

ITALMOBILIARE

2001 Annual Report



2001 Annual Report

ITALMOBILIARE
Società per Azioni

Head Office: via Borgonuovo, 20
20121 Milan, Italy

Share capital € 100,166,937
Milan Companies Register



■ BOARD OF DIRECTORS

(Term ends on approval of financial statements at 31 December 2001)

Giampiero Pesenti	¹⁻²⁻³	Chairman - Chief Executive Officer
Giovanni Giavazzi	¹	Deputy Chairman
Mario Ardito	⁴	
Italo Lucchini	¹⁻³	
Giorgio Perolari	²⁻³⁻⁴	
Carlo Pesenti		General Manager
Franz Schmitz	²⁻⁴	
Graziano Molinari	⁵	Secretary to the Board

■ BOARD OF STATUTORY AUDITORS

(Term ends on approval of financial statements at 31 December 2001)

Acting Auditors

Luigi Guatri	Chairman
Claudio De Re	
Paolo Marchi	

Substitute Auditors

Dino Fumagalli	
Eugenio Mercurio	
Pietro Curcio	

RECONTA Ernst & Young S.p.A.	Independent Auditors
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¹ Member of the Executive Committee

² Member of the Remuneration Committee

³ Member of the Internal Control Committee

⁴ Independent Director

⁵ Secretary to the Executive Committee

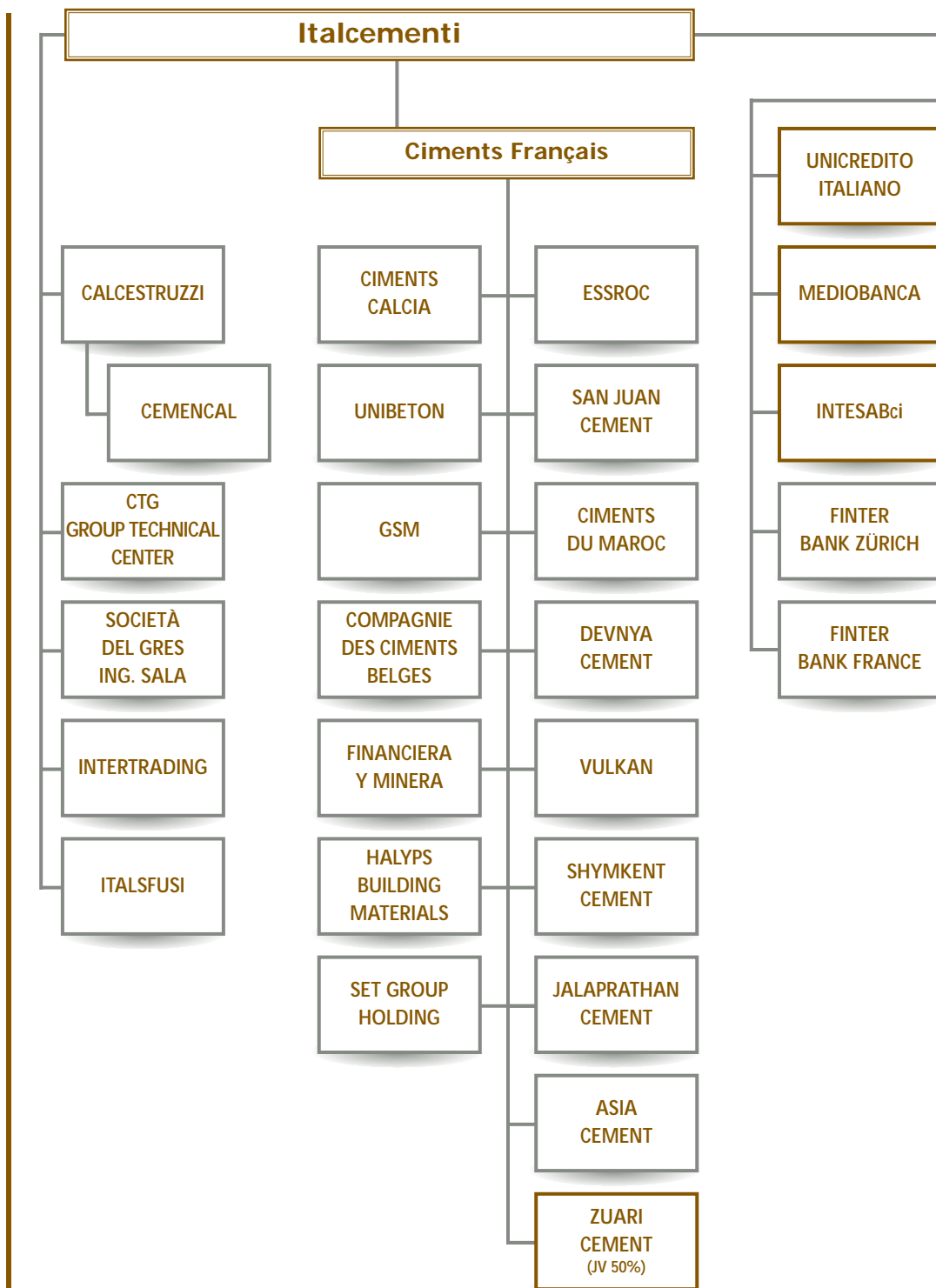


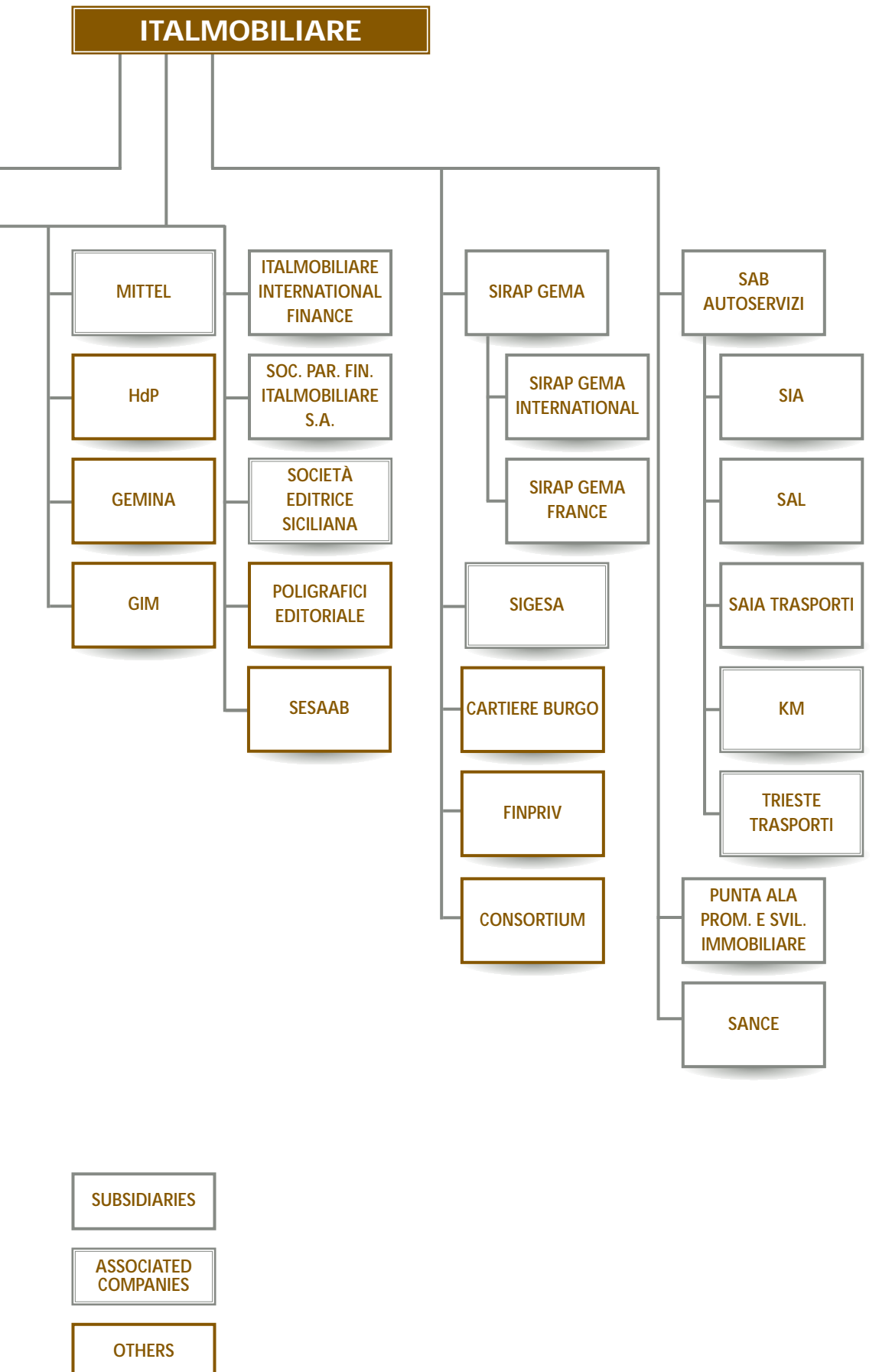
■ CONSOLIDATED FINANCIAL STATEMENTS

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ITALMOBILIARE GROUP





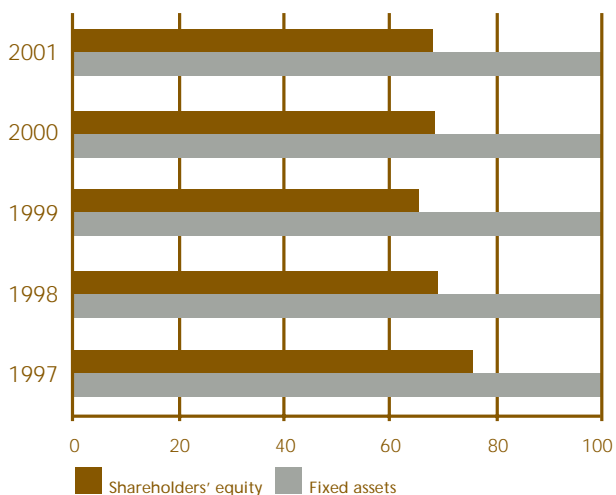


Group financial highlights

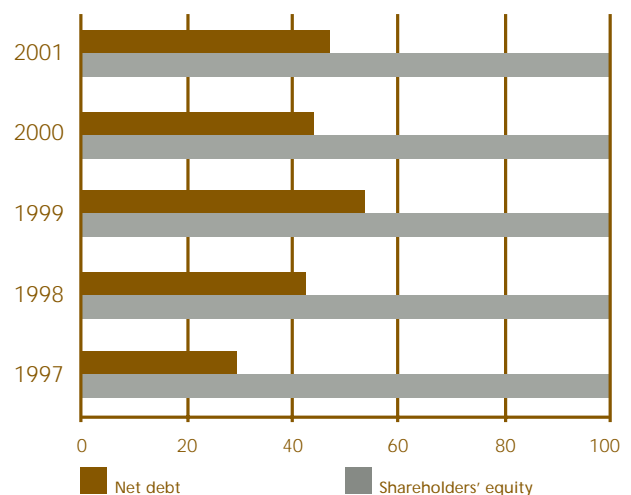
(in millions of euro)

