJSC INLINE-R	Moscow	RU	RUB	30,230,640.00		72.22	72.22	Inline Poland Sp. z.o.o.	Line-by-line
Compagnia Fiduciaria Nazionale S.p.A.	Milan	IT	EUR	312,000.00	16.67	-	16.67	Italmobiliare S.p.A.	At cost/Fair Value
Credit Mobilier de Monaco S.A.	Montecarlo	PM	EUR	5,355,000.00	-	99.91	99.91	Société de Participation Financière Italmobiliare SA	Line-by-line
Enhanced Frontier Limited	Nassau	BS	EUR	100.00	-	100.00	100.00	Finter Bank Zurich S.A.	At cost
Fin.Priv. S.r.l.	Milan	IT	EUR	20,000.00	14.28	-	14.28	Italmobiliare S.p.A.	At cost/Fair Value
Fincomind SA	Lugano	CH	CHF	10,010,000.00	69.93	30.07	69.93 30.07	Italmobiliare S.p.A. Société de Participation Financière Italmobiliare SA	Line-by-line
Finconsult AG	Zurich	CH	CHF	500,000.00	-	100.00	100.00	Finter Bank Zurich S.A.	Line-by-line
Finter Bank & Trust (Bahamas) Ltd.	Nassau	BS	USD	5,000,000.00	-	100.00	100.00	Finter Bank Zurich S.A.	Line-by-line
Finter Bank Zurich S.A.	Zurich	CH	CHF	45,000,000.00	-	100.00	100.00	Fincomind SA	Line-by-line
Finter Fund Management Company S.A.	Luxembourg	LU	CHF	250,000.00	-	100.00	100.00	Finter Bank Zurich S.A.	Line-by-line
FinterLife Lebensversicherungs-Aktiengesellschaft	Vaduz	LI	CHF	7,000,000.00	-	90.00	90.00	Finter Bank Zurich S.A.	Line-by-line
Franco Tosi S.r.l.	Milan	IT	EUR	90,000,000.00	100.00	-	100.00	Italmobiliare S.p.A.	Line-by-line
GESVIM S.r.l.	Milan	IT	EUR	Resolved 1.500.000 Subsc.& paid 10.000	-	50.00	50.00	Azienda Vendite Acquisti A.V.A. S.r.l.	Proportionate
GIST S.r.l. Gamma Iniziative Sportive Turistiche	Milan	IT	EUR	389,200.00	-	50.00	50.00	Punta Ala Promozione e Sviluppo Immobiliare S.r.l.	Proportionate
ICS Petruzalek Srl	Chisinau	MD	MDL	81,518.50	-	100.00	100.00	Petruzalek Com S.r.l. (Romania)	Line-by-line
Immobiliare Golf Punta Ala S.p.A.	Punta Ala (GR)	IT	EUR	5,164,000.00	-	31.75	7.00 24.75	Punta Ala Promozione e Sviluppo Immobiliare S.r.l. Azienda Vendite Acquisti A.V.A. S.r.l.	Equity
Immobiliare Lido di Classe S.p.A. in liquidation	Rome	IT	EUR	255,000.00	18.04	-	18.04	Italmobiliare S.p.A.	At cost
Inline Balkans o.o.d. in liquidation	Sofia	BG	BGN	50,000.00	-	60.00	60.00	Inline Poland Sp. z.o.o.	Line-by-line
Inline Poland Sp. z.o.o.	Poznan	PL	PLN	3,846,000.00	-	91.00	91.00	Amprica S.p.A.	Line-by-line
Inline Ukraine LCFI	Dnepropetrovsk	UA	UAH	17,959,028.15	-	60.00	60.00	Inline Poland Sp. z.o.o.	
Italmobiliare International BV	Amsterdam	NL	EUR	Resolved 75.000 Subscribed 19.500	100.00	-	100.00	Italmobiliare S.p.A.	Line-by-line

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Company	Registered office		Share capital		Interest held by Group companies			Method	
					Direct	Indirect	%		
Italmobiliare International Finance Ltd.	Dublin	IE	EUR	1,336,400.00	97.27	2.73	97.27	Italmobiliare S.p.A. 2.73 Société de Participation Financière Italmobiliare SA	Line-by-line
Italmobiliare Servizi S.r.l.	Milan	IT	EUR	260,000.00	100.00	-	100.00	Italmobiliare S.p.A.	Line-by-line
Mittel S.p.A.	Milan	IT	EUR	66,000,000.00	12.91	-	12.91	Italmobiliare S.p.A.	Equity
Neyrtec Industrie SA	Le Pont de Claix	FR	FF	10,000,000.00	100.00	-	100.00	Italmobiliare S.p.A.	At cost
Petruzalek Ltd (Turkey)	Istanbul	TR	TRL	40,000.00	-	100.00	90.00	Petruzalek Gesellschaft mbH (Austria) 10.00 Petruzalek Com S.r.l. (Romania)	Line-by-line
Petruzalek e.o.o.d. (Bulgaria)	Sofia	BG	BGN	5,000.00	-	100.00	100.00	Petruzalek Gesellschaft mbH (Austria)	Line-by-line
Petruzalek Com S.r.l. (Romania)	Bucarest	RO	RON	2,600.00	-	100.00	100.00	Petruzalek Gesellschaft mbH (Austria)	Line-by-line
Petruzalek d.o.o. (Croatia)	Samobor	HR	HRK	129,500.00	-	100.00	100.00	Petruzalek Gesellschaft mbH (Austria)	Line-by-line
Petruzalek d.o.o. (Serbia)	Zemun (Batajnica)	CS	CSD	878,427.00	-	100.00	100.00	Petruzalek Gesellschaft mbH (Austria)	Line-by-line
Petruzalek d.o.o. (Slovenia)	Maribor	SI	EUR	9,959.08	-	100.00	100.00	Petruzalek Gesellschaft mbH (Austria)	Line-by-line
Petruzalek Gesellschaft mbH (Austria)	Tattendorf	AT	EUR	1,000,000.00	-	99.00	99.00	Sirap Gema S.p.A.	Line-by-line
Petruzalek Kft (Hungary)	Budapest	HU	HUF	300,000,000.00	-	100.00	75.00	Petruzalek Gesellschaft mbH (Austria) 25.00 Petruzalek spol. S.r.o. (Czech Rep.)	Line-by-line
Petruzalek o.o.o. (Ukraine)	Odessa	UA	UAH	214,831.00	-	90.00	90.00	Petruzalek Gesellschaft mbH (Austria)	Line-by-line
Petruzalek S.r.l. (Bosnia)	Sarajevo	BA	BAM	10,000.00	-	100.00	100.00	Petruzalek Gesellschaft mbH (Austria)	Line-by-line
Petruzalek S.r.o. (Slovak Rep.)	Bratislava	SK	SKK	460,000.00	-	100.00	100.00	Petruzalek Gesellschaft mbH (Austria)	Line-by-line
Petruzalek spol. S.r.o. (Czech Rep.)	Breclav	CZ	CZK	2,300,000.00	-	100.00	100.00	Petruzalek Gesellschaft mbH (Austria)	Line-by-line
Popolonia Italica S.r.l.	Milan	IT	EUR	1,115,760.00	93.21	6.79	93.21	Italmobiliare S.p.A. 6.79 Azienda Vendite Acquisti A.V.A. S.r.l.	Line-by-line
Punta Ala Promozione e Sviluppo Immobiliare S.r.l.	Milan	IT	EUR	1,300,000.00	99.48	0.52	99.48	Italmobiliare S.p.A. 0.52 SICIL.FIN. S.r.l.	Line-by-line
SANCE S.r.l.	Milan	IT	EUR	139,725.00	100.00	-	100.00	Italmobiliare S.p.A.	Line-by-line
SG Finance SA	Luxembourg	LU	EUR	7,797,220.00	-	100.00	0.03	Franco Tosi S.r.l. 99.97 Société de Participation Financière Italmobiliare SA	Line-by-line
Sirap Gema France SAS	Noves	FR	EUR	3,520,000.00	-	100.00	100.00	Sirap Gema S.p.A.	Line-by-line
Sirap-Gema Iberica S.L.	Barcelona	ES	EUR	300,000.00	-	100.00	100.00	Sirap Gema S.p.A.	Line-by-line
Sirap Gema Insulation Systems S.r.l.	Verolanuova (BS)	IT	EUR	2,715,000.00	-	100.00	100.00	Sirap Gema S.p.A.	Line-by-line
Sirap Gema S.p.A.	Verolanuova (BS)	IT	EUR	17,020,905.00	100.00	-	100.00	Italmobiliare S.p.A.	Line-by-line
Soc. Editrice Siciliana S.E.S. S.p.A	Messina	IT	EUR	5,112,900.00	33.00	-	33.00	Italmobiliare S.p.A.	Equity
Société d'Etudes de Participations et de Courtages	Monte Carlo	PM	EUR	1,290,000.00	-	99.84	99.84	Société de Participation Financière Italmobiliare SA	Line-by-line
Société de Participation Financière Italmobiliare S.A.	Luxembourg	LU	EUR	103,118,928.00	99.94	0.06	99.94	Italmobiliare S.p.A. 0.06 Franco Tosi S.r.l.	Line-by-line
Soparfinter S.A.	Luxembourg	LU	EUR	3,111,600.00	-	100.00	97.85	Fincomind SA 2.15 Société de Participation Financière Italmobiliare S.A.	Line-by-line
Terfin S.A. in liquidation	Paris	FR	EUR	440,400.00	-	100.00	98.40	Soparfinter S.A. 1.60 Fincomind SA	Line-by-line
Universal Imballaggi Sr.l.	Palermo	IT	EUR	1,731,588.00	-	92.64	92.64	Sirap Gema S.p.A.	Line-by-line

