

BOARD OF DIRECTORS EXAMINES RESULTS AT SEPTEMBER 30, 2008

ITALMOBILIARE GROUP:

- **REVENUES: 4,713.2 MILLION EURO (4,908.1 MILLION EURO AT SEPTEMBER 30, 2007)**
- **TOTAL NET PROFIT: 292.8 MILLION EURO (513.4 MILLION EURO)**
- **GROUP NET PROFIT: 44.5 MILLION EURO (168.7 MILLION EURO)**
- **SHAREHOLDERS' EQUITY: 5,765.7 MILLION EURO (5,672.8 MILLION EURO AT JUNE 30, 2008)**
- **NET DEBT: 2,398.7 MILLION EURO (2,375.3 MILLION EURO AT JUNE 30, 2008)**
- **GEARING RATIO 41.6% FROM 41.87% AT JUNE 30, 2008**
- **NET ASSET VALUE: 2,091.8 MILLION EURO (2,543.5 MILLION EURO AT JUNE 30, 2008)**

Milan, November 14, 2008 – *At a meeting today, the Italmobiliare S.p.A. Board of Directors examined and approved the consolidated quarterly report at September 30, 2008.*

The main factors influencing results at the Italmobiliare Group in the first nine months of the year were the sharp downturns reported in the financial sector, which suffered throughout the period, and in the third quarter in particular, from the serious situation on the markets. It should be noted that debentures held by the companies operating in the financial sector have been measured at fair value at the end of the period, that is, without application of the exceptions allowed by the new IAS 39 text. With regard to industrial operations, which reflected the impact of the financial crisis on the real economy, there was a decline on the mature markets and a slowdown in the emerging countries. The increase in operating expenses, in particular costs relating to energy factors, caused profitability to fall.

In these conditions, at September 30, 2008, the Italmobiliare Group posted total net profit of 292.8 million euro and Group net profit of 44.5 million euro, compared with 513.4 million euro and 168.7 million euro respectively at September 30, 2007. In the third quarter, total net profit was 58.2 million euro (146.4 million euro) for a Group net loss of 22.4 million euro (net profit of 37.6 million euro in the year-earlier third quarter).

Revenues in the first nine months of the year amounted to 4,713.2 million euro, a decrease of 4.0% (+2.3% net of the effect of deconsolidation of the Calcestruzzi group). The contributions of the Group core businesses to revenues varied, with packaging and insulation reporting growth of 8.9%, construction materials showing a slowdown of -4.2%, and the financial sector (-13.3%) and the banking sector (-11.1%) recording sharper declines.

Total shareholders' equity at the end of September 2008 was 5,765.7 million euro, against 5,672.8 million euro at June 30, 2008 (restated for line-by-line consolidation of operations in Turkey).

Net debt at September 30, 2008, was 2,398.7 million euro, compared with 2,375.3 million euro at June 30.

The gearing ratio at the end of September was 41.6%, unchanged from the situation at the end of June.

Italmobiliare Net Asset Value (NAV) at September 30, 2008, was 2,091.8 million euro (2,543.5 million euro at June 30, 2008).

*The **parent company Italmobiliare S.p.A.** reported net profit for the first nine months of 2008 of 64.3 million euro (76.1 million euro to the end of September 2007).*

The financial crisis deepened in September and October and is already having negative repercussions on the real economy. The first recessionary effects are evident in the mature countries as is the slowdown in growth in the emerging countries. Under these conditions, and considering performance for the year to the end of September and the full-year projections drawn up by the individual core businesses, the Italmobiliare Group expects its full-year consolidated results for 2008 to be inevitably down on the results of 2007, although a net profit will be posted, subject to currently unforeseeable events.

THIRD QUARTER 2008

Performance in the third quarter of the year reflected the severe and sudden deterioration in market conditions in September, leading the financial sector to report a loss for the period. The Italmobiliare Group as a whole reported a total net profit of 58.2 million euro and a Group net loss of 22.4 million euro for the third quarter, compared with 146.4 million euro and a Group net profit of 37.6 million euro in the year-earlier period.

Group consolidated revenues in the third quarter of 2008 were 1,573.7 million euro, against 1,625.0 million euro in the third quarter of 2007, a reduction of 3.2% arising largely from the deconsolidation of the Calcestruzzi group and a negative exchange-rate effect.

Recurring EBITDA (263.9 million euro) and EBIT (147.0 million euro) for the third quarter of 2008 were down on the corresponding year-earlier results of 379.7 million euro and 269.5 million euro. This downturn arose in all the core businesses, but, as noted above, was particularly evident in the financial sector.