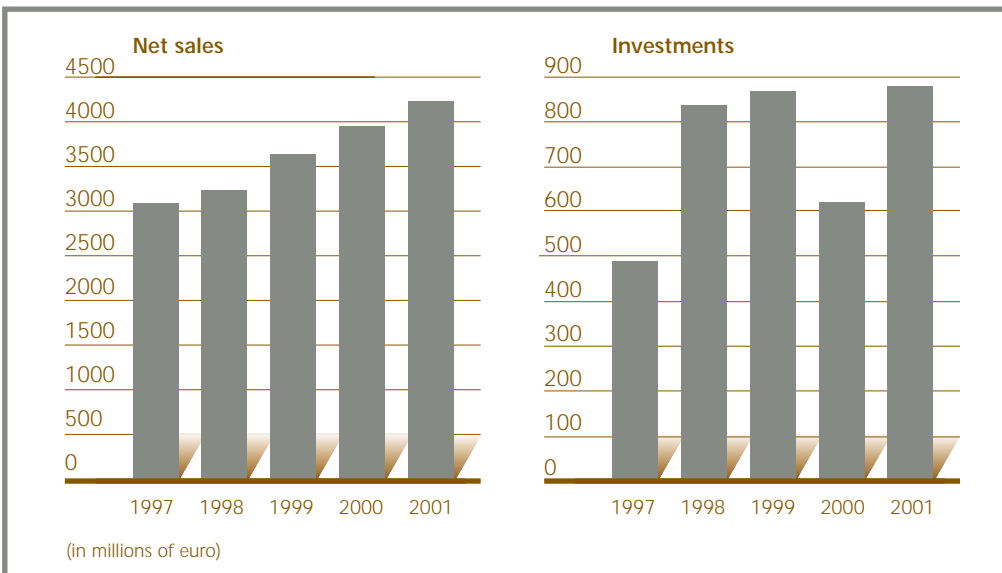
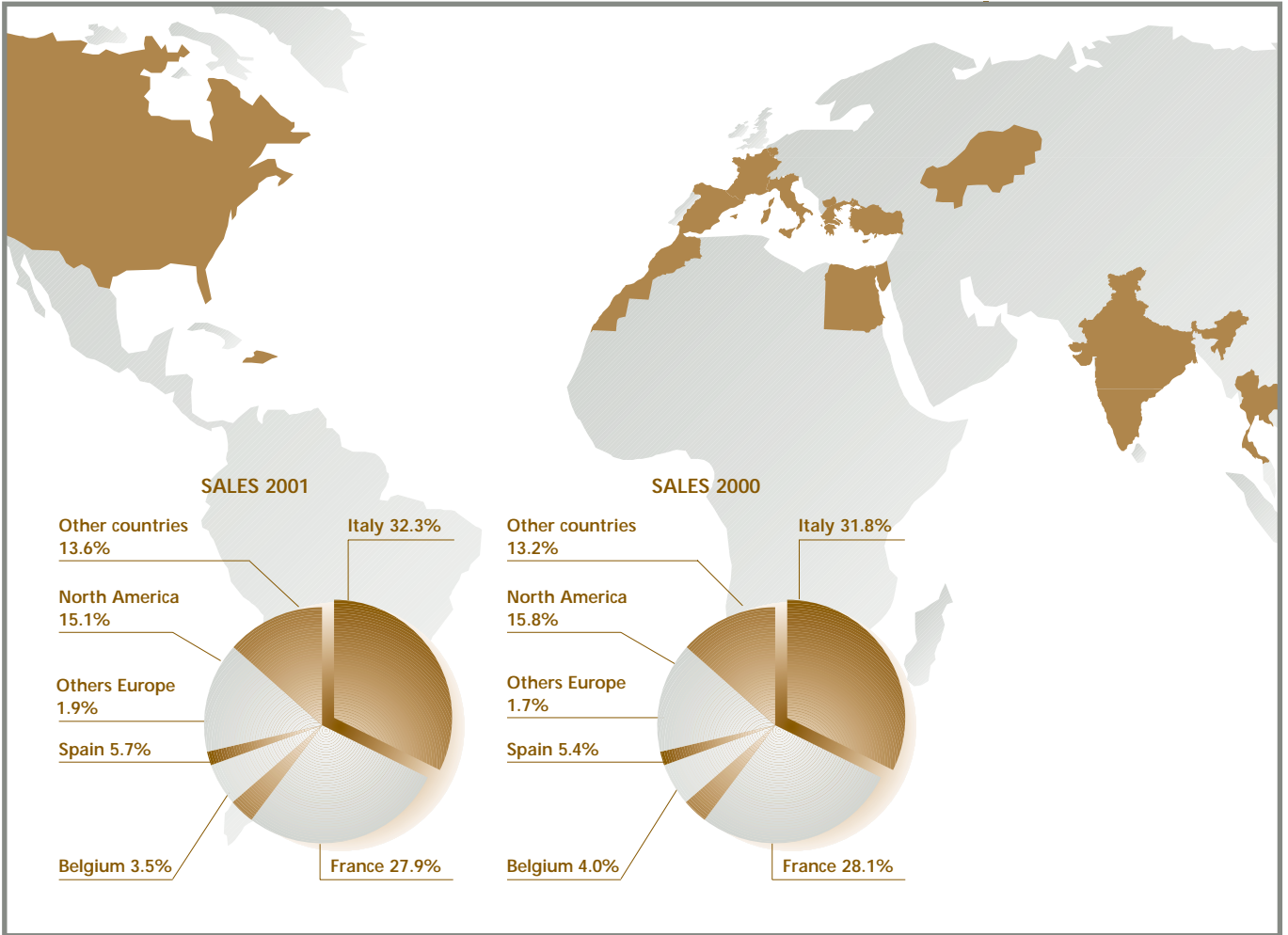
	2001	2000	1999	1998	1997
Net sales	4,206.7	3,962.2	3,609.2	3,209.4	3,065.8
Gross operating profit (Ebitda)	1,048.7	947.4	861.0	736.6	657.9
Amortization and depreciation	395.7	420.7	356.3	337.3	328.9
Operating income (Ebit)	653.0	526.7	504.8	399.3	329.0
Non-recurring income and charges	(24.2)	20.4	7.0	(34.6)	(26.2)
Income before minority interest	353.3	368.9	261.1	196.9	130.1
Group net income	143.1	186.6	90.1	91.3	35.8
Cash flow (income+amortization and depreciation)	749.0	789.6	617.4	534.2	459.0
Investments in fixed assets	877.1	618.4	869.7	838.2	487.4
Total shareholders' equity	3,714.0	3,500.3	3,267.4	2,903.4	3,082.8
Group shareholders' equity	1,542.7	1,432.9	1,260.4	1,151.7	1,051.1
Net debt	(1,701.9)	(1,535.3)	(1,749.6)	(1,230.7)	(903.4)
Debt/equity ratio	-45.8%	-43.9%	-53.5%	-42.4%	-29.3%
Earnings per share	3.71	4.84	2.34	2.58	1.09
Shareholders' equity per share (unit value)	40.04	37.19	32.71	32.58	31.94
Dividend per share					
ordinary	0.94	0.94	0.72	0.67	0.52
savings	1.018	1.018	0.80	0.75	0.59
Employees (heads)	19,137	19,311	20,519	16,897	17,304

Shareholders' equity/Fixed assets



Gearing - Net debt/Shareholders' equity

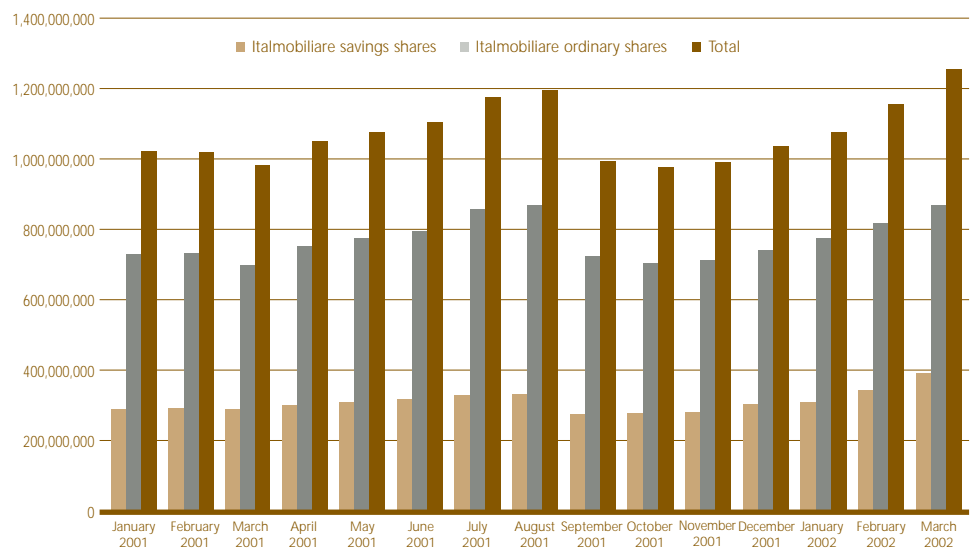






Italmobiliare S.p.A. on the Stock Exchange

Capitalization from 2 January 2001 to 28 March 2002



Number of shares traded

(in euro)

