ITALMOBILIARE PRESS RELEASE

SOCIETA' PER AZIONI

2008 FIRST HALF: FINANCIAL STATEMENTS IN COMPLIANCE WITH IFRS 5 (TURKEY) AND DECONSOLIDATING CALCESTRUZZI

ITALMOBILIARE GROUP:

- **REVENUES: 3,028.1 MILLION EURO (3,156.1 MILLION EURO IN THE FIRST HALF OF 2007)**
- **TOTAL NET PROFIT: 237.6 MILLION EURO (367 MILLION EURO)**
- **GROUP NET PROFIT: 67.8 MILLION EURO (131.1 MILLION EURO)**
- **INVESTMENTS IN FIXED ASSETS: 490.7 MILLION EURO (410.9 MILLION EURO)**
- **SHAREHOLDERS' EQUITY: 5,675.8 MILLION EURO (6,300.2 MILLION EURO AT THE END OF 2007)**
- **NET DEBT: 2,375.3 MILLION EURO (2,149.6 MILLION EURO AT DECEMBER 31, 2007)**
- **GEARING AT 41.85% FROM 34.12% AT THE END OF 2007**
- **NET ASSET VALUE: 2,543.5 MILLION EURO (2,902.6 AT MARCH 31, 2008)**

*****

Milan, August 8, 2008 – *At a meeting today, the Italmobiliare S.p.A. Board of Directors examined and approved the consolidated half-year report at June 30, 2008, drawn up in compliance with the International Financial Reporting Standards, deconsolidating Calcestruzzi and accounting for operations in Turkey as discontinued operations (IFRS 5).*
The first half of the year was a period of continuing difficulties on the international financial market stemming from the crisis in the second half of 2007, which had a negative impact on the financial sector and caused a downturn in operations in the banking sector. In the manufacturing industries, demand slackened on mature markets and operating costs increased, especially for energy. These conditions narrowed profit margins in all the sectors in which the Group operates.
*In this context, the Italmobiliare Group, whose performance was stronger in the second quarter of the year than the first, reported a **total net profit** of 237.6 million euro and **Group net profit** of 67.8 million euro (compared with 367.0 million euro and 131.1 million euro respectively in the first half of 2007).*
In the first half, revenues amounted to 3,028.1 million euro (-4.1% but up 3.5% at constant size and exchange rates); investments in fixed assets remained high, rising by approximately 80 million euro from the year-earlier period to reach 490.7 million euro.
*At the end of June, **total shareholders' equity** was 5,675.8 million euro, from 6,300.2 million euro at December 31, 2007. **Consolidated net debt** at the end of the half-year was 2,375.3 million euro (2,149.6 million euro at the end of 2007); the **financial sector had a positive net financial position** of 276.3 million euro (299.4 million euro at December 31, 2007).*
After the changes in shareholders' equity and net debt, the gearing ratio at the end of the first half was 41.85% (34.12% at December 31, 2007).

*Italmobiliare **Net Asset Value** (NAV) was 2,543.5 million euro at June 30, 2008 (2,902.6 million euro at March 31, 2008).*
The difficult conditions on the financial markets and the price increases in oil and the main commodities have begun to have adverse effects on the real economy, where significant signs of a slowdown are appearing, especially in the mature economies. Severe and deep-rooted inflationary pressures have developed that could also produce an economic downturn in the emerging countries.
*Given this situation and the risks and uncertainties regarding the remaining six months of the year, it remains difficult to draw up a valid full-year **forecast**. The half-year results and the projections for the individual lines of business indicate that, subject to currently unforeseeable events, Group operating results for full-year 2008 will be down on 2007.*

*****

SECOND QUARTER 2008 – Performance is normally better in the second quarter of the year than the first, owing to the seasonal nature of the Group's core businesses. This trend was confirmed again this year.
After reporting a net profit of 47.2 million euro in 2008 Q1, the Group posted a net profit of 190.4 million euro in Q2.
Similarly, the YoY comparisons indicate a Q2 improvement, even though performance continued to be slower than in the year-earlier period. 2008 Q1 net profit was down 55.7% from the year-earlier period, while the YoY decrease narrowed to 26.9% in Q2.

