

BOARD EXAMINES CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2008

ITALMOBILIARE GROUP:

- REVENUES: 1,386.4 MILLION EURO (1,452.5 MILLION EURO IN Q1 2007)
- TOTAL NET PROFIT: 47.2 MILLION EURO (106.6 MILLION EURO IN Q1 2007)
- GROUP NET PROFIT: -19.2 MILLION EURO (34.4 MILLION EURO)
- INVESTMENTS IN FIXED ASSETS: UP TO 269.9 MILLION EURO (215.4 MILLION EURO)
- SHAREHOLDERS' EQUITY: 5,887.3 MILLION EURO (6,300.2 MILLION EURO)
- NET DEBT: 2,088.8 MILLION EURO (2,149.6 MILLION EURO AT DECEMBER 31, 2007)
- GEARING RATIO 35.48% FROM 34.12% AT THE END OF 2007
- NET ASSET VALUE: 2,902.6 MILLION EURO (3,324.3 MILLION EURO AT DECEMBER 31, 2007)

Milan, May 15, 2008 – *At a meeting chaired by Giampiero Pesenti, the Italmobiliare S.p.A. Board of Directors examined and approved the consolidated interim management report at March 31, 2008.*

Group operations during the first three months of the current year were conducted in the context of a financial market still suffering the repercussions of the crisis that began in the second half of 2007 and an industrial scenario (with fewer days worked than the first quarter of 2007) affected by increased operating expenses. Moreover, meteorological conditions in the construction materials sector were less favorable, while the food packaging business experienced fierce competitive pressures.

In this context, only partially representative of a full-year trend, the Italmobiliare Group reported a downturn in first-quarter results, especially in the financial sector where the equities and debentures portfolios were written down in line with the negative performance of the markets.

*At March 31, 2008, the Group reported **total net profit** of 47.2 million euro (106.6 million euro in the first quarter of 2007), while the net **result attributable to the Group** was a loss of 19.2 million euro (net profit of 34.4 million euro in the year-earlier period) on **revenues** of 1,386.4 million euro (1,452.5 million euro, down by 4.6%, but up by 3% at constant size and exchange rates). **Investments in fixed assets** continued to rise in the first quarter, reaching 269.9 million euro (215.4 million euro). Despite this increase, the Group's financial position remained sound, with a **gearing** ratio (net debt/shareholders' equity) of 35.48%, from 34.12% at the end of 2007.*

Net Asset Value at Italmobiliare S.p.A. at the end of March was 2,902.6 million euro from 3,324.3 million euro at December 31, 2007, after adjustments to listed securities to reflect market values at the end of the quarter.

With regard to the full-year **outlook**, the Group's objective is to achieve consolidated operating results in line with the levels reported in 2007, subject to currently unforeseeable events.

THE GROUP – Group operations during the first three months of the current year were conducted in the context of a financial market still suffering the repercussions of the crisis that began in the second half of 2007 and an industrial scenario (with fewer days worked than the first quarter of 2007) affected by increased operating expenses. Moreover, meteorological conditions in the construction materials sector were less favorable, while the food packaging business experienced fierce competitive pressures.

Under these adverse conditions, the Italmobiliare Group reported a downturn in results in its core businesses; on the other hand, performance in the first quarter is only partially representative of a full-year trend both in financial operations, due to accounting treatment of dividends and trends on the securities markets, and in the industrial sector, where meteorological conditions and the concentration of production plant maintenance operations in the first three months of the year are significant factors in results in the construction sector for the winter quarter.

In compliance with IFRS 5, the result for discontinued operations is reflected in a single income statement line item, both for the first quarter of the current year and for the corresponding year-earlier period, whose previously published figures have been restated accordingly.

In the first quarter of 2008, the Group reported a **net profit** of 47.2 million euro (106.6 million euro in the year-earlier period). This included a particularly sharp downturn in the financial sector, which recorded write-downs of approximately 34 million euro on its equities and debentures trading portfolio, as a result of the impact of the sub-prime mortgage crisis on the financial market and financial industry. The **net result attributable to the Group** was a loss of 19.2 million euro (net profit of 34.4 million euro), due to the greater weight of the losses reported by the wholly owned financial companies.