Company	Registered office		Share capital		Interest held by Group companies			Method
					Direct	Indirect	%	
Italcementi S.p.A.	Bergamo	IT	EUR	282,548,942.00	38.84	1.38	38.84 Italmobiliare S.p.A. 1.38 Italcementi S.p.A. voting rights: 60.26 Italmobiliare S.p.A.	Line-by-line
Aliserio S.r.l.	Bergamo	IT	EUR	2,270,000.00	10.00	90.00	10.00 Italmobiliare S.p.A. 90.00 Italcementi S.p.A.	Line-by-line
Axim Italia S.r.l.	Sorisole (BG)	IT	EUR	2,000,000.00	-	100.00	99.90 Italcementi S.p.A. 0.10 SICIL.FIN. S.r.l.	Line-by-line
Azienda Agricola Lodoletta S.r.l.	Bergamo	IT	EUR	10,400.00	-	75.00	75.00 Italcementi S.p.A.	
B2e Markets B.V.	Eindhoven	NL	EUR	20,000.00	-	100.00	100.00 Verticalnet, Inc. d.b.a. BravoSolution US	Line-by-line
B2e Markets France S.A.R.L.	Paris	FR	EUR	20,000.00	-	100.00	100.00 Verticalnet, Inc. d.b.a. BravoSolution US	Line-by-line
Betongenova S.r.l. in liquidation	Genoa	IT	EUR	10,400.00	-	36.12	22.68 Calcestruzzi S.p.A. 13.44 Cemencal S.p.A.	
BravoBus S.r.l.	Bergamo	IT	EUR	600,000.00	-	51.00	51.00 BravoSolution S.p.A.	Line-by-line
BravoSolution China Co. Ltd	Shanghai	CN	CNY	80,000.00	-	100.00	100.00 BravoSolution S.p.A.	Line-by-line
BravoSolution Espana S.A.	Madrid	ES	EUR	120,400.00	-	99.99	99.99 BravoSolution S.p.A.	Line-by-line
BravoSolution France S.a.s.	Boulogne Billancourt	FR	EUR	2,000,000.00	-	100.00	100.00 BravoSolution S.p.A.	Line-by-line
BravoSolution S.p.A.	Bergamo	IT	EUR	29,302,379.00	8.15	83.01	8.15 Italmobiliare S.p.A. 83.01 Italcementi S.p.A.	Line-by-line
BravoSolution UK Ltd	London	GB	GBP	50,000.00	-	100.00	100.00 BravoSolution S.p.A.	Line-by-line
C.T.G. S.p.A.	Bergamo	IT	EUR	500,000.00	-	100.00	50.00 Italcementi S.p.A. 50.00 Ciments Français S.A.	Line-by-line
CTG USA LLC	Nazareth	US	-	-	-	100.00	90.00 C.T.G. S.p.A. 10.00 Essroc Cement Corp.	Line-by-line
Calcementi Jonici S.r.l.	Siderno (RC)	IT	EUR	9,000,000.00	-	100.00	99.90 Italcementi S.p.A. 0.10 SICIL.FIN. S.r.l.	Line-by-line
Calcestruzzi S.p.A.	Bergamo	IT	EUR	138,000,000.00	-	100.00	99.90 Italcementi S.p.A. 0.10 SICIL.FIN. S.r.l.	
Cava delle Capannelle S.r.l.	Bergamo	IT	EUR	31,200.00	-	49.00	49.00 Calcestruzzi S.p.A.	
Cemencal S.p.A.	Bergamo	IT	EUR	12,660,000.00	-	85.00	85.00 Calcestruzzi S.p.A.	
Cement Project Services Management & Consulting S.r.l. in liquidation	Rome	IT	EUR	10,000.00	-	45.00	45.00 Italcementi S.p.A.	Equity
Cementi della Lucania S.p.A.	Potenza	IT	EUR	619,746.00	-	30.00	30.00 Italcementi S.p.A.	Equity
Cementi e Calci di S. Marinella S.r.l.	Bergamo	IT	EUR	10,000.00	-	66.67	66.67 Italcementi S.p.A.	Line-by-line
Cementi Romagna S.r.l.	Bergamo	IT	EUR	10,000,000.00	-	100.00	100.00 Cementificio di Montalto S.p.A.	Line-by-line
Cementificio di Montalto S.p.A.	Bergamo	IT	EUR	10,000,000.00	-	100.00	100.00 Italcementi S.p.A.	Line-by-line
Digital Union Ltd	Guildford	GB	GBP	50,000.00	-	100.00	100.00 Verticalnet, Inc. d.b.a. BravoSolution US	Line-by-line
E.C.I.T. S.r.l.	Ravenna	IT	EUR	104,208.00	-	50.00	50.00 Calcestruzzi S.p.A.	
E.I.C.A. S.r.l.	Norcia (PG)	IT	EUR	49,500.00	-	66.67	66.67 Calcestruzzi S.p.A.	
E.S.A. Monviso S.p.A.	Bergamo	IT	EUR	1,340,000.00	-	100.00	59.00 Calcestruzzi S.p.A. 41.00 Cemencal S.p.A.	
Ecoinerti S.r.l.	Recanati (MC)	IT	EUR	91,800.00	-	50.00	50.00 Calcestruzzi S.p.A.	
Ecoserio S.r.l.	Bergamo	IT	EUR	48,960.00	-	12.50	12.50 Calcestruzzi S.p.A.	
Generalcave S.r.l.	Fiumicino (RM)	IT	EUR	31,200.00	-	50.00	50.00 Speedybeton S.p.A.	

