

THE BOARD OF DIRECTORS EXAMINES 2007 HALF-YEAR RESULTS

ITALMOBILIARE GROUP

- **TOTAL NET PROFIT: 367 MILLION EURO (-8.2%)**
- **GROUP NET PROFIT: 131.1 MILLION EURO (-10.5%)**
- **NET DEBT: 1,985.9 MILLION EURO (1,857.3 MILLION EURO AT DECEMBER 31, 2006)**
- **SHAREHOLDERS' EQUITY: 6,569 MILLION EURO (6,407.9 MILLION EURO AT DECEMBER 31, 2006)**

ITALMOBILIARE SPA

- **NET PROFIT: 82.3 MILLION EURO COMPARABLE WITH 69.4 MILLION EURO IN THE FIRST HALF OF 2006 (168.3 MILLION EURO) NET OF INTERCOMPANY CAPITAL GAINS OF 98.9 MILLION EURO**

Milan, August 10, 2007 – *At a meeting today chaired by Giampiero Pesenti, the Board of Directors of Italmobiliare S.p.A. examined and approved the Group consolidated half-year report at June 30, 2007.*

Among the Group's industrial businesses, the first half of the year saw revenue growth both in construction materials (where a particularly strong first quarter was followed by a slower second quarter) and in packaging and insulation. The operating results of the industrial operations slackened, however, due to continuing increases in costs, notably energy, logistics and raw materials. The banking business reported higher half-year profits, while results in the financial business weakened due to the absence of the capital gain on the sale of Gemina shares and a lower contribution from associates.

In this context, the Group half-year financial statements reflect consolidated net profit of 367 million euro (400 million euro in the year-earlier period) on revenues that rose to 3,283 million euro (3,087.6 million euro). After investments in fixed assets of 414.8 million euro, net debt at the end of June stood at 1,985.9 million euro (1,857.3 million euro at December 31, 2006), while shareholders' equity rose to 6,569 million euro from 6,407.9 at the end of 2006. Italmobiliare S.p.A. and the wholly owned financial companies had a positive net financial position of 377.6 million euro at June 30 (383.9 million euro at the end of 2006).

The Parent Company Italmobiliare S.p.A. reported a half-year net profit of 82.3 million euro, against 168.3 million euro in the six months to June 30, 2006, when a significant component was a net capital gain of 98.9 million euro on the sale of equity investments to the Franco Tosi subsidiary as part of an intercompany transaction. Excluding the effect of that sale, the net profit for the first half of 2006 would have been 69.4 million euro, and the comparison with the first half of 2007 would reflect an improvement of 18.6%.

For full year 2007, the half-year results and trends forecast in the sectors and on the markets where the Group operates make it unlikely, subject to currently unforeseeable events, that the Group will achieve the record results of 2006, which benefited from particularly favorable conditions and non-recurring positive contributions. At the same time, however, the net profit of the Parent Company Italmobiliare S.p.A. is expected to be

up on the 2006 figure, net of the capital gains on the intragroup sales to the Franco Tosi subsidiary.

THE GROUP – Group revenues in the **second quarter** of 2007 amounted to 1,781.2 million euro (+3.5% on the year-earlier period). Nevertheless, the growth in revenues was not sufficient to counterbalance in full the rise in operating expenses, so that operating results slackened: recurring gross operating profit decreased by 4.6% to 476.1 million euro, operating profit was 370.4 million euro (-7.6%) and net profit was 260.4 million euro (-9.3%).

Italmobiliare Group consolidated **revenues** in the **first half** of 2007 gained 6.3% to reach 3,283 million euro, with business growth accounting for 5.2%, changes in the consolidation area for 2.7% and a negative exchange rate effect for 1.6%.

Recurring gross operating profit was 774.1 million euro, down 2.2% on the year-earlier period. This result reflected positive contributions from the packaging and insulation sector and the banking sector, and lower contributions from construction materials and the financial sector. After an increase in **amortization and depreciation charges** to 225 million euro from 208.8 million euro, **operating profit** fell by 5.8% to 558.4 million euro. The geographical breakdown of Group operating results reflects significant growth in Asia and progress in Other European Countries; the EU countries as a whole and Africa reported a small slowdown, which took on larger proportions in North America. In absolute terms, the EU countries provided the largest contribution to revenues and operating profit. Performance in the Trading sector was particularly positive.