FIRST HALF 2008 – The Group posted **revenues** of 3,028.1 million euro (-4.1% YoY) for the period January-June 2008. Revenues reflected positive business growth for 3.5% set against the negative effects of the changes in the scope of consolidation (-4.9%) and exchange rates (–2.7% as a result of the loss in value of the dollar and other currencies against the euro, with the exception of the Swiss franc).
The improvement in business performance was driven by the construction materials sector (thanks to higher sales prices in most of the countries where the Group operates) and the packaging and insulation sector, where revenues grew at the Amprica and Petruzalek food packaging groups, and in thermal insulation. Performance in the banking and financial sectors slowed.
Recurring EBITDA (610.7 million euro) and **EBITDA** (613 million euro) fell by 18.6% and 19.3% respectively from the year-earlier period. The decrease arose in all sectors, but the largest declines were reported in construction materials and the financial sector.
After slightly lower amortization and depreciation charges compared with the first half of 2007, **EBIT** fell by 26.7% to 396.7 million euro.
Net finance costs, including net exchange-rate differences and derivatives, were 74.4 million euro, up 27.6% from the year-earlier period due to the rise in average debt and interest rates.
Adjustments to financial asset values referred to the prudent writedown of 15.2 million euro applied to the Calcestruzzi company, to reflect the difference in the cost of the equity investment at the time of loss of control (January 2008) and the value of the investment at June 30, 2008; the difference was due to changes in the fourth quarter of 2007, which

previously were not included in the consolidated financial statements, and changes in during the first half of 2008.
The share of results of associates, at 14.0 million euro, was up by 9.0 million euro from the year-earlier period, reflecting the growth reported by a number of associates in the construction materials business.
Half-year **profit before tax** was 321.1 million euro (-34.2%); income tax expense was 83.1 million euro, a YoY decrease of 37.8% due chiefly to the reduction in profit before tax and also to the reduction in the overall average tax rate from 27.4% to 25.9%.
Net profit from continuing operations (before the results of Turkish companies classified as discontinued operations in compliance with IFRS 5) amounted to 238.0 million euro (-32.9%).
The first half of 2008 closed with **total net profit** of 237.6 million euro (-35.3%).
After net profit of 169.8 million euro (-28.0%) attributable to minority interests, **Group net profit** was 67.8 million euro, compared with 131.1 million euro in the first half of 2007 (-48.3%).

Revenues and operating results 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**
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*
Others, 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)**

Net debt at June 30, 2008, stood at 2,375.3 million euro (including 11.3 million euro for discontinued operations in Turkey), up by 225.7 million euro from December 31, 2007. If, for comparative purposes, the net debt of 157.9 million euro at the Calcestruzzi subgroup is excluded from net debt at December 31, 2007, the result would have been 1,991.7 million euro (+383.6 million euro).
The increase in net debt was largely due to high **investments in fixed assets** during the six months (490.7 million euro, a YoY increase of approximately 80 million euro), dividends paid (188.0 million euro) and net cash outflows on discontinued operations in Turkey (27.2 million euro), offset only in part by cash flows from operating activities (250.7 million euro) and the advance payment of 50 million euro received under the agreement for the sale of the Turkish companies.
At the end of June **total shareholders' equity** amounted to 5,675.8 million euro from 6,300.2 million euro at the end of 2007.
The **gearing** ratio (net debt/shareholders' equity) was 41.85% at June 30, 2008, from 34.12% at December 31, 2007.

Italmobiliare **Net Asset Value** 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 December 31, 2007).