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					Direct	Indirect	%		
Gres Dalmine Resine Wavin S.c.a r.l.	Sorisole (BG)	IT	EUR	91,800.00	-	35.00	35.00	Italsintex S.p.A.	
Gruppo Italsfusi S.r.l.	Savignano s/P. (MO)	IT	EUR	156,000.00	-	100.00	99.50	Italcementi S.p.A.	Line-by-line
							0.50	SICIL.FIN. S.r.l.	
I.GE.PO. - Impresa Gestione Porti S.r.l. - in liquidation	Vibo Valentia	IT	EUR	25,500.00	-	18,00	18.00	Italcementi S.p.A.	
IMES S.r.l.	S. Cipriano Pic. (SA)	IT	EUR	206,000.00	-	100.00	99.00	Italcementi S.p.A.	Equity
							1.00	SICIL.FIN S.r.l.	
Immobiliare Salesiane S.r.l.	Bergamo	IT	EUR	350,000.00	-	100.00	99.00	Italcementi S.p.A.	
							1.00	SICIL.FIN S.r.l.	
Intercom S.r.l.	Bergamo	IT	EUR	2,750,000.00	-	100.00	99.50	Italcementi S.p.A.	Line-by-line
							0.50	SICIL.FIN S.r.l.	
International City for Ready Mix	Jeddah	SA	SAR	100,000,000.00	-	50,00	50.00	Italcementi S.p.A.	Proportionate
Intertrading S.r.l.	Bergamo	IT	EUR	4,160,000.00	-	100.00	99.50	Italcementi S.p.A.	Line-by-line
							0.50	SICIL.FIN. S.r.l.	
Italcementi Cement Industry Shareholding Company	Tripoli	LY	LYD	20,000,000.00	-	63,70	63.70	Italcementi S.p.A.	
Italcementi Ingegneria S.r.l.	Bergamo	IT	EUR	266,220.00	-	100,00	100.00	Italcementi S.p.A.	
Italgen Elektrik Uretim Anonim Sirketi	Istanbul	TR	TRL	50,000.00	-	99,99	99.99	Italgen S.p.A.	
Italgen Maroc S.A.	Casablanca	MA	MAD	300,000.00	-	99,87	99.87	Italgen S.p.A.	Line-by-line
Italgen Misr for Energy SAE	Cairo	EG	EGP	5,000,000.00	-	98,00	98.00	Italgen S.p.A.	
Italgen S.p.A.	Bergamo	IT	EUR	20,000,000.00	-	100.00	99.90	Italcementi S.p.A.	Line-by-line
							0.10	SICIL.FIN S.r.l.	
Italsigma S.r.l.	Bergamo	IT	EUR	1,500,000.00	-	50.00	50.00	Axim Italia S.r.l.	Proportionate
Italsintex S.p.A.	Bergamo	IT	EUR	7,686,734.00	-	100.00	99.99	Società del Gres ing. Sala S.p.A.	Line-by-line
							0.01	SICIL.FIN. S.r.l.	
ITC-Factor S.p.A.	Bergamo	IT	EUR	1,500,000.00	-	100.00	99.50	Italcementi S.p.A.	Line-by-line
							0.50	SICIL.FIN. S.r.l.	
Les Ciments de Zouarine S.A.	Tunisi	TN	TND	80,000.00	-	49,93	49.93	Italcementi S.p.A.	
M.P.M. Ambiente S.r.l.	Trezzo sull'Adda (MI)	IT	EUR	130,000.00	-	19,00	19.00	Società del Gres ing. Sala S.p.A.	
Mantovana Inerti S.r.l.	Castiglione delle Stiviere (MN)	IT	EUR	702,000.00	-	50,00	50.00	Calcestruzzi S.p.A.	
Medcem S.r.l.	Naples	IT	EUR	5,500,000.00	-	50,00	50.00	Intercom S.r.l.	Proportionate
Mobile Workers S.A.	Noiseau	FR	EUR	92,900.00	-	100,00	100.00	BravoSolution S.p.A.	Line-by-line
Nuova Sacelit S.r.l.	Sorisole (BG)	IT	EUR	7,500,000.00	-	100,00	1.00	Franco Tosi S.r.l.	Line-by-line
							99.00	Italcementi S.p.A.	
Procalmi S.r.l. in liquidation	Milan	IT	EUR	51,000.00	-	11,52	11.52	Cemencal S.p.A.	
S.A.F.R.A. S.r.l.	Bologna	IT	EUR	51,480.00	-	33,33	33.33	Calcestruzzi S.p.A.	
SAMA S.r.l.	Bergamo	IT	EUR	1,000,000.00	-	100.00	99.00	Italcementi S.p.A.	Line-by-line
							1.00	SICIL.FIN S.r.l.	
Shqiperia Cement Company Shpk	Tirana	AL	ALL	74,250,000.00	-	100,00	100.00	Italcementi S.p.A.	Line-by-line
SICIL.FIN. S.r.l.	Bergamo	IT	EUR	650,000.00	-	100,00	0.50	Franco Tosi S.r.l.	Line-by-line
							99.50	Italcementi S.p.A.	
Sider Navi S.p.A.	Naples	IT	EUR	22,000,000.00	-	20,00	20.00	Medcem S.r.l.	Equity
Silicalcite S.r.l.	Bergamo	IT	EUR	4,000,000.00	-	100,00	100.00	Italcementi S.p.A.	Equity
Silos Granari della Sicilia S.r.l.	Bergamo	IT	EUR	7,980,000.00	-	100.00	99.90	Italcementi S.p.A.	Line-by-line
							0.10	SICIL.FIN S.r.l.	