Revenues and operating results by geographical area

(in millions of euro)	Revenues		Recurring EBITDA		EBITDA		EBIT	
	Q1 2008	% change vs. Q1 2007	Q1 2008	% change vs. Q1 2007	Q1 2008	% change vs. Q1 2007	Q1 2008	% change vs. Q1 2007
European Union	923.5	-10.5	101.9	-41.0	103.0	-40.8	41.1	-63.2
Other European countries	16.9	-4.0	2.8	-36.3	2.8	-36.2	2.4	-36.5
North America	86.9	-12.1	0.4	-88.3	0.4	-88.3	(10.7)	-37.4
Asia	106.6	1.3	26.4	-18.4	26.2	-18.4	15.9	-29.5
Africa	224.5	18.0	92.8	18.3	92.8	17.9	70.4	27.2
Trading	82.3	2.3	7.4	65.0	7.4	62.3	6.7	64.7
Others, inter-area eliminations	(54.3)	-25.0	(2.7)	(-41.7)	(2.5)	(-44.0)	(3.1)	(-40.3)
Total	1,386.4	-4.6	229.0	-21.3	230.1	-21.4	122.7	-33.5

First-quarter **revenues** totaled 1,386.4 million euro, reflecting the positive impact for 3% of business growth and the negative impact for 5.4% and 2.2% respectively of the exchange-rate effect and changes in the scope of consolidation (the Calcestruzzi group was not included in the consolidation in the first quarter).

Business growth arose in construction materials and in packaging and insulation. Performance slowed slightly in the banking sector and more significantly in the financial sector.

Recurring EBITDA at 229.0 million euro and **EBITDA** at 230.1 million euro decreased by 61.9 million euro and 62.6 million euro respectively from the year-earlier period. This slowdown arose in all sectors, with the largest decrease in both absolute and percentage terms reported by the financial sector, due to the negative performance of the markets.

EBIT fell to 122.7 million euro (184.5 million euro) after amortization and depreciation in line with the year-earlier period (107.3 million euro from 108.2 million euro).

Net finance costs, including net exchange-rate differences and derivatives, increased by 4.4 million euro, from 35.0 million euro to 39.4 million euro. This was largely due to net exchange-rate losses and higher interest expense.

Investments in fixed assets in the first quarter increased to 269.9 million euro (215.4 million euro in the year-earlier period), including 115.0 million euro (96.5 million euro) in non-current financial assets, mainly in the construction materials business. Investments in property, plant and equipment and intangible assets amounted to 154.9 million euro (118.9 million euro) and arose mainly in the construction materials sector in the European Union, North America, Asia and Africa.

At March 31, 2008, **net debt** stood at 2,088.8 million euro compared with 2,149.6 million euro at December 31, 2007; **shareholders' equity** was 5,887.3 million euro (6,300.2 million euro), a decrease caused primarily by the negative change in the translation reserve and the reserve for fair value adjustments to securities in portfolio. The **gearing** ratio (net debt/shareholders' equity) was 35.48% at March 31, 2008 (34.12% at December 31, 2007). Italmobiliare **Net Asset Value** at March 31, 2008, was 2,902.6 million euro (3,324.3 million euro at the end of 2007), reflecting the adjustment on listed securities to reflect market values at the end of the quarter.

Performance in the core businesses

In the **construction materials sector**, where operations are conducted by the *Italcementi* group—which published its quarterly results on May 7 and did not consolidate the Calcestruzzi group in the first quarter of the year—performance reflected a downturn in sales volumes from the year-earlier period, when the markets as a whole were still enjoying an expansionary phase even in the mature countries and exceptionally favorable weather throughout the Mediterranean. The slowdown was due above all to performance in the mature countries and to contingent situations in some emerging countries. The generalized rise in sales prices more than made up for the unfavorable dynamic in operating expenses, but did not counter the combined negative impact of lower sales volumes and the changes in the exchange rates and scope of consolidation. Under these conditions, group revenues amounted to 1,306.6 million euro, a decrease of 4.5% (+3.3% at constant size and exchange rates), while recurring EBITDA (260.9 million euro) and

EBIT (157.5 million euro) declined by 5.3% and 8.8% respectively. Net profit for the first quarter was 81.3 million euro (-12.4% YoY), with group net profit at 37.9 million euro (-31.4%).