YEAR TO SEPTEMBER 30, 2008

Italmobiliare Group **revenues** for the year to September 30, 2008, were 4,713.2 million euro, a decrease of 4.0% from the year-earlier period. The contributions of the Group core businesses to this result varied (net of inter-sector eliminations): construction materials (-4.2%), packaging and insulation (+8.9%), financial sector (-13.3%), banking (-11.1%).

The overall revenue decrease reflected business growth of +3.2% and the effect of changes in the scope of consolidation for -4.5%, while the exchange-rate effect had a negative impact of -2.7%, largely due to the fall in value of the US dollar, the Egyptian pound, the Indian rupee, the Thai baht, and net of the appreciation of the Swiss franc.

Compared with the first nine months of 2007, **recurring EBITDA** (878.8 million euro) and **EBIT** (540.5 million euro) for the year to September 30, 2008, were down by 1,153.8 million euro and 827.9 million euro respectively. As in the third quarter, the decline in operating results in the nine months was generated by all sectors but principally by the financial sector.

In absolute terms the EU countries as a whole provided the largest contribution to revenues and EBIT.

Revenues and operating results by geographical area Year to September 30

(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	Sept 2008	% change Sept 2007	Sept 2008	% change Sept 2007	Sept 2008	% change Sept 2007	Sept 2008	% change Sept 2007
European Union	2,960.6	(7.5)	471.1	(25.2)	469.4	(27.0)	280.3	(38.0)
Other European countries	223.3	(12.8)	15.8	(69.5)	16.1	(68.9)	3.7	(90.5)
North America	378.7	(19.7)	48.0	(52.3)	48.8	(51.5)	16.3	(75.3)
Asia	338.0	1.3	85.6	(17.3)	85.5	(16.8)	54.7	(24.8)
Africa	713.5	16.8	253.0	(1.9)	249.7	(3.5)	185.2	(2.8)
Trading	295.0	6.7	21.0	19.2	21.1	12.1	17.7	0.9
Others, inter-area eliminations	(195.9)	(18.5)	(15.7)	110.6	(15.6)	108.5	(17.4)	84.0
Total	4,713.2	(4.0)	878.8	(23.8)	875.0	(25.1)	540.5	(34.7)

Net finance costs increased to 111.4 million euro, while adjustments to financial asset values in the construction materials sector generated a loss of 26.6 million euro. The share of results of associates climbed strongly to 20.4 million euro. Consequently, a sharp reduction was posted in **profit before tax** at September 30, 2008, which totaled 422.9 million euro, compared with 740.2 million euro at September 30, 2007.

Income tax expense for the nine months was 130.1 million euro, with a virtually unchanged tax rate (30.76% at September 30, 2008, from 30.64% in the year-earlier period). Consequently, **net profit** for the year to September 30, 2008, was 292.8 million euro, against 513.4 million euro a year earlier, while **Group net profit**, at 44.5 million

euro, reflected a larger decrease from 168.7 million euro at the end of September 2007, chiefly due to the results of the wholly owned subsidiaries in the financial sector.

Net debt at September 30, 2008, was 2,398.7 million euro, up by 249.1 million euro from December 31, 2007 (2,149.6 million euro).

The increase arose largely from the significant level of capital expenditure and investments in non-current financial assets in the nine months (745.8 million euro) and distribution of dividends (193.3 million euro), covered only in part by cash flows from operating activities and the advance payment (50 million euro) received in connection with the agreement for the sale of operations in Turkey.

Total shareholders' equity at the end of September amounted to 5,765.7 million euro from 5,672.8 million euro at June 30, 2008.

The **gearing** ratio (net debt/shareholders' equity) was 41.6% at September 30, 2008, compared with 41.87% at June 30, 2008.

Italmobiliare Net Asset Value at September 30, 2008, was 2,091.8 million euro (2,543.5 million euro at June 30, 2008).

