

BOARD OF DIRECTORS EXAMINES RESULTS AT SEPTEMBER 30, 2006

ITALMOBILIARE GROUP

- **NET SALES:** 4,656.1 MILLION EURO (+18.4%)
- **TOTAL NET INCOME:** 603 MILLION EURO (+42.4%)
- **GROUP NET INCOME:** 210 MILLION EURO (+37.9%)
- **NET DEBT:** 1,997.2 MILLION EURO (1,865.1 MILLION EURO AT DECEMBER 31, 2005)
- **SHAREHOLDERS' EQUITY:** 6,249.4 MILLION EURO (5,916.7 MILLION EURO AT DECEMBER 31, 2005)

Milan, November 14, 2006 – *At a meeting today chaired by Giampiero Pesenti, the Board of Directors of Italmobiliare S.p.A. examined and approved the consolidated quarterly report at September 30, 2006.*

The third quarter of the year reflected further improvements in year-on-year results, with net income of 203 million euro (+17.4%). Growth was slower than in the first half of the year due to the change in the impact of the consolidation area and unfavorable conditions in some areas of the food packaging business.

In this scenario, in the first nine months of the year, the Italmobiliare Group confirmed the positive trend already reported earlier in the year, with particularly important contributions from the construction materials business and the financial sector, and, in percentage terms, from the banking sector. For the January-September period, the Group posted total net income of 603 million euro (+42.4%) and Group net income of 210 million euro (+37.9%), on net sales of 4,656.1 million euro (+18.4%). Shareholders' equity rose over the period by approximately 332 million euro, to well over 6 billion euro.

Group net debt was 1,997.2 million euro at September 30, up from 1,865.1 million euro at December 31, 2005, but down from 2,269.5 million euro at June 30, 2006. The net debt increase from the end of 2005, in a period with high cash flows from operating activities (709.8 million euro), was largely due to high capital expenditure (669.7 million euro) and dividends paid (221.8 million euro). The financial sector, composed of Italmobiliare S.p.A. and the wholly owned financial subsidiaries, had a positive net financial position of 357.5 million euro, an improvement of approximately 54 million euro from the end of 2005.

Despite uncertainties in some businesses, the results achieved to date and the positive expectations for the final quarter allow Italmobiliare to confirm the 2006 full-year projections published with the half-year report, for an improvement in Group net income compared with full-year 2005, subject to currently unforeseen events.

THE GROUP – In the *third quarter of 2006* the Italmobiliare Group posted **total net income** of 203 million euro and **Group net income** of 63.6 million euro, for year-on-year improvements of 17.4% and 10.1% respectively, on net sales of 1,568.6 million euro (+12.8%). 2006 third-quarter **gross operating profit** and **operating income** amounted to 421.7 million euro and 311 million euro, for year-on-year improvements of 12.7% and 14.6% respectively. Growth was slower than in the first half of the year due to the change in the impact of the consolidation area and unfavorable conditions in some areas of the food packaging business.

In the first *nine months*, **total net income** gained 42.4% to reach 603 million euro, while **Group net income** was 210 million euro, a rise of 37.9% after higher minority interests in the construction materials business following the enlargement of the consolidation area. **Gross operating profit** for the nine months increased to 1,223.6 million euro (+33.9%), a lower growth rate than in the first half of the year, which benefited from favorable meteorological conditions and a significant consolidation effect. **Operating income** was 904 million euro, an improvement of 41.5%. Important contributions to operating income growth came, in both absolute and percentage terms, from the construction materials business (+42.4%) and the financial sector (+30.5%). Percentage growth was also significant in the banking sector (+46.9%).