Company	Registered office		Share capital		Interest held by Group companies			Method	
					Direct	Indirect	%		
Società del Gres ing. Sala S.p.A.	Sorisole (BG)	IT	EUR	5,858,722.00	-	100.00	99.90 0.10	Nuova Sacelit S.r.l. SICIL.FIN S.r.l.	Line-by-line
Société Internationale Italcementi (Luxembourg) S.A.	Luxembourg	LU	EUR	17,715,000.00	-	100.00	99.87 0.13	Italcementi S.p.A. SICIL.FIN S.r.l.	Line-by-line
Société Internationale Italcementi France S.a.s.	Paris	FR	EUR	1,686,650,000.00	-	99.99	99.99	Italcementi S.p.A.	Line-by-line
SO.RI.TE. S.r.l.	Turin	IT	EUR	100,000.00	-	25.00	25.00	Calcestruzzi S.p.A.	
Speedybeton S.p.A.	Pomezia (RM)	IT	EUR	300,000.00	-	70.00	70.00	Calcestruzzi S.p.A.	
Vert Tech LLC	Wilmington	US	-	-	-	100.00	100.00	Verticalnet, Inc. d.b.a. BravoSolution US	Line-by-line
Verticalnet, Inc. d.b.a. BravoSolution US	Harrisburg	US	USD	1.00	-	100.00	100.00	BravoSolution S.p.A.	Line-by-line
Verticalnet Israel Ltd	Gerusalemme	IL	ILS	38,100.00	-	100.00	100.00	Verticalnet, Inc. d.b.a. BravoSolution US	Line-by-line
Verticalnet Software, Inc.	Wilmington	US	-	-	-	100.00	100.00	Verticalnet, Inc. d.b.a. BravoSolution US	Line-by-line
Ciments Français S.A.	Puteaux	FR	EUR	150,843,776.00	-	81.62	78.94 2.68 89.40	Société Int. Italcementi France S.a.s. Ciments Français S.A. (diritti di voto: Société Int. Italcementi France S.a.s.)	Line-by-line
1475544 Ontario Inc.	Markham	CA	CAD	100.00	-	100.00	100.00	IM Scott Holdings Limited	Equity
2003897 Ontario Inc.	Concord	CA	CAD	18,300,000.20	-	50.00	50.00	Essroc Canada Inc.	Equity
3092-0631 Quebec Inc.	St. Basile	CA	CAD	6,250.00	-	100.00	100.00	Ciment Quebec Inc.	Equity
Afyon Cimento Sanayi Tas	Istanbul	TR	TRL	120,000.00	-	78.49	76.51 1.02 0.96	Ciments Français S.A. Set Group Holding Set Cimento	Line-by-line
Al Mahaliya Ready Mix Concrete WLL	Safat	KW	KWD	500,000.00	-	99.00	99.00	Hilal Cement Company	
Altas Ambarij Liman Tesisleri Tas	Istanbul	TR	TRL	500,000.00	-	12.25	12.25	Set Cimento	
Ammos Development Quarries Ltd	Mandra	GR	EUR	18,000.00	-	100.00	100.00	Halyps Building Materials S.A.	Line-by-line
Arena S.a.s.	Guerville	FR	EUR	126,000,000.00	-	100.00	100.00	Ciments Français S.A.	Line-by-line
Arrow Concrete Company	Parkersburg	US	USD	79,400.00	-	100.00	100.00	Essroc Ready Mix Corp	Line-by-line
Arrow Industries	Parkersburg	US	USD	500.00	-	100.00	100.00	Essroc Ready Mix Corp	Line-by-line
Arrowhead Investment Company	Carson City	US	USD	1,000.00	-	100.00	100.00	Essroc Corporation	Line-by-line
Arteskos 98 JSC	Dimitrovgrad	BG	BGN	70,000.00	-	53.08	53.08	Devnya Cement A.D.	Line-by-line
Arteskos AD	Dimitrovgrad	BG	BGN	67,852.00	-	75.00	75.00	Arteskos 98 JSC	Line-by-line
Asia Cement Products Co., Ltd	Bangkok	TH	THB	10,000,000.00	-	39.03	39.03	Asia Cement Public Co., Ltd (*)	Line-by-line
Asia Cement Public Co., Ltd	Bangkok	TH	THB	4,670,523,072.00	-	39.11	25.01 14.10	Ciments Français S.A. Vaniyuth Co. Ltd (*)	Line-by-line
Asment (Ciments de Temara)	Temara	MA	MAD	171,875,000.00	-	37.01	19.99 17.02	Ciments Français S.A. Procimar S.A.	Equity
Asociacion de Empresas de Transporte a Granel	S. Sebastian	ES	EUR	23,138.43	-	92.86	92.86	Sociedad Financiera y Minera S.A.	
Atlantica de Graneles y Moliendas S.A.	Vizcaya	ES	EUR	5,000,000.00	-	50.00	50.00	Sociedad Financiera y Minera S.A.	Proportionate
Axim Building Technologies S.A.	Malaga	ES	EUR	60,500.00	-	100.00	99.00 1.00	Sociedad Financiera y Minera S.A. Compania General de Canteras S.A.	Line-by-line
Axim Concrete Technologies (Canada) Inc.	Cambridge	CA	CAD	1,275,600.00	-	100.00	100.00	Axim Concrete Technologies Inc.	Line-by-line
Axim Concrete Technologies Inc.	Middlebranch	US	USD	1,000.00	-	100.00	100.00	Essroc Corporation	Line-by-line
Axim Maroc	Casablanca	MA	MAD	1,000,000.00	-	99.96	99.96	Ciments du Maroc	Line-by-line

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Company	Registered office		Share capital		Interest held by Group companies			Method	
					Direct	Indirect	%		
Axim S.a.s.	Guerville	FR	EUR	495,625.00	-	99.99	99.99	Ciments Calcia S.a.s.	Line-by-line
BCE S.A.	Guerville	FR	EUR	38,250.00	-	99.80	99.80	Unibéton S.a.s.	Line-by-line
BCEAP S.n.c.	Guerville	FR	EUR	16,000.00	-	100.00	65.00 35.00	V.B.H. S.n.c. Unibéton S.a.s.	Line-by-line
Betomar S.A.	Casablanca	MA	MAD	84,397,800.00	-	99.99	99.99	Ciments du Maroc S.A.	Line-by-line
Beton.Ata LLP	Almaty	KZ	KZT	224,000,000.00	-	35.00	35.00	Shymkent Cement	Equity
Béton Contrôle de Gascogne S.A.	Soorts Hossegor	FR	EUR	40,000.00	-	37.00	37.00	Béton Contrôle du Pays Basque S.a.s.	
Béton Contrôle de l'Adour S.a.s.	Bayonne	FR	EUR	150,000.00	-	59.96	59.96	Béton Contrôle du Pays Basque S.a.s.	Line-by-line
Béton Contrôle des Abers S.A.	Lannilis	FR	EUR	104,000.00	-	34.00	34.00	Unibéton S.a.s.	Equity
Béton Contrôle du Pays Basque S.a.s.	Bayonne	FR	EUR	120,000.00	-	59.98	59.98	Unibéton S.a.s.	Line-by-line
Béton du Cap Inc.	Cap de la Madeleine	CA	CAD	7,348.00	-	75.00	75.00	Ciment Quebec Inc.	Equity
Béton Saône S.A.	Macon	FR	EUR	40,000.00	-	35.00	35.00	Unibéton S.a.s.	Equity
Bonafini S.a.s.	Argences	FR	EUR	45,392.00	-	100.00	96.79 3.21	Tratel S.a.s. Larricq S.a.s.	Line-by-line
Brantford Ready Mix Inc.	Ontario	CA	-	-	-	100.00	100.00	Cambridge Concrete Group Inc.	Line-by-line
Bureau Engineering Travaux Publics (SA BETP)	Guerande	FR	EUR	523,205.03	-	99.94	79.94 20.00	Comp. Financière et de Participations S.A. Arena S.a.s.	
Cambridge Aggregates Inc.	Ontario	CA	CAD	10.00	-	60.00	60.00	Essroc Canada Inc.	
Cambridge Concrete Group Inc.	Ontario	CA	-	-	-	100.00	100.00	Essroc Canada Inc.	Line-by-line
Cambridge Concrete Ltd	Ontario	CA	-	-	-	100.00	100.00	Cambridge Concrete Group Inc.	Line-by-line
Canteras Aldoyar S.L.	Olazagutia	ES	EUR	1,508,510.00	-	20.00	20.00	Hormigones y Minas S.A.	
Capitol Cement Corporation	Winchester	US	USD	1,000,000.00	-	100.00	100.00	Riverton Investment Corporation	Line-by-line
Carrières Bresse Bourgogne	Epervans	FR	EUR	387,189.00	-	66.48	66.48	Dragages et Carrières S.A.	Proportionate
Cementos Capa S.L.	Archidona	ES	EUR	1,260,000.00	-	63.00	63.00	Sociedad Financiera y Minera S.A.	Line-by-line
Centro Administrativo y de Servicios de Malaga S.A.	Malaga	ES	EUR	60,200.00	-	99.99	99.99	Sociedad Financiera y Minera S.A.	Line-by-line
Chatelet S.a.s.	Cayeux s/M.	FR	EUR	118,680.00	-	99.98	99.98	GSM S.a.s.	Line-by-line
Cie pour l'Investissement Financier en Inde	Paris	FR	EUR	7,350,000.00	-	100.00	100.00	Ciments Français S.A.	Line-by-line
Cifrinter	Luxembourg	LU	EUR	8,928,500.00	-	99.99	50.99 49.00	Ciments Français S.A. Ciments Français Europe N.V.	Line-by-line
Ciment du Littoral S.A.	Bassens	FR	EUR	37,000.00	-	99.99	99.99	Ste d'Investissement & de Participations du Littoral	Line-by-line
Ciment Quebec Inc.	St. Basile	CA	CAD	19,461,000.00	-	100.00	100.00	Groupe Ciment Quebec Inc.	Equity
Cimento de Bissau Limitada	Bissau	GW	XOF	2,000,000.00	-	99.00	99.00	Tercim S.A.	
Ciments Calcia S.a.s.	Guerville	FR	EUR	593,836,525.00	-	99.99	99.99	Ciments Français S.A.	Line-by-line
Ciments du Maroc	Casablanca	MA	MAD	721,800,200.00	-	61.82	58.30 3.52	Ciments Français S.A. Procimar S.A.	Line-by-line
Ciments du Nord	Nouadhibou	MR	MRO	1,340,000,000.00	-	15.00	15.00	Ciments du Maroc	
Ciments Français Europe N.V.	Amsterdam	NL	EUR	482,174,580.00	-	100.00	67.99 32.01	Sodecim S.a.s. Ciments Français S.A.	Line-by-line
Ciments Français Participations S.n.c.	Puteaux	FR	EUR	15,001,500.00	-	100.00	99.99 0.01	Ciments Français S.A. Comp. Financière et de Participations S.A.	Line-by-line
CIMFRA (China) Limited	Puteaux	FR	EUR	61,556,000.00	-	100.00	100.00	Ciments Français S.A.	Line-by-line
Cisnel Descargas S.L.	Madrid	ES	EUR	3,010.00	-	100.00	100.00	Sociedad Financiera y Minera S.A.	Line-by-line