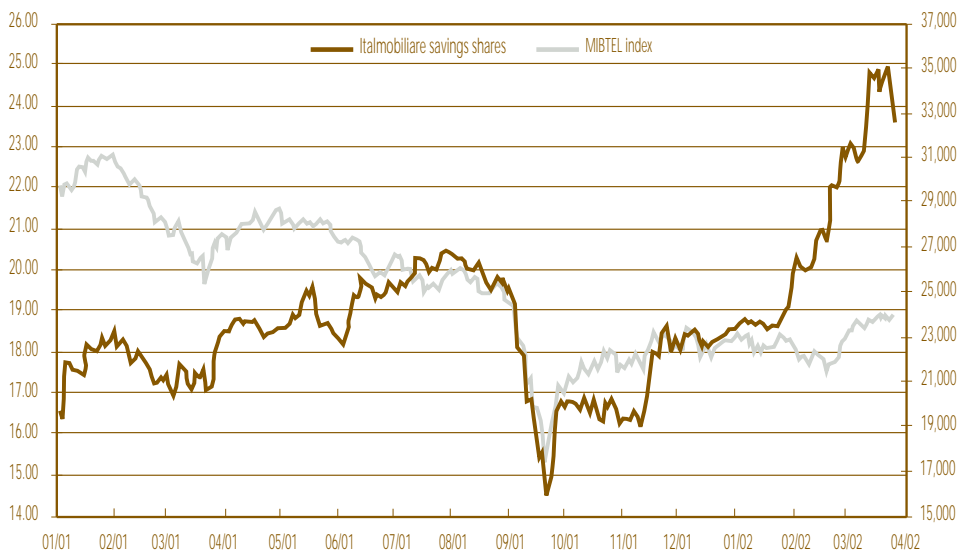
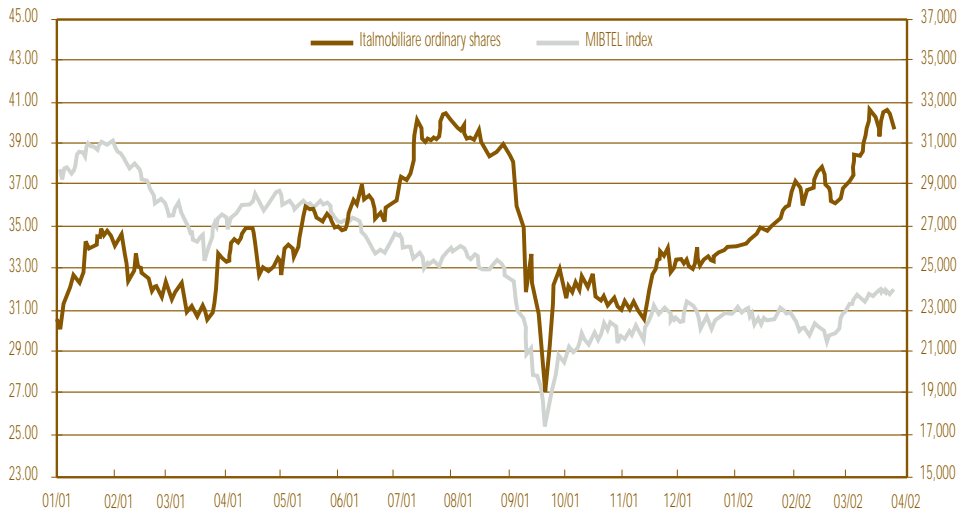
Date	Ordinary shares			Savings shares		
	Number of shares traded	Average monthly price	Average traded	Number of shares traded	Average monthly price	Average traded
January 2001	889,500	32.86	29,229,597	1,581,900	17.77	28,107,389
February	383,800	32.85	12,607,734	513,650	17.79	9,139,730
March	881,900	31.62	27,882,001	1,029,150	17.62	18,130,467
April	493,850	33.76	16,672,035	602,350	18.59	11,195,820
May	1,490,700	35.33	52,667,566	1,718,800	19.01	32,671,538
June	1,047,500	35.79	37,494,859	1,250,300	19.18	23,975,486
July	1,054,650	38.32	40,417,525	879,900	19.92	17,524,600
August	228,950	39.14	8,960,415	330,050	19.97	6,592,085
September	421,300	32.21	13,571,376	1,473,350	16.38	24,132,139
October	250,650	31.82	7,975,339	751,800	16.64	12,513,392
November	373,600	32.25	12,050,210	881,850	17.54	15,464,913
December	145,750	33.40	4,867,889	452,800	18.32	8,296,082
January 2002	455,964	35.12	16,014,337	697,354	18.83	13,129,200
February	321,103	36.79	11,812,626	1,616,873	21.13	34,170,773
March	524,226	39.71	20,816,376	1,522,843	24.06	36,643,780



Italmobiliare share prices from 2 January 2001 to 28 March 2002

(in euro)

	maximum		minimum		01.02.01	03.28.02	performance
Ordinary shares	40.56	03.15.02	26.90	09.21.01	30.52	39.64	29.88%
Savings shares	24.97	03.25.02	14.47	09.21.01	16.52	23.50	42.28%
MIBTEL index	31,148	01.31.01	17,382	09.21.01	29,834	24,091	-19.25%



Consolidated financial statements

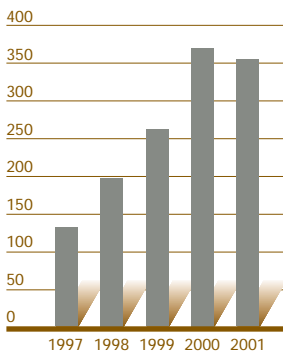




Directors' report

General overview

Total net result
(including minority interests)
in millions of euro



At 31 December 2001 the consolidated financial statements of Italmobiliare Group showed net income before minority interest of 353 million euro and Group net income of 143 million euro, compared to 369 million euro and 187 million euro respectively at the end of 2000.

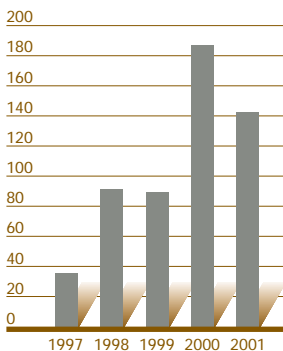
The main figures related to the year ended on 31 December 2001 were as follows:

- **Operating income** 653 million euro (526.7 million euro in 2000);
- **Financial income and charges**, net 6.5 million euro (61.5 million euro in 2000);
- **Value adjustments of financial assets and net non-recurring items charges** have a negative balance of 57.1 million euro (compared to a positive balance of 14.9 million euro in 2000);
- **Income before minority interest** of 353.4 million euro (368.9 million euro in 2000);
- **Group net income** of 143.1 million euro (186.6 million euro in 2000).

Consolidated income for 2001 was helped by a marked improvement in business, especially that of Italcementi, that saw operating income rise by 24%* compared to 2000. On the other hand, non-business items were lower, mainly because of large write-downs on some listed equity investments and significant non-recurring charges mainly related to restructuring and industrial reorganization costs.