Geographical breakdown of revenues and operating results

(in millions of euro)	Revenues		Recurring GOP		GOP		Operating profit	
	1H 2007	% change on 1H 2006	1H 2007	% change on 1H 2006	1H 2007	% change on 1H 2006	1H 2007	% change on 1H 2006
European Union	2,202.9	6.9	452.3	(0.9)	460.6	(1.5)	334.0	(5.7)
Other European Countries	162.9	16.1	32.0	(0.3)	32.4	0.9	23.9	3.5
North America	286.5	(11.5)	51.3	(29.8)	51.1	(30.0)	28.0	(43.3)
Asia	213.4	30.1	63.4	38.6	63.2	38.6	43.9	43.7
Africa	402.1	9.5	171.2	(1.6)	171.6	(1.3)	125.7	(1.8)
Trading	180.3	7.6	11.0	13.6	12.2	27.0	11.4	29.4
Inter-area eliminations	(165.1)	21.2	(7.1)	n.s.	(7.2)	n.s.	(8.5)	n.s.
Total	3,283.0	6.3	774.1	(2.2)	783.9	(2.2)	558.4	(5.8)

n.s. not significant

After **net finance costs** of 59.2 million euro (57.3 million euro) and **income tax expense** of 137.1 million euro (143.6 million euro), **consolidated net profit** for the half-year was 367 million euro (-8.2% on the record results of 2006); **Group net profit** was 131.1 million euro (-10.5%).

Net debt at June 30, 2007, stood at 1,985.9 million euro, an increase of 128.6 million euro from December 31, 2006, arising largely as a result of new **investments in fixed assets** of 414.8 million euro during the half-year and dividend payments (192.3 million euro), largely offset by cash flows from operating activities (425 million euro).

Total shareholders' equity at the end of the first half of 2007 was 6,569 million euro (+161.1 million euro from December 31, 2006). Gearing (net debt/shareholders' equity) at June 30, 2007, rose slightly, to 30.23%, compared with 28.98% at the end of 2006.

Performance in the core businesses – In the **construction materials** business, 2007 half-year sales volumes at the *Italcementi* group were substantially stable in cement and aggregates, and slightly higher in ready mixed concrete compared with the year-earlier period, after an exceptionally strong first quarter was followed by slower overall performance in the second quarter, in part due to adverse meteorological conditions in some regions. Revenues, amounting to 3,073.1 million euro (+5.6%), reflected the positive impact of sales prices, although this effect did not make up for the further rise in operating expenses. Consequently, recurring gross operating profit at 720.0 million euro showed a slight decrease (-1.7%), while operating profit reflected a stronger decline (-5.1%) to 508.1 million euro, due in part to higher amortization and depreciation charges. These trends were reflected in the 7.6% reduction in net profit for the period to 313.7 million euro.

In **food packaging and thermal insulation** the *Sirap Gema* group reported revenue growth of 39.4%, of which 25.7% due to the change in the consolidation area (acquisition of the Amprica group) and the remainder to higher food packaging and thermal insulation sales volumes in Italy and Eastern Europe. Gross operating profit (+18.7% to 14.7 million euro) grew at a slower rate owing to the sharp increase in costs for raw materials, energy and transport, while operating profit was 8.9 million euro (+1.9%) after amortization and depreciation charges of 5.8 million euro, more than double the charges in the year-earlier period. Net profit for the half-year was 1.9 million euro, down from 3.8 million euro in the year-earlier period, after higher finance costs (relating to the Amprica acquisition) and unfavorable fiscal items.

In the **financial sector**, which includes the parent company *Italmobiliare S.p.A.* and the wholly owned financial subsidiaries (notably *Franco Tosi srl*, *Italmobiliare International Finance Limited*, *Société de Participation Financière Italmobiliare S.A.* and *Fincomind A.G.*), net profit was 91.7 million euro (-7.3%). This downturn, due to the absence of the year-earlier capital gain on the sale of Gemina shares (7.9 million euro) and the decrease in the contribution of associates (4.2 million euro), was limited thanks to the increase in dividends received, higher cash inflows (net of debt-servicing charges) and a more favorable fiscal component. The net financial position of the financial sector at June 30, 2007, was positive, at 377.6 million euro (383.9 million euro at December 31, 2006).

The **banking sector** (*Finter Bank Zürich* and *Crédit Mobilier de Monaco*) reported a half-year net profit of 5.6 million euro (+17.4% on 4.7 million euro in the year-earlier period). Growth was essentially due to the positive performance of Finter Bank Zürich, which reported a 21.8% improvement in profit in local currency.

THE PARENT COMPANY – The Parent Company *Italmobiliare S.p.A.* reported a half-year net profit of 82.3 million euro, against 168.3 million euro in the year-earlier period when a significant component was a net capital gain of 98.9 million euro on the sale of equity investments to the Franco Tosi subsidiary as part of an intercompany transaction. Excluding this effect, net profit for the first half of 2006 would have been 69.4 million euro and the comparison with the first half of 2007 would reflect an improvement of 18.6%.