Performance in the core businesses

In the **construction materials** sector, where operations are conducted by the *Italcementi* group **–** whose half-year consolidated results published on August 1 do not include the Calcestruzzi group – performance in the first six months, as in Q1, reflected a downturn in sales volumes (accentuated by particularly negative performance in June), mostly in the mature markets and in Kazakhstan. The increase in sales prices everywhere (with the sole exception of North America) countered only in part the sharp rise in variable and fixed costs. Revenues were 2,814.7 million euro, down 4.5% from the first half of 2007 (+3.6% at constant size and exchange rates) owing to the change in the scope of consolidation and the negative exchange-rate effect. Operating results, reflecting a strong increase in operating expenses, were down on the first half of 2007: recurring EBITDA, at 589.1 million euro, fell by 15.4%, while EBIT, at 381.3 million euro, fell by 22.4%. After net finance costs, adjustments to financial asset values (Calcestruzzi), the share of results of associates and income tax expense, net profit from continuing operations (before the results of the discontinued operations in Turkey) 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 reported a 7.8% rise in revenues to 130.1 million euro, driven by stronger sales in the thermal insulation business and at the Amprica and Petruzalek food packaging groups. Recurring EBITDA slid by 21.5% as a result of slacker demand in food packaging, which had a negative impact on sales prices. EBIT also declined, from 8.9 million euro in the first half of 2007 to 5.4 million euro in the first half of 2008. Profit before tax was 1.9 million euro, a decrease from the year-earlier period (5.1 million euro) arising from lower EBIT and from higher borrowing costs due to the increase in interest rates. Nevertheless, net profit for the period improved, rising from 1.9 million euro in the first half of 2007 to 3.4 million euro for the half-year to June 30, 2008. This significant growth was essentially due to a positive fiscal effect following application 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,** comprising the parent company *Italmobiliare and the wholly owned financial subsidiaries*, reported a net profit of 51.3 million euro against 91.7 million euro in the year-earlier period. This sharp YoY decline was largely due to writedowns on the debenture and equities trading portfolios, increased borrowing costs, the reversal of provisions for risks of benefit to the earlier period and a less favorable fiscal component.
The financial sector’s consolidated financial position, which includes the parent company Italmobiliare S.p.A., was positive at 276.3 million euro at June 30, 2008 (299.4 million euro at December 31, 2007).
The **banking sector** combines the operations of *Finter Bank Zürich* and *Crédit Mobilier de Monaco.* It reported a net profit of 3.6 million euro, down 34.6% from 5.6 million euro in the year-earlier period, due substantially to a decrease in trading gains and increases in some operating costs.

OUTLOOK – The difficult conditions on the financial markets and the price increases in oil and the main commodities have begun to have adverse effects on the real economy, where significant signs of a slowdown are appearing, especially in the mature economies. Severe and deep-rooted inflationary pressures have developed that could also produce an economic downturn in the emerging countries.

Given this situation and the risks and uncertainties regarding the remaining six months of the year, it remains difficult to draw up a valid full-year forecast. The half-year results and the projections for the individual lines of business indicate that, subject to currently unforeseeable events, Group operating results for full-year 2008 will be down on 2007.

DEBENTURE ISSUES AND MATURITIES – No new debentures were issued during the first half and no issues are due to mature in the 18 months after June 30, 2008, other than those illustrated by the subsidiary Italcementi S.p.A. in its statement released on August 1.

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.

ITALMOBILIARE ON THE INTERNET: http//www.italmobiliare.it

Italmobiliare
Media Relations Tel. (0039) 02.29024.212
Investor Relations Tel. (0039) 02.29024.322