Performance in the core businesses

In the **construction materials sector**, where operations are conducted by the *Italcementi* group (which published its results on November 7), sales volumes in the third quarter of 2008 were down in the three lines of business compared with the year-earlier period. Although revenues were affected by negative exchange-rate and consolidation effects, they continued to be buoyed by a positive trend in sales prices, which limited the slowdown to 3.0%. The modest decrease in revenues, arising also from the deconsolidation of Calcestruzzi, was accompanied by a sharp rise in operating expenses, especially variable costs, which flattened third-quarter operating results. In the quarter, recurring EBITDA fell by 18.9%, while EBIT lost 28.2%. Total net profit, penalized by the 11.4 million euro write-down on the Calcestruzzi equity investment but assisted by a lower tax charge, amounted to 106.5 million euro, down 30.0% from the third quarter of 2007. The downturn in sales volumes also affected Italcementi group performance in the January-September period, and was accentuated in aggregates and ready mixed concrete by the significant impact of the exclusion of the Calcestruzzi group from the scope of consolidation. Revenues were influenced by the negative sales volume trend but benefited from a positive sales price trend. Operating results, however, were affected by a significant increase in operating expenses due to the sharp rise in costs for fuel and energy, which produced a reduction of 18.1% in recurring EBITDA and 26.5% in EBIT. Total net profit for the year to September 30, 2008, after higher net finance costs and the write-down on the Calcestruzzi equity investment, benefited from an increase in the share of results of associates and a lower tax charge, to total 325.2 million euro, a reduction of 30.2% from the first nine months of 2007.

The **food packaging and thermal insulation sector** consisting of the *Sirap Gema* group reported third-quarter revenues of 67.5 million euro (60.8 million euro in the year-earlier period) and EBIT of 2.9 million euro (4.4 million euro). Third-quarter revenues improved in food packaging (with the exception of Italy, where the consumer crisis pushed down sales volumes and caused a deterioration in the product mix) and in thermal insulation. The sharp rise in costs, especially for raw materials, services linked to oil prices and purchase of materials (in thermal insulation) produced a 34.3% reduction in EBIT (2.9 million euro). The fall in net profit reflected the impact of higher borrowing costs and a higher tax rate.

For the year to September 30, 2008, revenues made significant progress to 197.6 million euro (+8.9%). Due to the above-mentioned increase in costs and the rise in depreciation and amortization charges, generated by investments, EBIT, at 8.3 million euro, was down by 37.5%. Profit before tax was 2.6 million euro, a sharp decline on the year-earlier period (7.6 million euro) caused by the reduction in EBIT, while the rise in borrowing costs was offset by a positive exchange-rate effect and realized capital gains. Net profit for the period showed a small increase (3.4 million euro from 3.2 million euro) thanks to a positive fiscal effect arising from application (in the second quarter) of laws enabling reserves to be released through payment of a lower tax rate as well as use of deferred tax provisions.

The **financial sector**, consisting of the parent company *Italmobiliare* and the wholly owned financial subsidiaries, was affected by the particularly unfavorable conditions on the financial markets, and reported a net loss for the third quarter of 49.3 million euro, a substantial reduction from the year-earlier period (a net loss of 8.7 million euro), and a net profit for the year to September 30, 2008, of 2.0 million euro (82.9 million euro). This significant decline was largely due to portfolio write-downs determined on the basis of fair value at September 30, that is, without electing the option to measure financial assets at amortized cost as allowed under the recent amendment to IAS 39, which would have generated a smaller net loss. Specifically, the write-downs on the debenture portfolio (which had an average A+ rating at the end of September) and the equities portfolio amounted to approximately 60 million euro, while the effect arising from Lehman Brothers' application for Chapter 11 (approximately 12 million euro) and the negative performance of alternative investments (approximately 9 million euro) generated additional measurement losses. The downturn in results was also due to higher borrowing costs as a result of the rise in interest expense rates and spreads.

At the end of September, the financial sector, which includes the parent company Italmobiliare S.p.A., had a positive consolidated financial position of 222.1 million euro (276.3 million euro at June 30, 2008).

The **banking sector**, which combines the operations of *Finter Bank Zürich* and *Crédit Mobilier de Monaco*, reported a net profit for the third quarter of 0.9 million euro, down from 1.7 million euro in the year-earlier period, taking net profit for the year to September 30, 2008, to 4.5 million euro (7.3 million euro). The result was essentially due to performance at Finter Bank Zürich;

The **parent company Italmobiliare S.p.A.** reported net profit for the first nine months of 2008 of 64.3 million euro (76.1 million euro to the end of September 2007).

OUTLOOK – The financial crisis deepened in September and October and is already having negative repercussions on the real economy. The first recessionary effects are evident in the mature countries as is the slowdown in growth in the emerging countries. Under these conditions, and considering performance for the year to the end of September and the full-year projections drawn up by the individual core businesses, the Italmobiliare Group expects its full-year consolidated results for 2008 to be inevitably down on the results of 2007, although a net profit will be posted, subject to currently unforeseeable events.

The Board of Directors also verified full compliance with the new Consob dispositions envisaged by the «Market Regulation» regarding listing conditions, both for the companies that «control companies whose registered office is in a non-EU State» and for companies «subject to the management control and coordination of another company».

