

BOARD OF DIRECTORS EXAMINES 2007 FIRST QUARTER CONSOLIDATED RESULTS

ITALMOBILIARE GROUP:

- **TOTAL NET PROFIT: 106.6 MILLION EURO (113 MILLION EURO IN FIRST QUARTER 2006)**
- **GROUP NET PROFIT: 34.4 MILLION EURO (43.8 MILLION EURO)**
- **INVESTMENTS IN FIXED ASSETS: UP TO 217.4 MILLION EURO (125.2 MILLION EURO)**
- **SHAREHOLDERS' EQUITY: TOPS 6.5 BILLION EURO**
- **NET DEBT: 1,693.3 MILLION EURO (1,857.3 MILLION EURO AT DECEMBER 31, 2006)**
- **GEARING MAKES FURTHER IMPROVEMENT TO 25.9% FROM 29%**

Milan, 15 May 2007 – At a meeting chaired by Giampiero Pesenti, the Italmobiliare S.p.A. Board of Directors examined and approved the consolidated quarterly report to March 31, 2007. The report is only partially representative of full-year trends due to the seasonal nature of the industrial core business (construction materials).

*The Italmobiliare Group reported **total net profit** for the period of 106.6 million euro and **Group net profit** of 34.4 million euro, compared with 113 million euro and 43.8 million euro respectively in the 2006 first quarter. In 2006, a number of operations in the first quarter, including the sale of the equity investment in Gemina, had a beneficial impact on results.*

*A strong increase in business operations in the first quarter of 2007 boosted **revenues** to 1,501.9 million euro compared with 1,367 million euro in the year-earlier period. The January-March quarter saw continued high **investments in fixed assets** with a significant increase to 217.4 million euro (125.2 million euro); nevertheless, thanks to cash flow from operations and the reduction in working capital, **net debt** decreased to 1,693.3 million euro (1,857.3 million euro at December 31, 2006).*

***Shareholders' equity** at the end of March topped 6.5 billion euro to reach 6,547.2 million euro, compared with 6,407.9 million euro at the end of 2006. The rise in shareholders' equity and the reduction in net debt generated a further improvement in **gearing** to 25.9%, from 29% at December 31, 2006.*

*With regard to the **outlook** for the full year, the Group confirmed its challenging target, indicated in the 2006 annual report, of achieving consolidated operating results in line with the excellent figures for 2006.*

THE GROUP – During the first quarter of financial year 2007 — a period that is only partially representative of full-year trends, given the seasonal nature of the Group's core business (construction materials) — Italmobiliare reported **total net profit** of 106.6 million

euro and **Group net profit** of 34.4 million euro, at consolidated level. This compared with 2006 first quarter figures of 113.0 million euro and 43.8 million euro respectively, equivalent to changes of -5.6% and -21.6%. A series of non-recurring events had a very favorable impact on results in the first quarter of 2006, driving strong growth in respect of the 2005 first quarter.

Geographical breakdown of revenues and operating results

(in millions of euro)	Revenues		Recurring GOP		GOP		Operating Income	
	1Q 2007	% change on 1Q 2006	1Q 2007	% change on 1Q 2006	1Q 2007	% change on 1Q 2006	1Q 2007	% change on 1Q 2006
European Union	1,028.5	11.0	172.5	8.2	174.0	6.8	111.7	4.4
Other European countries	71.3	40.4	15.4	60.1	15.6	59.4	11.3	103.5
North America	98.9	-27.3	3.3	-85.3	3.3	-85.2	(7.7)	n.s.
Asia	105.1	38.3	32.2	60.6	32.1	60.3	22.5	73.6
Africa	190.3	11.9	78.5	-2.7	78.8	-2.6	55.4	-3.7
Trading	80.5	18.6	4.5	17.9	4.6	22.8	4.1	23.0
Other, elimination inter- area transactions	(72.7)	20.1	(8.6)	n.s.	(8.6)	n.s.	-9.3	91.8
Total	1,501.9	9.9	297.9	2.0	299.8	1.4	188.0	-2.1

Revenues gained 9.9% to reach 1,501.9 million euro, reflecting the increase in business activities (+9.1%) and the enlargement of the consolidation area (+2.9%), essentially the Indian and Egyptian construction materials operations and the acquisition of the Amprica group in the food packaging sector. The exchange-rate effect was negative (-2.1%).

Recurring gross operating profit progressed to 297.9 million euro (+2%), thanks to positive contributions from construction materials and, to a lesser extent, from the banking and the packaging and insulation businesses. The financial sector reported a downturn compared with the year-earlier first quarter, which included the capital gain on the sale of Gemina shares.

Operating profit, after higher amortization and depreciation charges compared with the year-earlier first quarter due largely to the enlargement of the consolidation area, was slightly down, at 188 million euro (-2.1%).

The Group continued its important capital expenditure program in the quarter, with **investments in fixed assets** totaling 217.4 million euro, compared with 125.2 million euro in the year-earlier period.

Despite high capital expenditure, **net debt** at March 31 amounted to 1,693.3 million euro, down by 164 million euro from the end of 2006. The improvement was driven by cash flows from operating activities and a significant decrease in working capital, in part as a result of the positive impact of 115 million euro from no-recourse securitization of trade payables.