The **food packaging and thermal insulation sector** consisting of the *Sirap Gema* group reported revenue growth of 6.9% to 60.3 million euro, driven largely by stronger sales in the thermal insulation business and at the Petruzalek group. Recurring EBITDA decreased by 28.4% mainly due to fierce competition in the food packaging market, which had a negative impact on sales prices. In turn, EBIT decreased, from 2.9 million euro at March 31, 2007, to 1.4 million euro for the first quarter of 2008. The sector reported a first-quarter net loss of 1.1 million euro, compared with a net profit of 0.1 million euro in the year-earlier period, caused in part by higher finance costs in connection with the increase in interest rates.

The **financial sector**, which comprises the parent company *Italmobiliare S.p.A.* and the wholly owned financial subsidiaries, reported a net loss of 34.7 million euro compared with a net profit of 19.6 million euro in the first quarter of 2007. The sharp YoY earnings decline was mainly due to the write-downs on the debenture and equities trading portfolios. Other factors were the decrease in some dividends in the first quarter, the change in dividend collection times and higher finance costs in respect of debt.

The financial sector's consolidated financial position was positive at 251.4 million euro down from 299.4 million euro at December 31, 2007, after equity investments and write-downs on the financial assets included in the net financial position.

The **banking sector** combines the operations of *Finter Bank Zürich* and *Crédit Mobilier de Monaco*. It reported a net profit of 2.1 million euro from 3.0 million euro in the year-earlier period. The decrease was due to the reduction in trading gains and higher administrative expense and employee expenses.

OUTLOOK – No substantial changes have taken place in world economic trends, conditions on the financial markets and the uncertain financial market outlook since March, when the Group published its 2008 full-year guidance. In this context, and taking into account the developments expected in the core businesses and their relative weights, the Group's objective is to achieve consolidated operating results in line with the levels reported in 2007, subject to currently unforeseeable events

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

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Attachments: condensed income statement and balance sheet

Italmobiliare Group					
Income Statement (in thousands of euro)	Q1 2008 (IFRS 5)	%	Q1 2007 (IFRS 5)	%	% change
Revenues	1,386,353	100.0	1,452,457	100.0	-4.6
Other revenues	13,087		13,809		
Change in inventories	8,613		3,125		
Internal work capitalized	6,470		4,540		
Goods and utilities expenses	(546,896)		(533,675)		
Services expenses	(312,086)		(359,935)		
Employee expenses	(246,910)		(249,356)		
Other operating income (expense)	(79,645)		(40,027)		
Recurring EBITDA	228,986	16.5	290,938	20.0	-21.3
Net capital gains on sale of fixed assets	5,263		1,541		
Non-recurring employee expenses for re-organizations	(4,340)				
Other non-recurring income (expense)	186		179		
EBITDA	230,095	16.6	292,658	20.1	-21.4
Amortization and depreciation	(107,289)		(108,137)		
Impairment variation	(101)		(5)		
EBIT	122,705	8.9	184,516	12.7	-33.5
Finance income	7,483		7,319		
Finance costs	(43,617)		(44,377)		
Exchange-rate differences and derivatives, net	(3,282)		2,097		
Share of results of associates	361		(329)		
Profit before tax	83,650	6.0	149,226	10.3	-43.9
Income tax expense	(31,605)		(45,631)		
Net profit from continuing operations	52,045	3.8	103,595	7.1	-49.8
Net profit (loss) from discontinued operations	(4,829)		3,006		
Net profit for the period	47,216	3.4	106,601	7.3	-55.7
Attributable to:					
Equity holders of the parent	(19,166)	-1.4	34,361	2.3	-155.8
Minority interests	66,382	4.8	72,240	5.0	-8.1

Italmobiliare Group					
Financial Position (in thousands of euro)	3/31/2008 (IFRS 5)	1/1/2008	Change		12/31/2007 published
			Δ	%	
Cash, cash equivalents and current financial assets	(1,709,547)	(1,655,478)	(54,069)	3.3	(1,521,740)
Short-term financing	1,096,938	1,100,525	(3,587)	0.3	1,124,513
Medium/long-term financial assets	(68,744)	(71,773)	3,029	-4.2	(71,773)
Medium/long-term financing	2,767,874	2,618,388	149,486	5.7	2,618,568
Net debt of continuing operations	2,086,521	1,991,662	94,859	4.8	2,149,568
Net debt of discontinued operations	2,291		2,291		
Total net debt	2,088,812	1,991,662	97,150	4.9	2,149,568
Total shareholders' equity	5,887,318	6,300,176	(412,858)	-6.6	6,300,176