Net sales and operating results by geographical area

(in millions of euro)	Net sales		Current GOP		GOP		Operating income	
	Jan-Sep 2006	% change Jan-Sep 2005	Jan-Sep 2006	% change Jan-Sep 2005	Jan-Sep 2006	% change Jan-Sep 2005	Jan-Sep 2006	% change Jan-Sep 2005
European Union	2,949.3	10.2	642.2	17.1	655.6	15.9	488.2	21.0
Other European countries	322.5	14.2	87.6	28.0	87.8	25.6	67.9	37.3
North America	506.1	13.0	119.5	36.2	119.1	38.2	84.5	48.2
Asia	266.0	37.4	77.1	50.0	76.9	47.9	52.6	64.5
Africa	559.7	76.1	268.4	78.6	268.3	101.8	198.3	113.5
Trading and other	254.4	63.4	15.5	158.7	15.9	135.2	12.5	n.s.
Inter-area eliminations	(201.9)	44.0	-	-	-	-	-	-
Total	4,656.1	18.4	1,210.3	32.7	1,223.6	33.9	904.0	41.5

Net sales in the January-September period climbed 18.4% to 4,656.1 million euro, thanks to improved business performance (+13.3%) and the enlargement of the consolidation area (+5.1%). The increase due to changes in the consolidation area arose in the construction materials business (operations in Egypt had only a partial impact in the first nine months of 2005) and the packaging and insulation business (consolidation of the Amprica group acquired by Sirap Gema began in the third quarter of 2006).

Net debt was 1,997.2 million euro at September 30, up from 1,865.1 million euro at December 31, 2005, but down from 2,269.5 million euro at June 30, 2006. The net debt increase from the end of 2005, in a period with high cash flows from operating activities (709.8 million euro), was largely due to high capital expenditure (669.7 million euro) and dividends paid (221.8 million euro).

The **net financial position of the financial sector** (Italmobiliare S.p.A. and the wholly owned financial subsidiaries: Italmobiliare International Finance Ltd., Italmobiliare International B.V, Société de Participation Financière S.A., Fincomind A.G., Soparfinter S.A. and Franco Tosi S.r.l.) was positive at 357.5 million euro, up from 303.4 million euro at December 31, 2005.

Consolidated shareholders' equity made further progress to reach 6,249.4 million euro at the end of September, from 5,984 million euro at June 30 and 5,916.7 million euro at December 31, 2005. **Gearing** was virtually stable at 31.96%, compared with 31.52% at the end of 2005.

Performance of the core businesses – In the first nine months of the year, the **construction materials** business covered by the *Italcementi* group reported an 18% increase in total net sales to 4,391 million euro (as announced by the company on November 3), reflecting healthy progress in all sectors and regions and the enlargement of the consolidation area. Current gross operating profit (1,131 million euro) and operating income (827.3 million euro) gained 33.1% and 42.4% respectively on a year-on-year basis. Despite higher net financial charges, net income was 524.4 million euro (+41.8%), while group net income was 352.5 million euro (+32.9%).

In **packaging and insulation**, the *Sirap Gema* group posted a strong improvement in net sales to 144.4 million euro (+17.4%), driven in part by the enlargement of the consolidation area, but a downturn in operating results: operating income was 12.8 million euro (-5.2%) and consolidated net income was 5.3 million euro (-19.0%, due in part to the increase in financial charges connected with the recent acquisition of the Amprica group). Operating results for the first nine months were affected by a negative third-quarter trend in packaging, where, together with a sharp general increase in raw materials prices, strong competitive pressures on sales prices continued to affect the French subsidiary.

The **financial** sector, which includes the parent company *Italmobiliare S.p.A.* and the wholly owned financial companies, reported net income of 113.6 million euro (+35.3%) for the year to September 30, 2006. This significant improvement arose from higher net income from equity investments, including dividends received, and proper management of cash and debt.

Net income in the **banking sector** (*Finter Bank Zurich* and *Crédit Mobilier de Monaco*) was 6.2 million euro in the first nine months (4.2 million euro in the year-earlier period). This was essentially due to the strong performance improvement at Finter Bank Zurich.

OUTLOOK – Despite uncertainties in some businesses, the results achieved to date and the positive expectations for the final quarter allow Italmobiliare to confirm the 2006 full-year projections published with the half-year report, for an improvement in consolidated Group net income compared with full-year 2005, subject to currently unforeseen events.