Attachments: the pre-audit income statement and balance sheet

Italmobiliare Group					
Income Statement (in thousands of euro)	**H1 2008 IFRS 5**	**%**	**H1 2007 IFRS 5**	**%**	**% change**
Revenues	**3,028,140**	**100.0**	**3,156,144**	**100.0**	**-4.1**
Other revenues	29,740		47,632		
Change in inventories	(2,321)		8,116		
Internal work capitalized	15,712		9,360		
Goods and utilities expenses	(1,135,979)		(1,107,690)		
Services expenses	(686,170)		(750,201)		
Employee expenses	(505,392)		(507,897)		
Other operating income (expense)	(133,011)		(105,435)		
Recurring EBITDA	**610,719**	**20.2**	**750,029**	**23.8**	**-18.6**
Net capital gains on sale of fixed assets	5,985		6,501		
Non-recurring employee expenses	(4,340)				
Other non-recurring income (expense)	621		3,042		
EBITDA	**612,985**	**20.2**	**759,572**	**24.1**	**-19.3**
Amortization and depreciation	(216,285)		(217,739)		
Impairment variation	(23)		(466)		
EBIT	**396,677**	**13.1**	**541,367**	**17.2**	**-26.7**
Finance income	22,783		21,531		
Finance costs	(90,199)		(81,224)		
Net exchange-rate differences and derivatives	(6,967)		1,390		
Adjustments to financial asset values	(15,235)				
Share of results of associates	14,061		4,979		
Profit before tax	**321,120**	**10.6**	**488,043**	**15.5**	**-34.2**
Income tax expense	(83,163)		(133,666)		
Net profit from continuing operations	**237,957**	**7.9**	**354,377**	**11.2**	**-32.9**
Net profit (loss) from discontinued operations	(336)		12,621		
Net profit for the period	**237,621**	**7.8**	**366,998**	**11.6**	**-35.3**
Attributable to:					
Equity holders of the parent	**67,826**	**2.2**	**131,093**	**4.1**	**-48.3**
Minority interests	**169,795**	**5.6**	**235,905**	**7.5**	**-28.0**
Earnings per share					
- Basic					
savings shares	1.786 €		3.468 €		
ordinary shares	1.825 €		3.507 €		
- Diluted					
savings shares	1.783 €		3.455 €		
ordinary shares	1.822 €		3.494 €		

Italmobiliare Group			
Balance Sheet (in thousands of euro)	**June 30, 2008**	**December 31, 2007**	**Change**
Non-current assets			
Property, plant and equipment	3,882,949	4,229,262	(346,313)
Investment property	23,538	28,147	(4,609)
Goodwill	1,923,478	2,001,125	(77,647)
Intangible assets	68,045	70,117	(2,072)
Investments in associates	249,616	214,288	35,328
Other equity investments	1,073,703	1,417,241	(343,538)
Trade receivables and other non-current receivables	136,144	127,317	8,827
Deferred tax assets	40,591	40,176	415
Non-current amounts 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	1,327,276	1,423,349	(96,073)
Other current assets	405,346	365,048	40,298
Income tax assets	90,038	68,073	21,965
Equity investments and financial receivables	1,006,083	900,811	105,272
Cash and cash equivalents	470,420	501,527	(31,107)
Total current assets	**4,143,353**	**4,145,882**	**(2,529)**
Total assets in respect of continuing operations	**11,541,457**	**12,273,993**	**(732,536)**
Assets in respect of discontinued operations	**327,693**		**327,693**
Total assets	**11,869,150**	**12,273,993**	**(404,843)**
Shareholders' equity			
Share capital	100,167	100,167	
Reserves	501,800	858,179	(356,379)
Treasury shares	(21,226)	(21,226)	
Retained earnings	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	2,999,044	2,572,200	426,844
Employee benefit liabilities	174,164	198,135	(23,971)
Non-current provisions	231,923	276,682	(44,759)
Deferred tax liabilities	68,893	46,526	22,367
Other non-current 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	658,293	675,354	(17,061)
Interest-bearing loans and short-term borrowings	88,809	230,995	(142,186)
Trade payables	733,737	807,442	(73,705)
Current provisions	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 in respect of continuing operations	**6,112,998**	**5,973,817**	**139,181**
Liabilities directly relating to discontinued operations	**80,395**		80,395
Total shareholders' equity and liabilities	**11,869,150**	**12,273,993**	**(404,843)**