Group results

Group net result
in millions of euro



The Italcementi group, Italmobiliare's largest industrial subsidiary, albeit in a year that saw a marked slowdown in the world economy, achieved a significant increase in results and further growth.

Group net income was 201 million euro, up 23.8% compared to 2000**.

Consolidated net sales were 4,063 million euro, up 6.6% from 2000.

This performance, which was also clear in terms of operating profits, depended on the positive trend in the construction sector in almost all the markets where the group operates and which were only marginally affected by the poor economic climate. Investments in fixed assets in the construction sector followed a positive trend in North America and in the euro zone, with the exception of France and Belgium. Trends were also positive in almost all the emerging markets, with the exception of Turkey that experienced a major economic crisis.

* excluding the effects of the voluntary asset revaluations undertaken by Italcementi S.p.A. in 2000, the increase in operating income would be 15.9%

** excluding the effects of the voluntary asset revaluations undertaken by Italcementi S.p.A. in 2000, the increase in net results would be 9.4%



The group continued its expansion strategy in emerging countries with high-growth potential:

- in India, the third largest cement market in the world, with an equity investment of 69 million euro, in January it realized a 50/50 joint venture with Zuari Industries Ltd, named Zuari Cement Ltd;
- in Egypt, with an equity investment of 279 million euro, at the year-end it held 31.2% of the Suez Cement Company, the leading Egyptian cement group with a 8.5 million metric ton production capacity.

Italcementi S.p.A., through the transfer to the subsidiary Italgen S.p.A. of the electric power production and distribution unit, undertook a project aimed at increasing its presence in the sector, maximizing the value of the assets currently owned as well as ensuring greater competition in the supply of energy.

The results of the other business segments may be summarized as follows:

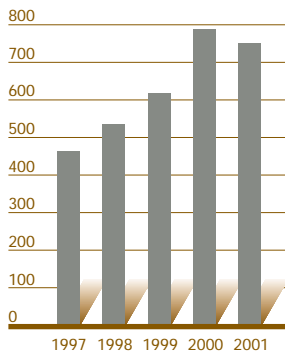
- Sirap Gema group (food packaging and thermal insulation): consolidated net loss of 4.2 million euro compared to a profit of 2.7 million euro in 2000. The negative result for the year is entirely due to the costs incurred in restructuring the thermal insulation materials sector, only partially offset by the solid performance of the packaging sector;
- SAB group (public road transport): consolidated net income of 9.6 million euro compared to 4.3 million euro in 2000, an improvement due to non-recurring income realized in the period;
- the parent company Italmobiliare and its financial subsidiaries made a positive contribution, even if lower than the previous year, which featured some particularly favorable events. In 2001 a major capital gain was achieved on the sale of the equity investment in Montedison which was offset by the significant write-downs of some listed shareholdings, because of the downturn in the share markets.

In particular the main financial companies recorded the following results:

- Italmobiliare International Finance Ltd (main financial company of Italmobiliare, operating in international capital markets): net income of 18.8 million euro compared to 18 million euro in 2000;
- Société de Participation Financière Italmobiliare S.A. (holding for key equity investments and liquidity): loss of 21.7 million euro compared to a profit of 19 million euro in 2000;
- Fincomind group (including Finter Bank Zürich and Finter Bank France): consolidated net income of 0.9 million Swiss francs compared to 12.4 million in 2000.



Consolidated cash flows
in millions of euro



Significant events for the year

Italmobiliare accepted the public tender offer for Montedison shares made by Italernergia, selling its 3.04% stake for a total of 168.5 million euro and a capital gain at consolidated level of approximately 89.5 million euro.

An investment of 36.9 million euro was made for the acquisition of a stake in Banca Popolare di Bergamo-Credito Varesino.

Italmobiliare made an investment of 14 million euro, by acquiring 10% of Tredicimarzo S.r.l., a company which in its turn bought 1.99% of Mediobanca; the subsidiary, Fin.Priv. S.r.l., also took part in the transaction, and Italmobiliare invested a further 4.3 million euro in the company, raising its equity from 12.5% to 14.28%.

Italmobiliare, both directly and indirectly (through Intermobiliare), used 13.9 million euro for the purchase of Italcementi common shares, thus bringing its aggregate shareholding to 57.66% of the common share capital.

The Group invested 1.1 million euro in Newco.com S.p.A. (now BravoSolution S.p.A.) a company in the Italcementi group that is active in e-business, and took part in a share capital increase partly devoted to other investors, following which its equity investment fell to 9.62% from 10%.

Société de Participation Financière Italmobiliare undertook the main following operations:

- increased its equity investment in Dieci S.r.l. from 10 to 15.38%, by exercising on a pro-quota basis its pre-emption right on the shareholding sold by Montedison, by means of 12.5 million euro investment. Dieci S.r.l., as planned, subsequently incorporated Cartiere Burgo S.p.A., and at the same time took its name; because of this transaction the equity investment in Cartiere Burgo S.p.A. rose to 15.357%;
- acquired 0.94% of HdP, at an outlay of 31.7 million euro;
- took part in the share capital increases of Consortium S.r.l., in which it already held a stake, by investing 12.8 million euro. Following this increase, which other investors also took part in, the shareholding owned fell from 5% to 2.274%. Consortium S.r.l. currently holds, among other assets, 13.9% of Mediobanca.



Key consolidated figures

	(in millions of euro)		
	2001	2000	% change 2001/2000
Net sales	4,206.7	3,962.2	6.2
Added value	1,802.3	1,690.1	6.6
Gross operating profit (Ebitda)	1,048.7	947.4	10.7
<i>% of net sales</i>	24.9	23.9	
Amortization and depreciation	395.7	420.7	(5.9)
Operating income (Ebit)	653.0	526.7	24.0
<i>% of net sales</i>	15.5	13.3	
Financial income and charges	6.5	61.5	(89.5)
Value adjustments of financial assets and non-recurring items	(57.1)	14.9	n.s.
Income before taxes	602.4	603.1	(0.1)
Taxes	(249.1)	(234.2)	6.4
Income before minority interest	353.3	368.9	(4.2)
Minority interest	210.3	182.3	15.3
Group net income	143.1	186.6	(23.3)
Total shareholders' equity	3,714.0	3,500.3	6.1
Group shareholders' equity	1,542.7	1,432.9	7.7
Net debt	(1,701.9)	(1,535.3)	10.9
Investments in fixed assets	877.1	618.4	41.8
Cash-flow (income+amortization and depreciation)	749.0	789.6	(5.1)

n.s. = not significant

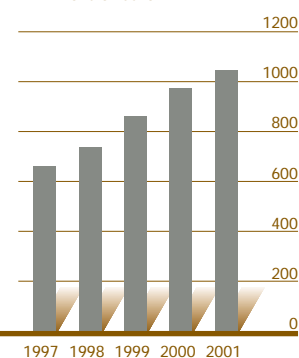
Summary of 4th quarter 2001 results

	Full year 2001	4 th quarter 2001	1 st Jan.-30 th Sept. 2001*
Net sales	4,206.7	1,034.6	3,172.1
% change from 2000	+6.2	+5.9	+6.2
Gross operating profit	1,048.7	262.2	786.5
% change from 2000	+10.7	+16.3	+8.9
<i>% of net sales</i>	24.9	25.3	24.8
Operating income	653.0	160.6	492.4
<i>% of net sales</i>	15.5	15.5	15.5
Financial income/charges	6.5	(31.2)	37.7
<i>% of net sales</i>	0.2	-3.0	1.2
Value adjustments of assets and non-recurring items	(57.1)	(24.9)	(32.2)
<i>% of net sales</i>	-1.4	-2.4	-1.0
Income before taxes	602.4	104.5	497.9
<i>% of net sales</i>	14.3	10.1	15.7
Income before minority interest	353.4	58.3	295.1
Group net income	143.1	10.0	133.1
<i>% of net sales</i>	3.4	1.0	4.2
Net debt (at period end)	(1,701.9)	(1,701.9)	(1,732.9)