The Manager in charge of preparing the company's financial reports, Angelo Maria Triulzi, declares, pursuant to paragraph 2 article 154 bis of the Consolidated Law on Finance, that the accounting information in this press release corresponds to the document results, books and accounting entries

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Attachments: income statement data and key balance sheet values

Italmobiliare Group					
Income Statement (in thousands of euro)	Q3 2008	%	Q3 2007	%	% change
Revenues	1,573,740	100.0%	1,625,031	100.0%	-3.2
Other revenues	12,132		17,597		
Change in inventories	12,625		20,612		
Internal work capitalized	17,223		6,344		
Goods and utilities expenses	(706,989)		(621,898)		
Services expenses	(294,417)		(353,355)		
Employee expenses	(238,501)		(246,377)		
Other operating income (expense)	(111,904)		(68,231)		
Recurring EBITDA	263,909	16.8%	379,723	23.4%	-30.5
Net capital gains on sale of fixed assets	76		2,788		
Non-recurring employee expenses					
Other non-recurring income (expense)	(6,246)		2,024		
EBITDA	257,739	16.4%	384,535	23.7%	-33.0
Amortization and depreciation	(110,747)		(114,879)		
Impairment variation	6		(133)		
EBIT	146,998	9.3%	269,523	16.6%	-45.5
Finance income	11,106		5,903		
Finance costs	(51,311)		(43,184)		
Net exchange-rate differences and derivatives	2,437		(2,900)		
Adjustment to financial asset values	(11,368)				
Share of results of associates	6,333		6,757		
Profit before tax	104,195	6.6%	236,099	14.5%	-55.9
Income tax expense	(45,967)		(89,679)		
Net profit for the period	58,228	3.7%	146,420	9.0%	-60.2
Attributable to:					
Equity holders of the parent	(22,351)	-1.4%	37,564	2.3%	
Minority interests	80,579	5.1%	108,856	6.7%	

Italmobiliare Group					
Income Statement (in thousands of euro)	Jan./Sept. 2008	%	Jan./Sept. 2007	%	% change
Revenues	4,713,240	100.0%	4,908,059	100.0%	-4.0
Other revenues	41,969		65,793		
Change in inventories	13,457		29,393		
Internal work capitalized	32,935		15,704		
Goods and utilities expenses	(1,916,129)		(1,799,437)		
Services expenses	(999,978)		(1,121,370)		
Employee expenses	(758,309)		(767,297)		
Other operating income (expense)	(248,358)		(177,050)		
Recurring EBITDA	878,827	18.6%	1,153,795	23.5%	-23.8
Net capital gains on sale of fixed assets	6,117		9,528		
Non-recurring employee expenses	(4,340)				
Other non-recurring income (expense)	(5,625)		5,066		
EBITDA	874,979	18.6%	1,168,389	23.8%	-25.1
Amortization and depreciation	(334,475)		(339,916)		
Impairment variation	(17)		(599)		
EBIT	540,487	11.5%	827,874	16.9%	-34.7
Finance income	33,302		29,279		
Finance costs	(143,397)		(125,577)		
Net exchange-rate differences and derivatives	(1,303)		(3,107)		
Adjustment to financial asset values	(26,603)				
Share of results of associates	20,394		11,736		
Profit before tax	422,880	9.0%	740,205	15.1%	-42.9
Income tax expense	(130,085)		(226,787)		
Net profit for the period	292,795	6.2%	513,418	10.5%	-43.0
Attributable to:					
Equity holders of the parent	44,524	0.9%	168,657	3.5%	-73.6
Minority interests	248,271	5.3%	344,761	7.0%	-28.0

Italmobiliare Group					
Financial Position (in thousands of euro)	September 30 2008	June 30 2008*	December 31 2007	Change Sept 07 / Dec 06	
				Δ	%
Cash, cash equivalents and current financial assets	(1,660,594)	(1,620,177)	(1,521,740)	(138,854)	9.1
Short-term financing	1,129,597	1,019,383	1,124,513	5,084	0.5
Medium/long-term financial assets	(75,267)	(88,560)	(71,773)	(3,494)	4.9
Medium/long-term financing	3,004,967	3,064,638	2,618,568	386,399	14.8
Net debt	2,398,703	2,375,284	2,149,568	249,135	11.6
Total shareholders' equity	5,765,722	5,672,779	6,300,176	(534,454)	(8.5)

* figures restated for line-by-line consolidation of operations in Turkey