Company	Registered office		Share capital		Interest held by Group companies			Method	
					Direct	Indirect	%		
Compagnie des Ciments Belges S.A.	Tournai	BE	EUR	295,031,085.00	-	100.00	39.74 38.78 21.40 0.08	Ciments Français S.A. Ciments Français Europe N.V. Ciments Calcia S.a.s. Comp. Financière et de Participations S.A.	Line-by-line
Compagnie Financière et de Participations S.A.	Puteaux	FR	EUR	18,000,000.00	-	100.00	100.00	Ciments Français S.A.	Line-by-line
Compania General de Canteras S.A.	Malaga	ES	EUR	479,283.69	-	99.41	96.12 3.29	Sociedad Financiera y Minera S.A. Sax S.a.s.	Line-by-line
Conglomerantes Hidraulicos Especiales S.A.	Madrid	ES	EUR	2,361,960.00	-	85.00	85.00	Sociedad Financiera y Minera S.A.	Line-by-line
Crider & Shockey, Inc.	Winchester	US	USD	100,240.00	-	100.00	100.00	Essroc Cement Corp.	Line-by-line
De Paepe Béton N.V.	Gent	BE	EUR	500,000.00	-	100.00	100.00	Compagnie des Ciments Belges S.A.	Line-by-line
DECOM	Cairo	EG	EGP	63,526,401.28	-	99.99	99.99	Ready Mix Beton (Egypt) SAE	Line-by-line
Decoux S.a.s.	Beaucaire	FR	EUR	120,000.00	-	100.00	100.00	Tratel S.a.s.	Line-by-line
Development for Industries Co. SAE	Cairo	EG	EGP	15,000,000.00	-	100.00	90.00 5.00 5.00	Suez Cement Company Helwan Cement Co. Tourah Portland Cement Company	
Devnya Bulk Services	Devnya	BG	BGN	50,000.00	-	100.00	100.00	Devnya Cement AD	
Devnya Cement AD	Devnya	BG	BGN	1,028,557.00	-	99.97	99.97	Marvex	Line-by-line
Devnya Cement St	Devnya	BG	BGN	1,500,000.00	-	74.00	74.00	Devnya Cement AD	
Devnya Finance	Devnya	BG	BGN	5,000,000.00	-	50.00	50.00	Devnya Cement AD	Equity
Divas Beheer B.V.	Amstelveeu	NL	EUR	18,768.92	-	100.00	100.00	Ciments Français Europe N.V.	Line-by-line
Dobrotitsa BSK A.D.	Dobritch	BG	BGN	88,954.00	-	26.40	26.40	Devnya Cement AD	
Dragages et Carrières S.A.	Epervans	FR	EUR	1,000,000.00	-	49.99	49.99	GSM S.a.s.	Proportionate
Dragages Transports & Travaux Maritimes S.A.	La Rochelle	FR	EUR	3,957,894.00	-	50.00	33.33 16.67	GSM S.a.s. Granulats Ouest - GO	Proportionate
Ecocem Valorizacion de Residuos S.A.	Barcelona	ES	EUR	109,290.00	-	16.33	16.33	Sociedad Financiera y Minera S.A.	
Entreprise Lorraine d'Agriculture ELDA S.A.R.L.	Heillecourt	FR	EUR	10,000.00	-	100.00	100.00	GSM S.a.s.	
ES Cement Co.	Nazareth	US	-	-	-	100.00	100.00	Essroc Cement Corp.	Line-by-line
Essroc Canada Inc.	Mississauga	CA	CAD	307,936,000.00	-	100.00	100.00	Essroc Corporation	Line-by-line
Essroc Cement Corp.	Nazareth	US	USD	8,330,000.00	-	100.00	100.00	Essroc Corporation	Line-by-line
Essroc Corporation	Nazareth	US	USD	1,000.00	-	100.00	100.00	Essroc International	Line-by-line
Essroc International	Puteaux	FR	EUR	244,398,096.00	-	100.00	100.00	Ciments Français S.A.	Line-by-line
Essroc Ready Mix Corp	Nazareth	US	USD	1.00	-	100.00	100.00	Essroc Cement Corp.	Line-by-line
Essroc San Juan Inc.	Espinosa	PR	USD	10,000.00	-	100.00	100.00	Essroc Cement Corp.	Line-by-line
ET Béton	Aspropyrgos	GR	EUR	2,616,757.95	-	99.99	99.99	Halyps Building Materials S.A.	Line-by-line
Eurarco France S.A.	Les Crotoy	FR	EUR	1,520,000.00	-	64.99	64.99	GSM S.a.s.	Line-by-line
Eurocalizas S.L.	Cantabria	ES	EUR	18,030.00	-	33.33	33.33	Hormigones y Minas S.A.	
Eurotech Cement S.h.p.k.	Durres	AL	ALL	270,000,000.00	-	84.99	84.99	Halyps Building Materials S.A.	Line-by-line
Exportaciones de Cemento del Norte de Espana S.A.	Bilbao	ES	EUR	60,100.00	-	45.00	45.00	Sociedad Financiera y Minera S.A.	
Frambois Granulats S.A.R.L.	Moncel les Luneville	FR	EUR	75,000.00	-	50.00	50.00	GSM S.a.s.	
Gacem Company Limited	Serrekunda	GM	GMD	4,500,000.00	-	80.00	80.00	Tercim S.A.	Line-by-line
Gisab	Guerville	FR	EUR	100.00	-	99.00	98.00 1.00	Société Parisienne des Sablières S.A. GSM S.a.s.	Proportionate