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Attachments: income statement data and a summary of the net financial position and total shareholders' equity

Italmobiliare Group					
Income Statement (in thousands of euro)	3Q 2006	%	3Q 2005	%	% change
Net sales	1,568,569	100.0	1,390,678	100.0	12.8
Other revenues	16,506	1.1	10,935	0.8	
Change in inventories	9,204	0.6	8,376	0.6	
Internal work capitalized	4,268	0.3	7,240	0.5	
Goods and utilities expenses	(574,675)	-36.6	(482,350)	-34.7	
Services expenses	(335,583)	-21.4	(306,450)	-22.0	
Employee expenses	(230,383)	-14.7	(220,973)	-15.9	
Other operating income/(expense)	(38,931)	-2.5	(35,454)	-2.5	
Current Gross Operating Profit	418,975	26.8	372,002	26.8	12.6
Other income and charges	2,743	0.2	2,133	0.2	
Gross Operating Profit	421,718	27.0	374,135	27.0	12.7
Amortization and depreciation	(109,124)	-7.0	(102,460)	-7.4	
Impairment variation	(1,572)	-0.1	(259)		
Operating Income	311,022	19.9	271,416	19.6	14.6
Financial income and charges	(30,219)	-1.9	(21,745)	-1.6	
Income from companies valued on an equity basis	4,311	0.3	3,718	0.3	
Pre-tax income	285,114	18.3	253,389	18.3	12.5
Tax for the period	(82,095)	-5.2	(80,401)	-5.8	
Net income for the period	203,019	12.9	172,988	12.5	17.4
Attributable to:					
Group profit	63,586	4.1	57,747	4.2	10.1
Minority interest	139,433	8.9	115,241	8.3	21.0

Italmobiliare Group					
Income Statement (in thousands of euro)	Jan - Sep 2006	%	Jan - Sep 2005	%	% change
Net sales	4.656.146	100,0	3.933.304	100,0	18,4
Other revenues	53,818	1.2	36,967	0.9	
Change in inventories	(15,523)	-0.3	(12,474)	-0.3	
Internal work capitalized	15,462	0.3	13,332	0.3	
Goods and utilities expenses	(1,640,673)	-35.2	(1,362,064)	-34.6	
Services expenses	(1,008,861)	-21.7	(913,008)	-23.2	
Employee expenses	(713,371)	-15.3	(670,203)	-17.0	
Other operating income/(expense)	(136,661)	-2.9	(113,782)	-2.9	
Current Gross Operating Profit	1,210,337	26.1	912,072	23.2	32.7
Other income and charges	13,253	0.3	1,501		
Gross Operating Profit	1,223,590	26.4	913,573	23.2	33.9
Amortization and depreciation	(317,916)	-6.8	(274,355)	-7.0	
Impairment variation	(1,696)		(560)		
Operating Income	903,978	19.6	638,658	16.2	41.5
Financial income and charges	(87,466)	-1.9	(51,304)	-1.3	
Income from companies valued on an equity basis	12,210	0.3	18,064	0.5	
Pre-tax income	828,722	18.0	605,418	15.4	36.9
Tax for the period	(225,711)	-4.8	(181,981)	-4.6	
Net income for the period	603,011	13.0	423,437	10.8	42.4
Attributable to:					
Group profit	210,027	4.5	152,336	3.9	37.9
Minority interest	392,984	8.4	271,101	6.9	45.0

(in thousands of euro)	09/30/2006	12/31/2005
Net debt (*)	1,997,191	1,865,122
Total shareholders' equity	6,249,353	5,916,748

(*) As a result of the redefinition during 2006 of the content of the net financial position of the subsidiaries in the banking sector, a series of changes have been made in the consolidated financial position at December 31, 2005, to ensure a consistent basis for comparison. After the reclassifications, as illustrated in the 2006 half-year report, net debt at 12/31/2005, originally stated at 1,896,066 thousand euro, has been restated at 1,865,122 thousand euro, a reduction of 30,944 thousand euro.