Total shareholders' equity at the end of the first quarter topped 6.5 billion euro to reach 6,547.2 million euro, compared with 6,407.9 million euro at December 31, 2006.

Gearing (net debt/equity ratio) was 25.9% at March 31, 2007, a further improvement from 29% at December 31, 2006.

Performance in the core businesses – In the **construction materials** business, the *Italcementi* group (which published its quarterly results on May 7) benefited from generally healthy sales volumes, despite difficulties caused by the recession in residential building in North America. In addition, sales prices rose in the majority of countries where the group operates, contributing to the growth in revenues to 1,418.0 million euro (+9.9% YoY). Recurring gross operating profit and operating profit improved respectively to 282.6 and 176.1 million euro, despite further cost increases. The group's positive performance was reflected in net profit for the period, which rose to 92.9 million euro from 87.9 million euro at March 31, 2006 (+5.6%), with an even higher increase in Group net profit (+9.8%). Revenues in **food packaging and thermal insulation**, represented by the *Sirap Gema* group, climbed by 13.2% at constant size and exchange rates, with contributions from all segments; revenues including the *Amprica* group (consolidated as from June 30, 2006) rose by 40.9%. The improvement in recurring gross operating profit was limited by the sharp rise in the cost of raw materials and energy, and the negative performance of the French subsidiary. Operating profit decreased from 4.0 million euro at March 31, 2006, to 2.9 million euro in the first quarter of 2007 due to higher amortization and depreciation charges as a result of the enlargement of the consolidation area. Net profit for the period, which included higher finance costs relating to the new acquisitions, was 0.1 million euro (1.9 million euro).

In the **financial sector**, which includes the parent company *Italmobiliare S.p.A.* and the wholly owned financial subsidiaries, net profit for the period was 19.6 million euro (24.1 million euro in the first quarter of 2006). The overall downturn in the financial sector, caused by the absence of the capital gain on the sale of *Gemina* shares (7.9 million euro) and a significantly lower contribution from the associate *Mittel* compared with the first quarter of 2006, was offset by higher dividends in the period, a more favorable tax change and positive cash flow. The net financial position in the financial sector at March 31, 2007, was positive, at 391.9 million euro (383.9 million euro at December 31, 2006).

In the **banking sector**, which comprises *Finter Bank Zürich* and *Crédit Mobilier de Monaco*, net profit for the period was 3.0 million euro, compared with 2.2 million euro in the year-earlier first quarter (+43%). The improvement largely reflected the strong performance of *Finter Bank Zürich*.

OUTLOOK – In view of its first-quarter results and the outlook in the individual sectors, the Group confirms its challenging full-year target of achieving consolidated operating results in line with the excellent results reported for 2006.

ITALMOBILIARE ON THE INTERNET: http://www.italmobiliare.it
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Attachments: summaries of the income statement and balance sheet

Italmobiliare Group					
Income Statement (in thousands of euro)	1Q 2007	%	1Q 2006	%	% change
Revenues	1,501,854	100.0	1,367,042	100.0	9.9
Other revenues	15,100		18,812		
Change in inventories	4,801		6,828		
Internal work capitalized	4,540		7,393		
Goods and utilities expense	(562,763)		(497,499)		
Services expense	(367,399)		(324,340)		
Employees expense	(256,221)		(236,979)		
Other operating income (expense)	(41,971)		(49,162)		
Recurring Gross Operating Profit	297,941	19.8%	292,095	21.4	2.0
Net capital gains on sale of fixed assets	1,636		3,151		
Non-recurring employees expense for re-org					
Other non-recurring income (expense)	179		325		
Gross Operating Profit	299,756	20.0%	295,571	21.6%	1.4
Amortization and depreciation	(111,766)		(103,436)		
Impairment	(5)		(40)		
Operating Profit	187,985	12.5%	192,095	14.1%	-2.1
Finance income	8,683		6,637		
Finance costs	(44,984)		(34,684)		
Gains (losses) on exchange rates and derivatives	1,619		(160)		
Share of results of associates	(329)		919		
Profit before tax	152,974	10.2%	164,807	12.1%	-7.2
Income tax expense	(46,373)		(51,839)		
Net profit for the period	106,601	7.1%	112,968	8.3%	-5.6
Attributable to:					
Equity holders of the parent	34,361	2.3%	43,823	3.2%	-21.6
Minority interests	72,240	4.8%	69,145	5.1%	4.5

Italmobiliare Group				
Financial Position (in thousands of euro)	March 31, 2007	December 31, 2006	Change	
			Δ	%
Cash, cash equivalents and current financial assets	(1,569,697)	(1,504,486)	(65,211)	4.3
Short-term financing	1,121,954	879,228	242,726	27.6
Medium/long-term financial assets	(64,718)	(68,755)	4,037	-5.9
Medium/long-term financing	2,205,754	2,551,269	(345,515)	-13.5
Net debt	1,693,293	1,857,256	(163,963)	-8.8
Total shareholders' equity	6,547,199	6,407,857	139,342	2.2