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					Direct	Indirect	%		
Gisamo	Guerville	FR	EUR	100.00	-	100.00	99.00 1.00	GSM S.a.s. Granulats Ouest - GO	Line-by-line
Goltas Goller Bolgesi Cimento Sanayi ve Ticaret	Isparta	TR	TRL	20,000,000.00	-	34.93	34.93	Ciments Français S.A.	
Granulats de la Drôme S.a.s.	Saint Jean de Vedas	FR	EUR	1,011,600.00	-	51.01	51.01	GSM S.a.s.	Line-by-line
Granulats Ouest - GO	Saint Herblain	FR	EUR	784,657.44	-	100.00	100.00	GSM S.a.s.	Line-by-line
Graves de l'Estuaire de la Gironde L.G.E.G.	St. Jean de Blaignac	FR	-	-	-	50.00	50.00	GSM S.a.s.	Proportionate
Greyrock Inc.	Nazareth	US	USD	1,000.00	-	100.00	100.00	Essroc Cement Corp.	Line-by-line
Groupe Ciment Quebec Inc.	St. Basile	CA	CAD	57,000,000.00	-	50.00	50.00	Essroc Canada Inc.	Equity
GSM S.a.s.	Guerville	FR	EUR	18,675,840.00	-	99.99	99.99	Arena S.a.s.	Line-by-line
Halyps Building Materials S.A.	Aspropyrgos	GR	EUR	42,718,428.06	-	99.85	59.83 40.02 59.87 39.99	Ciments Français S.A. Sociedad Financiera y Minera S.A. (voting rights: Ciments Français S.A. Sociedad Financiera y Minera S.A.)	Line-by-line
Helleniki Lithotomi S.A.	Atene	GR	EUR	60,000.00	-	100.00	100.00	Comp. Financière et de Participations S.A.	Line-by-line
Helwan Cement Co.	Cairo	EG	EGP	1,176,967,750.00	-	99.25	98.69 0.40 0.16	Suez Cement Company Divas Beheer B.V. Menaf	Line-by-line
Hilal Cement Company	Safat	KW	KWD	3,300,000.00	-	51.00	51.00	Suez Cement Company	Line-by-line
Holfipar	Puteaux	FR	EUR	40,000.00	-	100.00	100.00	Ciments Français S.A.	Line-by-line
Hormigones Olatzi S.A.	Olazagutia	ES	EUR	283,804.22	-	25.00	25.00	Hormigones y Minas S.A.	
Hormigones Txingudi S.A.	San Sebastian	ES	EUR	240,560.22	-	33.33	33.33	Hormigones y Minas S.A.	
Hormigones y Minas S.A.	Malaga	ES	EUR	8,689,378.20	-	99.99	99.99	Sociedad Financiera y Minera S.A.	Line-by-line
IM Scott Holdings Limited	Markham	CA	CAD	100.00	-	100.00	100.00	2003897 Ontario Inc.	Equity
Immobilière des Technodes S.A.	Guerville	FR	EUR	8,024,400.00	-	100.00	59.97 40.03	Ciments Français S.A. Ciments Calcia S.a.s.	Line-by-line
Industrie Sakia ed Hamra "Indusaha" S.A.	Laayoune	MA	MAD	55,550,000.00	-	91.00	91.00	Ciments du Maroc	Line-by-line
Innocon Inc.	Richmond Hill	CA	CAD	18,300,000.20	-	100.00	100.00	2003897 Ontario Inc.	Equity
Innocon Partnership Agreement Inc.	Richmond Hill	CA	CAD	2,003.00	-	51.50	48.50 2.00 1.00	Essroc Canada Inc Innocon Inc. 2003897 Ontario Inc.	Equity
Interbulk Egypt for Export	Cairo	EG	EGP	250,000.00	-	100.00	98.00 1.00 1.00	Interbulk Trading S.A. Menaf Tercim S.A.	Line-by-line
Interbulk Trading S.A.	Lugano	CH	CHF	7,470,600.00	-	99.99	66.75 15.00 18.24	Cifrinter S.A. Intertrading S.r.l. Ciments Français Europe N.V.	Line-by-line
International Cement Traders Ltd	Colombo	LK	LKR	397,395,770.00	-	80.16	80.16	Ciments Français S.A.	Line-by-line
Inversiones e Iniciativas en Aridos S.L.	Madrid	ES	EUR	3,010.00	-	100.00	100.00	Ciments Français S.A.	Line-by-line
Investcim S.A.	Puteaux	FR	EUR	124,874,000.00	-	99.99	99.99	Ciments Français S.A.	Line-by-line
IPTP Corporation	Las Vegas	US	USD	1,000.00	-	100.00	80.00 20.00	Riverton Corporation Capitol Cement Corporation	Line-by-line

Company	Registered office		Share capital		Interest held by Group companies			Method	
					Direct	Indirect	%		
Italmed Cement Company Ltd	Limassol	CY	CYP	12,318,000.00	-	99.99	99.99	Halyps Building Materials S.A.	Line-by-line
Jalaprathan Cement Public Co, Ltd	Bangkok	TH	THB	1,200,000,000.00	-	58.83	12.29 37.00 9.54	Asia Cement Public Co., Ltd (*) Ciments Français S.A. Vesprapat Holding Co, Ltd (*)	Line-by-line
Jalaprathan Concrete Products Co, Ltd	Bangkok	TH	THB	280,000,000.00	-	57.39	57.39	Jalaprathan Cement Public Co, Ltd (*)	Line-by-line
Johar S.a.s.	Luxemont et Villotte	FR	EUR	1,221,632.00	-	100.00	100.00	Tratel S.a.s.	Line-by-line
JTC	Bangkok	TH	THB	13,000,000.00	-	57.39	57.39	Jalaprathan Concrete Products Co Ltd (*)	
Kuwait German Company for Ready Mix Concrete WLL	Kuwait	KW	KWD	824,000.00	-	99.00	99.00	Hilal Cement Company	Line-by-line
Larricq S.a.s.	Airvault	FR	EUR	508,000.00	-	100.00	100.00	Tratel S.a.s.	Line-by-line
Les Calcaires Girondins S.a.s.	Cenon	FR	EUR	100,000.00	-	50.00	50.00	GSM S.a.s.	Proportionate
Les Calcaires Sud Charentes	Cherves Richemont	FR	EUR	1,524.50	-	34.00	34.00	GSM S.a.s.	
Les Graves de l'Estuaire S.a.s.	Le Havre	FR	EUR	297,600.00	-	33.33	33.33	GSM S.a.s.	Proportionate
Les Quatre Termes	Salon de Provence	FR	EUR	40,000.00	-	50.00	50.00	GSM S.a.s.	
Les Sables de Mezieres S.a.s	Orleans	FR	EUR	40,000.00	-	50.00	50.00	GSM S.a.s.	Proportionate
Les Sabliers de l'Odet	Quimper	FR	EUR	134,400.00	-	96.93	94.92 2.01	Dragages Transports & Travaux Maritimes S.A. GSM S.a.s.	Proportionate
Lyulyaka E.A.D.	Devnya	BG	BGN	759,372.00	-	100.00	100.00	Devnya Cement AD	Line-by-line
Mandcim (China) Ltd	Puteaux	FR	EUR	40,000.00	-	100.00	100.00	Ciments Français S.A.	Line-by-line
Marvex	Devnya	BG	BGN	89,424,100.00	-	100.00	100.00	Sociedad Financiera y Minera S.A.	Line-by-line
Mauritanienne des Batiments et Routes	Nouakchott	MR	MRO	690,000,000.00	-	50.42	50.42	Mauritano-Française des Ciments	Line-by-line
Mauritano-Française des Ciments	Nouakchott	MR	MRO	1,111,310,000.00	-	51.11	51.11	Ciments Français S.A.	Line-by-line
Menaf	Puteaux	FR	EUR	352,500,000.00	-	100.00	95.74 4.26	Ciments Français S.A. Ciments Français Participations S.n.c.	Line-by-line
Met Teknik Servis ve Maden Sanayi Ticaret A.S.	Istanbul	TR	TRL	50,000.00	-	99.99	99.99	Set Group Holding	
MTB - Maritime Trading & Brokerage S.r.l.	Genoa	IT	EUR	70,000.00	-	33.33	33.33	Interbulk Trading S.A.	Equity
Naga Property Co	Bangkok	TH	THB	100,000,000.00	-	57.43	57.43	Jalaprathan Cement Public Co. Ltd (*)	Line-by-line
Neuciclaje S.A.	Bilbao	ES	EUR	396,669.00	-	30.00	30.00	Sociedad Financiera y Minera S.A.	
Novhorvi S.A.	Vitoria	ES	EUR	180,300.00	-	25.00	25.00	Hormigones y Minas S.A.	
Nugra S.A.	Madrid	ES	EUR	60,100.00	-	100.00	100.00	Sociedad Financiera y Minera S.A.	Line-by-line
Port St. Louis Aménagement S.n.c.	Guerville	FR	EUR	8,000.00	-	51.00	51.00	GSM S.a.s.	
Port St. Louis Remblaiement S.A.R.L.	Guerville	FR	EUR	7,622.50	-	51.00	51.00	GSM S.a.s.	
Procimar S.A.	Casablanca	MA	MAD	27,000,000.00	-	99.99	99.99	Ciments Français S.A.	Line-by-line
Raingeard Carrières Bétons et Compagnie S.n.c.	Saint Herblain	FR	EUR	705,000.00	-	100.00	99.98 0.02	GSM S.a.s. Arena S.a.s.	Line-by-line
Ready Mix Beton (Egypt) SAE	Cairo	EG	EGP	10,000,000.00	-	52.00	52.00	Suez Cement Company	Line-by-line
Ready Mix Beton SAE	Cairo	EG	EGP	5,000,000.00	-	52.00	52.00	Suez Cement Company	Line-by-line
Riverton Corporation	Winchester	US	USD	859,310.00	-	100.00	100.00	Riverton Investment Corporation	Line-by-line
Riverton Investment Corporation	Winchester	US	USD	8,340.00	-	100.00	100.00	Essroc Cement Corp.	Line-by-line
S.A. Dijon Béton	Saint Apollinaire	FR	EUR	184,000.00	-	15.00	15.00	GSM S.a.s.	Equity
Saarlandische Zementgesellschaft MBH	Saarbrücken	DE	EUR	52,000.00	-	80.00	80.00	Cifrinter	Line-by-line
Sablmaris	Lanester	FR	EUR	4,094,776.00	-	100.00	66.28 33.72	Dragages Transports & Travaux Maritimes S.A. Les Sabliers de l'Odet	Proportionate