* re-stated figures following the consolidation on a proportional basis of Zuari Cement Ltd; in previous interim reports for 2001, Zuari Cement Ltd was consolidated on a line-by-line basis

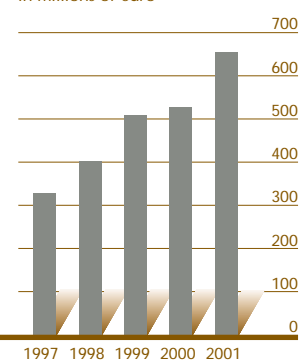
Consolidated gross operating profit

in millions of euro



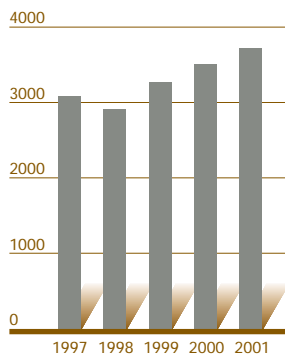
Consolidated operating income

in millions of euro





Total shareholders' equity in millions of euro



Net sales

The 6.2% increase compared to 2000, is due to:

- positive performance of the markets in which the Group operates (4.9%);
- changes in the consolidation area, in particular the consolidation on a proportional basis of the Indian company Zuari Cement Ltd, (1.1%);
- exchange rate changes (0.2%).

The following table gives a breakdown by business segment and geographical area in 2001 and 2000:

	(in millions of euro)					
	2001		2000		Change 2001/2000	
		%		%	%	%*
Geographical area						
European Union	2,998.2	71.3	2,811.8	71.0	6.6	6.5
<i>of which Italy</i>	1,358.1	32.3	1,258.1	31.8	8.0	7.9
North America	636.6	15.1	625.2	15.8	1.8	(1.3)
Other countries and trading	571.9	13.6	525.2	13.2	8.9	4.1
Total	4,206.7	100.0	3,962.2	100.0	6.2	4.9
Business segment						
Construction materials	4,058.9	96.5	3,807.8	96.1	6.6	5.3
Food packaging and thermal insulation	109.8	2.6	116.2	2.9	(5.5)	(5.5)
Transport	35.5	0.8	35.7	0.9	(0.6)	(0.6)
Other	2.5	0.1	2.5	0.1	-	-
Total	4,206.7	100.0	3,962.2	100.0	6.2	4.9

* at constant exchange rates and size

Gross operating profit and operating income

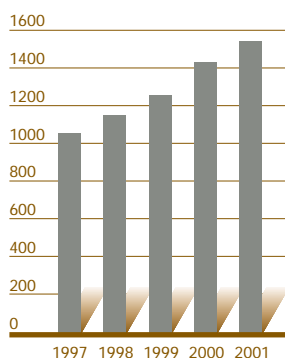
Gross operating profit and operating income increased by 10.7% and 24%** respectively which, when compared to the increase (6.2%) in net sales, represent, not only an increase in average unit sales, but also notable efficiency savings achieved mainly in the construction materials sector.

Financial income/charges

This heading includes financial income and charges strictly referred to the stocks of financial assets/liabilities, as well as capital gains or losses on the disposal of equity investments and other items of income (profits, dividends) of the companies that are not consolidated on a line-by-line basis.

** excluding the effects of the voluntary asset revaluations undertaken by Italcementi S.p.A. in 2000, the increase in operating income would be 15.9%

Consolidated shareholders' equity of the Group in millions of euro





The positive balance on financial income/charges fell to 6.5 from 61.5 million euro in 2000 mainly due to:

- higher foreign exchange translation losses (mainly linked to the devaluation of the Turkish lira);
- higher interest payments owing to the increase in debt stock;
- lower capital gains on the disposal of equity investments;
- other non-recurring financial charges.

Value adjustments of financial assets and non-recurring items

Value adjustments of financial assets resulted in a loss of 32.9 million euro compared to a loss of 5.5 million euro previously. The worsening situation is due to the poor performance of stock markets and refers mainly to IntesaBci shares for 19.5 million euro and HdP shares for 8.5 million euro.

Non-recurring income and charges

Non-recurring income and charges recorded a negative balance of 24.2 million euro from a positive balance of 20.4 million euro in 2000; in 2001 non-recurring charges were recorded in the accounts for the closure, as part of the Sirap Gema group, of the production facility at Manage (Belgium) and write-downs of assets, charges for organizational restructuring and other charges relating to the Italcementi group.

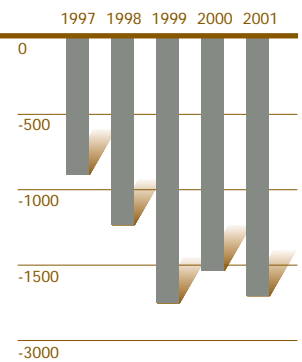
Net income

Net income before minority interest was 353.4 million euro down from 368.9 million euro in 2000, after taxes of 249.1 million euro (234.2 million euro in 2000).

Group net income, after minority interest of 210.2 million euro (182.3 million euro in 2000), was 143.1 million euro down by 23.3% compared to 2000**.

** excluding the effects of the voluntary asset revaluations undertaken by Italcementi S.p.A. in 2000, the fall in net income would be 26%.

Net financial position
(excluding floating rate subordinated securities)
in millions of euro





Key financial data

	(in millions of euro)		
	2001	2000	% Change 2001/2000
Net fixed assets	5,463.6	5,122.8	6.7
Working capital	827.4	811.7	1.9
Net invested capital	6,291.0	5,934.5	6.0
Shareholders' equity	3,714.0	3,500.3	6.1
<i>of which Group shareholders' equity</i>	<i>1,542.7</i>	<i>1,432.9</i>	<i>7.7</i>
Floating rate subordinated securities (net)	100.5	121.8	(17.5)
Provisions	774.6	777.1	(0.3)
Net debt	1,701.9	1,535.3	10.9
Total financing	6,291.0	5,934.5	6.0

Investments in fixed assets

Group investments in fixed assets in 2001 was 877 million euro (618 million euro in 2000), of which 359.6 million euro was for tangible and intangible fixed assets (mainly invested by the Italcementi group in Italy, France and the USA); 517.5 million euro was for financial investments in fixed assets.