The parent company's half-year **revenues**, 93 million euro (194.4 million euro in the year-earlier period), also reflected the absence of the capital gains on the Franco Tosi transaction. At the same time, growth was reported in dividends received (from 73.4 million euro to 84.1 million euro), interest income and other finance income, which increased from 1 million euro to 6.3 million euro, offset in part by higher interest expense and finance costs, which rose from 6.4 million euro to 10.4 million euro.

OUTLOOK – *The 2007 half-year results, trends on the various markets where the Group operates and forecasts in its business sectors make it unlikely, subject to currently unforeseeable events, that the Group will achieve the record results of 2006, which benefited from particularly favorable conditions and non-recurring positive contributions. At the same time, however, based on available information and subject to unforeseeable events, the net profit of the Parent Company Italmobiliare S.p.A. is expected to be up on the 2006 figure, net of the capital gains on the intragroup sales to the Franco Tosi subsidiary.*

DEBENTURE ISSUES AND MATURITIES – No new debentures were issued in the half-year and no maturities are due in the 18 months after June 30, 2007, with the exception of the issues and maturities illustrated by the subsidiary Italcementi S.p.A. in its press release dated August 3.

The Manager in charge of preparing the Itamobiliare S.p.A. financial reports, Angelo Maria Triulzi, certifies—pursuant to art. 154-bis, par 2 of the Consolidated Law on Financial Intermediation (Legislative Decree 58/1998)—that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

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

Attachments: pre-audit income statement and balance sheet data

Italmobiliare Group					
Income Statement (in thousands of euro)	1H 2007	%	1H 2006	%	% change
Revenues	3,283,028	100.0	3,087,577	100.0	6.3
Other revenues	48,196		37,312		
Change in inventory	8,781		(24,727)		
Internal work capitalized	9,360		11,194		
Goods and utilities expenses	(1,177,539)		(1,065,998)		
Services expenses	(768,015)		(673,278)		
Employee expenses	(520,920)		(482,988)		
Other operating income (expense)	(108,819)		(97,730)		
Recurring gross operating profit	774,072	23.6	791,362	25.6	(2.2)
Net capital gains on sale of fixed assets	6,740		7,590		
Non-recurring employee expenses for re-organization					
Other non-recurring income (expense)	3,042		2,920		
Gross operating profit	783,854	23.9	801,872	26.0	(2.2)
Amortization and depreciation	(225,037)		(208,792)		
Impairment variation	(466)		(124)		
Operating profit	558,351	17.0	592,956	19.2	(5.8)
Finance income	23,376		21,350		
Finance costs	(82,393)		(73,765)		
Net exchange rate differences and derivatives	(207)		(4,832)		
Share of results of associates	4,979		7,899		
Profit before tax	504,106	15.4	543,608	17.6	(7.3)
Income tax expense	(137,108)		(143,616)		
Gains and losses from discontinued operations					
Net profit for the period	366,998	11.2	399,992	13.0	(8.2)
Attributable to					
Group	131,093	4.0	146,441	4.8	(10.5)
Minority interests	235,905	7.2	253,551	8.2	(7.0)
Earnings per share					
- Basic					
ordinary shares	3.468 €		3.879 €		
savings shares	3.507 €		3.918 €		
- Diluted					
ordinary shares	3.456 €		3.871 €		
savings shares	3.495 €		3.910 €		