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Company	Registered office		Share capital		Interest held by Group companies			Method	
					Direct	Indirect	%		
Santes Béton Sarl	Santes	FR	EUR	10,000.00	-	50.00	50.00	V.B.H. S.n.c.	Proportionate
Sas des Gresillons	Paris	FR	EUR	60,000.00	-	35.00	35.00	GSM S.a.s.	Proportionate
Sax S.a.s.	Guerville	FR	EUR	482,800.00	-	99.99	99.99	Ciments Français S.A.	Line-by-line
SCI Batlongue	Arudy	FR	EUR	53,504.00	-	100.00	100.00	GSM S.a.s.	Line-by-line
SCI Ciments de la Loire	Villiers au Bouin	FR	EUR	152.00	-	100.00	99.00	Ciments Calcia S.A.	Line-by-line
							1.00	Immobilière des Technodes S.A.	
SCI de Balloy	Avon	FR	EUR	20,310.00	-	100.00	99.95	GSM S.a.s.	Line-by-line
							0.05	Arena S.a.s.	
SCI de Barbeau	Bray sur Seine	FR	EUR	8,000.00	-	49.00	49.00	GSM S.a.s.	
SCI Delrieu Frères	Fumel	FR	EUR	17,373.60	-	100.00	100.00	Socli S.a.s.	
SCI des Granets	Cayeux sur M.	FR	EUR	4,575.00	-	33.33	33.33	GSM S.a.s.	
SCI du Colombier	Rungis	FR	EUR	2,000.00	-	63.00	63.00	GSM S.a.s.	
SCI du Domaine de Saint Louis	Guerville	FR	EUR	6,720.00	-	99.76	99.76	GSM S.a.s.	Line-by-line
SCI Lepeltier	S. Douillard	FR	EUR	6,150.00	-	99.76	99.76	GSM S.a.s.	Line-by-line
SCI Taponnat	Cherves Richemont	FR	EUR	1,500.00	-	50.00	50.00	GSM S.a.s.	
SCI Triel Carrières	Guerville	FR	EUR	13,500.00	-	99.89	99.89	GSM S.a.s.	
Scori S.A.	Plaisir	FR	EUR	1,092,800.00	-	13.95	13.95	Ciments Calcia S.a.s.	
Set Beton Madencilik Sanayi ve Tas	Istanbul	TR	TRL	21,494,800.00	-	99.99	99.99	Ciments Français S.A.	Line-by-line
Set Cimento	Istanbul	TR	TRL	31,693,324.00	-	99.81	96.81	Set Group Holding	Line-by-line
							3.00	Devnya Cement AD	
Set Group Holding	Istanbul	TR	TRL	18,508,410.00	-	99.99	99.99	Ciments Français S.A.	Line-by-line
Shaanxi Fuping Cement Co. Ltd	Shaanxi Province	CN	CNY	597,000,000.00	-	100.00	100.00	CIMFRA (China) Limited	Line-by-line
Shymkent Cement	Shymkent	KZ	KZT	350,000,000.00	-	99.75	99.75	Ciments Français S.A.	Line-by-line
Sitapuram Power Limited	Hyderabad	IN	INR	480,000,000.00	-	50.99	50.99	Zuari Cement Ltd	Line-by-line
SnC Rouennaise de Transformation	Grand Couronne	FR	EUR	7,500.00	-	60.00	60.00	Ciments Calcia S.a.s.	
Sociedad Financiera y Minera S.A.	Madrid	ES	EUR	39,160,000.00	-	99.73	56.58	Sodecim S.a.s.	Line-by-line
							39.87	Ciments Français Europe N.V.	
							3.02	Hormigones y Minas S.A.	
							0.26	Sociedad Financiera y Minera S.A. (voting rights:	
							58.50	Sodecim S.a.s.	
							41.23	Ciments Français Europe N.V.)	
Société Calcaires Lorrains	Heillecourt	FR	EUR	40,000.00	-	49.92	49.92	GSM S.a.s.	Proportionate
Société Civile Bachant le Grand Bonval	Guerville	FR	EUR	1,500.00	-	80.00	80.00	GSM S.a.s.	
Société Civile d'Exploitation Agricole de l'Avesnois	Reims	FR	EUR	3,000.00	-	90.00	50.00	Société Civile Bachant le Grand Bonval	
							40.00	GSM S.a.s.	
Société Civile Immobilière Berault	Guerville	FR	EUR	3,840.00	-	99.95	99.95	GSM S.a.s.	Line-by-line
Société de la Grange d'Etaule	Gray	FR	EUR	3,750.00	-	99.60	99.60	Ciments Calcia S.a.s.	Line-by-line
Société des Carrières du Tournaisis S.C.T. S.A.	Tournai	BE	EUR	12,297,053.42	-	65.00	23.90	Ciments Français Europe N.V.	Proportionate
							18.79	Ciments Français S.A.	
							16.31	Ciments Calcia S.a.s.	
							6.00	Compagnie des Ciments Belges S.A.	