Net debt

Net debt worsened to 1,701.9 million euro from 1,535.3 million euro in 2000, an increase of 166.6 million euro which, compared with the volume of investments in fixed assets set out above, highlights the Group's capability to create cash flow.



Net debt and cash flow

	(in millions of euro)	
	2001	2000
Opening net debt	(1,535.3)	(1,749.6)
Cash flow from operating activities	644.4	602.6
Investments in fixed assets		
- Intangible	(29.1)	(31.8)
- Tangible	(330.4)	(316.2)
- Financial (equity investments)	(517.1)	(266.5)
- Own shares	(0.4)	(4.0)
Total investments in fixed assets	(877.0)	(618.4)
Disposals		
- Proceeds from sale of fixed assets	41.8	44.0
- Proceeds from sale of equity investments	172.4	153.3
Total disposals	214.2	197.3
Total investments in fixed assets	(662.8)	(421.1)
Change in other financial fixed assets	(24.9)	(2.5)
Change in other equity investments	(9.8)	75.6
Dividends paid	(99.3)	(82.9)
Other	(14.2)	42.6
Change in net debt	(166.6)	214.3
Closing net debt	(1,701.9)	(1,535.3)

The debt/equity ratio (including the net value of floating rate subordinated securities) at 31 December 2001 was 48.53% (47.34% at 31 December 2000).

Shareholders' equity

Total shareholders' equity was 3,714 million euro, an increase of 213.7 million euro compared to 31 December 2000, due to 109.8 million euro for Group shareholders' equity and 103.9 million euro for minority interest. The effect due to exchange rate changes was positive and worth 29.5 million euro overall.



Performance by business segment and geographical area

Construction materials

This is the core business of Italmobiliare and includes the activities of the Italcementi group in the cement, ready mixed concrete and aggregates sectors.

Key consolidated figures

	2001	2000	(in millions of euro) Change % 2001/2000
Net sales	4,062.7	3,810.8	6.6
Added value	1,712.9	1,605.9	6.7
Gross operating profit	1,028.8	933.5	10.2
<i>% of net sales</i>	<i>25.3</i>	<i>24.5</i>	
Amortization and depreciation	374.4	400.2	(6.5)
Operating income	654.4	533.3	22.7
<i>% of net sales</i>	<i>16.1</i>	<i>14.0</i>	
Financial income and charges	(135.6)	(109.7)	23.6
Adjustments to asset values and non-recurring items	(13.7)	19.4	n.s.
Income before taxes	505.1	442.9	14.0
Income before minority interest	282.7	239.4	18.1
Minority interest	81.4	76.8	6.0
Group net income	201.3	162.6	23.8
Total shareholders' equity	2,930.5	2,745.5	6.7
Group shareholders' equity	2,070.5	1,911.0	8.3
Net debt	(1,866.8)	(1,665.3)	12.1
Investments in fixed assets	742.6	434.8	70.8
Cash flow (income+amortization and depreciation)	657.1	639.7	2.7

n.s. = not significant

The improved results were helped by an overall increase in business volumes, favorable average unit price trends and by the results achieved by the efficiency program introduced at Group level at the end of 2000. Thanks to this program significant savings estimated at approximately 33 million euro were achieved in 2001. These savings offset the effects of the still unfavorable trend in some production costs, especially fuel, electricity in many countries and transport.



Contribution to consolidated net sales

	(in millions of euro)					
	2001		2000		Change	
		%		%	%	%*
Business segment						
Cement	2,560.7	63.0	2,368.9	62.2	8.1	6.1
Ready mixed concrete and aggregates	1,310.6	32.3	1,230.2	32.3	6.5	6.4
Other	191.4	4.7	211.7	5.5	-9.6	-10.0
Total	4,062.7	100.0	3,810.8	100.0	6.6	5.3
Geographical area						
European Union	2,854.2	70.2	2,660.5	69.8	7.3	7.1
<i>of which Italy</i>	<i>1,251.7</i>	<i>30.8</i>	<i>1,155.2</i>	<i>30.3</i>	<i>8.4</i>	<i>8.3</i>
North America	636.6	15.7	625.2	16.4	1.8	-1.3
Emerging countries	512.3	12.6	485.3	12.7	5.6	0.5
Trading and other	59.6	1.5	39.8	1.1	49.8	46.6
Total	4,062.7	100.0	3,810.8	100.0	6.6	5.3

* at constant exchange rates and size

Furthermore, investments in fixed financial assets, of 417 million euro, were made, markedly up (303 million euro) compared to 2000, and mainly concerned the equity investments in Zuari Cement Ltd (50%) and the Suez Cement Company (31.2%) for a total of 350.4 million euro, as well as investments in intangible fixed assets of 28.1 million euro (31 million euro in 2000).

Net sales, gross operating profit and capital expenditure by country

	Net sales		Gross operating profit		Capital expenditure		Invested capital*	
	2001	change % from 2000	2001	change % from 2000	2001	2000	2001	2000
Italy	1,336.0	9.3	292.2	12.0	99.1	84.2	901.7	881.4
France	1,160.2	5.2	269.9	11.0	71.1	64.2	586.7	599.9
Belgium	189.9	1.9	51.3	(2.9)	19.3	20.6	721.9	720.0
Spain	248.1	10.7	65.7	3.0	21.3	16.0	409.6	407.6
Greece	79.8	13.4	25.3	25.7	7.7	4.1	64.6	61.3
North America	636.6	1.8	160.2	2.3	52.4	59.9	563.9	546.8
Turkey	124.4	(30.0)	9.6	(21.4)	8.4	8.2	248.8	277.9
Morocco	187.4	7.9	84.7	14.0	9.6	12.2	283.5	296.9
Bulgaria	61.5	13.2	12.3	56.7	8.7	16.1	151.7	156.3
Thailand	153.4	20.4	48.8	30.2	3.1	3.7	419.4	438.5
India	38.3	n.a.	7.8	n.a.	1.1	n.a.	88.0	n.a.
Trading and other	165.8	(5.6)	1.0	n.s.	1.4	0.8	53.7	32.6
Holding	-	-	-	-	-	-	447.3	454.5
Elimination of inter-country sales	(318.7)	(3.3)	-	-	-	-	-	-
Total	4,062.7	6.6	1,028.8	10.2	303.2	290.0	4,940.8	4,873.7

* net tangible and intangible fixed assets and working capital

n.a. = not available

n.s. = not significant



European Union

Italy

	(in millions of euro*)		
	2001	2000	1999
Net sales	1,336	1,222	1,065
Gross operating profit	292	261	198
Capital expenditure	99	84	61
Invested capital**	902	881	881
Personnel (heads) ***	5,026	5,058	5,159

* consolidated country data before infragroup eliminations

** net tangible and intangible fixed assets and working capital

*** including personnel of CTG S.p.A. in France and of the BravoSolution group

In 2001, cement sales benefited from the expansion which affected all sectors of the construction industry, as happened previously in 2000.