Italmobiliare Group			
Balance Sheet (in thousands of euro)	06/30/2007	12/31/2006	Change
Non-current assets			
Property, plant and equipment	4,117,862	4,118,219	(357)
Investment property	29,241	28,014	1,227
Goodwill	1,970,654	1,894,932	75,722
Intangible assets	46,385	59,013	(12,628)
Investments in associates	204,542	194,637	9,905
Other equity investments	1,648,685	1,601,245	47,440
Trade receivables and other non-recurring receivables	127,234	140,354	(13,120)
Deferred tax assets	42,544	43,793	(1,249)
Non-current receivables due from employees	470	517	(47)
Total non-current assets	8,187,617	8,080,724	106,893
Current assets			
Inventories	799,117	723,736	75,381
Trade receivables	1,621,887	1,544,596	77,291
Other current assets	367,423	341,713	25,710
Income tax assets	49,993	38,235	11,758
Equity investments and financial receivables	897,076	871,948	25,128
Cash and cash receivables	519,915	533,269	(13,354)
Total current assets	4,255,411	4,053,497	201,914
Total assets	12,443,028	12,134,221	308,807
Shareholders' equity			
Share capital	100,167	100,167	
Reserves	1,028,742	1,029,288	(546)
Treasury shares at cost	(21,226)	(22,176)	950
Retained earnings	1,945,061	1,867,675	77,386
Group shareholders' equity	3,052,744	2,974,954	77,790
Minority interests	3,516,241	3,432,903	83,338
Total shareholders' equity	6,568,985	6,407,857	161,128
Non-current liabilities			
Interest-bearing loans and long-term borrowings	2,513,064	2,531,204	(18,140)
Employee benefit liabilities	211,163	213,709	(2,546)
Non-current provisions	313,164	343,511	(30,347)
Other non-current liabilities	39,949	20,337	19,612
Deferred tax liabilities	358,311	344,175	14,136
Total non-current liabilities	3,435,651	3,452,936	(17,285)
Current liabilities			
Bank overdrafts and short-term borrowings	561,976	469,915	92,061
Interest-bearing loans and short-term borrowings	275,157	199,980	75,177
Trade payables	813,436	815,791	(2,355)
Current provisions	1,232	1,372	(140)
Income tax liabilities	49,249	91,981	(42,732)
Other current liabilities	737,342	694,389	42,953
Total current liabilities	2,438,392	2,273,428	164,964
Total liabilities	5,874,043	5,726,364	147,679
Total Shareholders' equity and liabilities	12,443,028	12,134,221	308,807

Italmobiliare S.p.A.

Income Statement (in thousands of euro)	1H 2007	%	1H 2006	%	% change
Revenues	92,961	100.0	194,428	100.0	(52.2)
Other revenues	717		643		
Goods and utilities expenses	(77)		(68)		
Services expenses	(3,219)		(2,617)		
Employee expenses	(7,580)		(7,182)		
Other operating income (expense)	(11,442)		(15,351)		
Recurring gross operating profit	71,360	76.8	169,853	87.4	(58.0)
Net capital gains on sale of fixed assets			159		
Other non-recurring income (expense)	2,568		3,134		
Gross operating profit	73,928	79.5	173,146	89.1	(57.3)
Amortization and depreciation	(34)		(32)		
Operating profit	73,894	79.5	173,114	89.0	(57.3)
Finance income (costs)	(41)		(85)		
Profit before tax	73,853	79.4	173,029	89.0	(57.3)
Income tax expense	8,453		(4,712)		
Gains and losses from discontinued operations					
Net profit for the period	82,306	88.5	168,317	86.6	(51.1)

Italmobiliare S.p.A.			
Balance Sheet (in thousands of euro)	06/30/2007	12/31/2006	Change
Non-current assets			
Property, plant and equipment	3,754	3,763	(9)
Investment property	293	294	(1)
Intangible assets	1	5	(4)
Investments in subsidiaries and associates	1,143,233	1,142,179	1,054
Other equity investments	673,979	671,326	2,653
Receivables and other non-current assets	263,767	263,866	(99)
Total non-current assets	2,085,027	2,081,433	3,594
Current assets			
Trade receivables	1,259	1,861	(602)
Other current assets	5,817	11,123	(5,306)
Income tax assets	31,884	19,430	12,454
Equity investments and financial receivables	39,129	43,581	(4,452)
Cash and cash equivalents	48,267	38,788	9,479
Total current assets	126,356	114,783	11,573
Total assets	2,211,383	2,196,216	15,167
Shareholders' equity			
Share capital	100,167	100,167	
Reserves	704,507	710,252	(5,745)
Treasury shares at cost	(21,226)	(22,176)	950
Retained earnings	884,379	857,623	26,756
Total shareholders' equity	1,667,827	1,645,866	21,961
Non-current liabilities			
Interest-bearing loans and long-term borrowings	369,540	389,300	(19,760)
Employee benefit liabilities	1,309	1,119	190
Non-current provisions	13,561	27,467	(13,906)
Other non-current liabilities	31	31	
Deferred tax liabilities	9,663	9,934	(271)
Total non-current liabilities	394,104	427,851	(33,747)
Current liabilities			
Bank overdrafts and short-term borrowings	120,855	77,608	43,247
Interest-bearing loans and short-term borrowings	8,288	6,876	1,412
Trade payables	3,076	2,728	348
Income tax liabilities		25,347	(25,347)
Other current liabilities	17,233	9,940	7,293
Total current liabilities	149,452	122,499	26,953
Total liabilities	543,556	550,350	(6,794)
Total Shareholders' equity and liabilities	2,211,383	2,196,216	15,167