Company	Registered office		Share capital		Interest held by Group companies			Method	
					Direct	Indirect	%		
Société Foncière de la petite Seine S.a.s.	Saint Sauveur les Bray	FR	EUR	50,000.00	-	40.00	40.00	GSM S.a.s.	
Société Immobilière Marguerite VIII	Casablanca	MA	MAD	100,000.00	-	98.00	98.00	Ciments du Maroc	
Société Immobilière Marguerite X	Casablanca	MA	MAD	100,000.00	-	98.00	98.00	Ciments du Maroc	Line-by-line
Société Parisienne des Sablières S.A.	Pont de L'Arche	FR	EUR	320,000.00	-	50.00	50.00	GSM S.a.s.	Proportionate
Socli S.a.s.	Izaourt	FR	EUR	144,960.00	-	99.99	99.99	Ciments Calcia S.a.s.	Line-by-line
Sodecim S.a.s.	Puteaux	FR	EUR	458,219,678.00	-	99.99	99.99	Ciments Français S.A.	Line-by-line
Ste d'Investissement & de Participations du Littoral	Guerville	FR	EUR	37,000.00	-	99.90	99.90	Ciments Calcia S.a.s.	Line-by-line
STE des Calcaires de Souppes sur Loing	Souppes sur Loing	FR	EUR	2,145,000.00	-	50.00	50.00	GSM S.a.s.	Proportionate
Ste Extraction & Amenagement de la Plaine de Marolles	Avon	FR	EUR	40,000.00	-	56.40	56.40	GSM S.a.s.	Proportionate
Stinkal S.a.s.	Ferques	FR	EUR	1,540,000.00	-	35.00	35.00	GSM S.a.s.	Equity
St. Basile Transport Inc.	St. Basile	CA	CAD	9,910.00	-	100.00	100.00	Ciment Quebec Inc.	Equity
Suez Bag Company	Cairo	EG	EGP	9,000,000.00	-	57.84	53.32	Suez Cement Company 4.52 Tourah Portland Cement Company	Line-by-line
Suez Bosphorus Cimento Sanayi Ticaret	Istanbul	TR	TRL	50,000.00	-	99.99	99.99	Suez Cement Company	
Suez Cement Company	Cairo	EG	EGP	909,282,535.00	-	55.07	25.65	Menaf 12.36 Ciments Français S.A. 11.66 Ciments du Maroc 5.00 Tercim S.A. 0.40 Divas Beheer B.V.	Line-by-line
Suez for Transportation & Trade SAE	Cairo	EG	EGP	10,000,000.00	-	100.00	55.00	Helwan Cement Co. 35.00 Suez Cement Company 10.00 Tourah Portland Cement Company	Line-by-line
Suez Lime SAE	Cairo	EG	EGP	7,390,000.00	-	50.00	49.00	Suez Cement Company 1.00 Tourah Portland Cement Company	
Technodes S.a.s.	Guerville	FR	EUR	3,200,000.00	-	99.99	99.99	Ciments Français S.A.	Line-by-line
Tecno Gravel Egypt SAE	Cairo	EG	EGP	15,000,000.00	-	45.00	45.00	Suez Cement Company	Equity
Tercim S.A.	Puteaux	FR	EUR	55,539,000.00	-	100.00	99.99	Ciments Français S.A. 0.01 Sax S.a.s.	Line-by-line
To Ready Mix Ltd	Markham	CA	CAD	100.00	-	100.00	100.00	IM Scott Holdings Limited	Equity
Tomahawk Inc.	Wilmington	US	USD	100.00	-	100.00	100.00	Essroc Cement Corp.	Line-by-line
Tourah Portland Cement Company	Cairo	EG	EGP	357,621,000.00	-	72.29	66.13	Suez Cement Company 6.16 Divas Beheer B.V.	Line-by-line
Trabel Affretement	Gaurain Ramecroix	BE	EUR	61,500.00	-	100.00	99.84	Tratel S.a.s. 0.16 Ciments Calcia S.a.s.	Line-by-line
Trabel Transports S.A.	Gaurain	BE	EUR	750,000.00	-	100.00	89.97	Tratel S.a.s. 10.03 Compagnie des Ciments Belges S.A.	Line-by-line
Tragor S.a.s.	Pessac	FR	EUR	892,048.00	-	100.00	100.00	Tratel S.a.s.	Line-by-line
Tratel S.a.s.	Guerville	FR	EUR	6,025,580.00	-	100.00	100.00	Ciments Calcia S.a.s.	Line-by-line
Unibéton Holding S.a.s.	Guerville	FR	EUR	45,000.00	-	99.98	99.98	Arena S.a.s.	
Unibéton Luxembourg S.A.	Luxembourg	LU	EUR	35,000.00	-	99.71	99.71	Unibéton S.a.s.	
Unibéton S.a.s.	Guerville	FR	EUR	27,159,732.00	-	99.99	99.99	Arena S.a.s.	Line-by-line
Unibéton S.O. S.a.s.	Pessac	FR	EUR	40,000.00	-	100.00	100.00	Unibéton Holding S.a.s.	
Unibéton Var S.a.s.	Lambesc	FR	EUR	40,000.00	-	99.96	99.96	Unibéton S.a.s.	Line-by-line

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Company	Registered office		Share capital		Interest held by Group companies			Method	
					Direct	Indirect	%		
Uniwerbéton S.a.s.	Heillecourt	FR	EUR	160,000.00	-	70.00	70.00	Unibéton S.a.s.	Line-by-line
Upper Egypt for Industries Co. SAE	Cairo	EG	EGP	15,000,000.00	-	100.00	90.00 5.00 5.00	Suez Cement Company Helwan Cement Co. Tourah Portland Cement Company	
Valoise S.a.s.	Pierrelaye	FR	EUR	39,000.00	-	60.00	60.00	GSM S.a.s.	Proportionate
Vaniyuth Co. Ltd	Bangkok	TH	THB	100,000.00	-	48.80	48.80	Investcim S.A.	Line-by-line
Vassiliko Cement Works Ltd	Nicosia	CY	CYP	13,434,038.25	-	33.00	20.00 13.00	Italmed Cement Company Ltd Comp. Financière et de Participations S.A.	Equity
Ventore S.L.	Malaga	ES	EUR	14,400.00	-	100.00	99.56 0.44	Sociedad Financiera y Minera S.A. Hormigones y Minas S.A.	Line-by-line
Vesprapat Holding Co, Ltd	Bangkok	TH	THB	20,000,000.00	-	49.00	49.00	Sax S.a.s.	Line-by-line
Vulkan Cement	Dimitrovgrad	BG	BGN	452,967.00	-	98.35	70.00 28.35	Ciments Français S.A. Devnya Cement A.D.	Line-by-line
V.B.H. S.n.c.	Tourcoing	FR	EUR	5,000.00	-	100.00	100.00	Unibéton S.a.s.	Line-by-line
Zofori Building Materials S.A.	Zofori	GR	EUR	70,200.00	-	100.00	100.00	Comp. Financière et de Participations S.A.	
Zuari Cement Ltd	Andra Pradesh	IN	INR	4,279,614,000.00	-	99.99	80.13 19.86 99.99	Ciments Français S.A. Cie pour l'Investissement Financier en Inde (voting rights: Ciments Français S.A.)	Line-by-line

(*) Percentage interest held by Ciments Français group

ITALMOBILIARE

(Translation from the original Italian text)

Certification pursuant to art. 154-bis subsection 5 of TUF regarding the half-year financial statements prepared in consolidated format

1. The undersigned Giampiero Pesenti, Chief Executive Officer and Angelo Maria Triulzi, Manager in Charge of preparing the company's financial reports of Italmobiliare S.p.A. , also taking into consideration art. 154-*bis*, paragraphs 3 and 4, of the Legislative Decree February 24th, 1998, no. 58, do hereby certify:

- the adequacy in relation to the company structure and
- the actual application, of the administrative and accounting procedures adopted for the preparation of the **half-year financial statements**, in the period from January 1st, 2008 to June 30th, 2008.

2. The assessment of the adequacy of the administrative and accounting procedures adopted for the preparation of half-year financial statements as of June 30th, 2008 is based on a pattern identified by Italmobiliare according to the CoSO framework (illustrated in the *CoSO Report*) and also takes into account the document "*Internal Control over Financial Reporting – Guidance for Smaller Public Companies*", both issued by the Committee of Sponsoring Organizations of the Treadway Commission representing a generally accepted international framework.

3. The undersigned officers also certify that:

3.1 the half-year financial statements as of June 30th, 2008:

- a) were prepared in compliance with applicable international accounting standards recognised by the European Community pursuant to European Parliament and Council Regulation no. 1606/2002 of July 19th, 2002;
- b) correspond to the accounting books and entries;
- c) prepared in compliance with accounting standards referred to in item a) of this paragraph and in particular with IAS 34 concerning interim financial reporting, as well as with the provisions issued pursuant to art. 9 of Legislative Decree no. 38/2005, are suitable to provide a true and fair presentation of the financial condition, results of operations and cash flows of the issuer and the companies included in the consolidation area.

3.2 the half-year directors' report at least includes information about the most significant events occurred in the first six months of the financial year and their impact on the half-year financial statements, together with a description of the main risks and uncertainties in the remaining six months of the year. For Italmobiliare S.p.A. , as listed issuer having Italy as home member state, the half-year directors' report also contains information on significant dealings with related parties.

Signed by: Giampiero Pesenti, Chief Executive Officer

Signed by: Angelo Maria Triulzi, Manager in Charge

August 8th, 2008

September 2008
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