Group sales of hydraulic binders rose overall by 2.8% with a positive average sales price trend. This led to a clear improvement in operating results, despite the rise in cost of some items that partially eased in the second part of the year.

Ready mixed concrete consumption benefited from the positive trend in various construction sectors.

Overall net sales, helped also by sales prices that partially made up for the increase in cost of the main production factors, grew by approximately 9.2% leading to an improvement in operating results, which were also helped by the containment of fixed costs.

France

	2001	2000	1999
Net sales	1,160	1,103	1,048
Gross operating profit	270	243	240
Capital expenditure	71	64	74
Invested capital **	587	600	568
Personnel (heads) ***	4,036	3,989	3,899

* consolidated country data before infragroup eliminations

** net tangible and intangible fixed assets and working capital

*** excluding personnel of CTG S.p.A. working in France

In 2001 national cement consumption, at approximately 21 million metric tons, was in line with 2000.

Cement sales by Ciments Calcia S.A. on the national market followed market trends.

The growth in net sales reflects a positive trend in average sales prices.



The improvement in net sales and the actions to contain costs led to solid growth in operating results.

Consumption of aggregates and ready mixed concrete in 2001 followed a similar trend to cement.

Aggregate volumes achieved by GSM were 26.6 million metric tons, up approximately 2.2% compared to 2000, thanks in particular to the positive trend in the South-West region.

Ready mixed concrete sales at Unibéton, 4.5 million m³, rose by 3.3%, while they were stable on a constant basis.

Strong business levels and a clear improvement in sales prices, which made up for the increase in some variable production costs, led to an improvement in operations in both sectors.

Belgium

(in millions of euro*)

	2001	2000	1999
Net sales	190	186	187
Gross operating profit	51	53	50
Capital expenditure	19	21	13
Invested capital **	722	720	640
Personnel (heads)	603	662	663

* consolidated country data before infragroup eliminations

** net tangible and intangible fixed assets and working capital

Overall the cement market fell by approximately 5.7% compared to the high level of consumption recorded in the previous year.

Cement sales at Compagnie des Ciments Belges (CCB) remained largely stable, thanks to higher levels of export. However, operating results were penalized by the increase in fuel costs, that was worsened by an unfavorable mix, partly linked to the extraordinary use of alternative fuels in 2000 and partly caused by contingent production requirements.

As for the aggregates market, less dynamic than in 2000, CCB sales fell, while in the ready mixed concrete sector, the favorable location of the batching units allowed the company to contain the fall in sales volumes compared to the market trend.

The growth of average sales prices in both the aggregates and ready mixed concrete sectors led to a slight increase in net sales.



Spain

	(in millions of euro*)		
	2001	2000	1999
Net sales	248	224	209
Gross operating profit	66	64	64
Capital expenditure	21	16	15
Invested capital **	410	408	414
Personnel (heads)	823	815	818

* consolidated country data before infragroup eliminations

** net tangible and intangible fixed assets and working capital

The continued strong growth in the construction sector, the most dynamic part of the Spanish economy in 2001, once again led to a new record in cement consumption which, at 41.8 million metric tons, rose by 8.8% compared to the already high levels of the previous year.

The improvement in cement and ready mixed concrete volumes and the positive trend in sales prices caused a marked rise in net sales. The supply of clinker by third parties and the sharp rise in fuel costs, however, held back the increase in operating results.

Greece

	2001	2000	1999
Net sales	80	70	64
Gross operating profit	25	20	16
Capital expenditure	8	4	2
Invested capital **	65	61	58
Personnel (heads)	313	306	315

* consolidated country data before infragroup eliminations

** net tangible and intangible fixed assets and working capital

In 2001 the Greek economy, boosted by public investment, EU financing and works for the 2004 Olympic Games, achieved one of the highest growth rates in the European Union.

National cement consumption, at approximately 9.3 million metric tons, grew by 4.5%. Against this favorable background, Halyps favored more profitable national cement sales, which increased markedly, to exports.

The Group's aggregates and ready mixed concrete business also benefited from the positive trend in the market.

The higher percentage of national cement sales and the improvement in sales prices in all sectors led to a marked increase in net sales. Efficiency gains and cost containment also led to an even more marked increase in operating results.



North America

	(in millions of euro*)		
	2001	2000	1999
Net sales	637	625	546
Gross operating profit	160	157	161
Capital expenditure	52	60	53
Invested capital **	564	547	506
Personnel (heads)	1,547	1,557	1,571

* consolidated country data before infragroup eliminations

** net tangible and intangible fixed assets and working capital

Despite the slowdown in the American economy, the construction sector saw growth of 2.5% thanks to a good performance in the residential sector and the growth of investments connected to public works projects; overall cement consumption in the United States grew by an estimated 3%.

Essroc's cement sales fell slightly compared to 2000, while sales prices were overall unchanged on 2000 despite strong competitive pressures in some markets.

On a constant exchange rate basis, the trend in net sales followed that of volumes. The reduction in logistic costs and commercial and administrative fixed costs partially made up for the increase in energy costs; operating results, expressed in the local currency, dropped compared to 2000.

Emerging countries

Turkey

	2001	2000	1999
Net sales	124	178	163
Gross operating profit	10	12	25
Capital expenditure	8	8	11
Invested capital **	249	278	281
Personnel (heads)	1,040	1,171	1,246

* consolidated country data before infragroup eliminations

** net tangible and intangible fixed assets and working capital

In 2001 Turkey experienced its deepest economic and financial crisis since the end of the Second World War, with a major devaluation of its currency and the start of a period of recession.

The cement market, after a period of crisis, had shown signs of recovery in the second half of 2000. The new crisis in 2001 interrupted this process, leading to a fall in consumption of approximately 25% compared to 2000.



National cement sales volumes for the group fell by 23.4%, only slightly offset by exports. In the face of a major devaluation, Set group's efforts were focused on improving industrial performance.

Group sales in the aggregates and ready mixed concrete sectors reflected a similar trend to that of the cement sector.

The fall of volumes and sales prices in real terms pushed down operating results, despite the improvement in industrial performance and the effect from the reduction of costs expressed in euro.

Morocco

	(in millions of euro*)		
	2001	2000	1999
Net sales	187	174	140
Gross operating profit	85	74	57
Capital expenditure	10	12	15
Invested capital **	283	297	302
Personnel (heads)	1,036	1,066	1,074

* consolidated country data before infragroup eliminations

** net tangible and intangible fixed assets and working capital

The cement market benefited in 2001 from public investment in infrastructure and public accommodation.

National sales by Ciments du Maroc, helped also by the results achieved by the reorganization of the logistics process and the development of special products, grew by 8.2%.

Against a background of increased competition, the group's business increased by 1.8% in the aggregates sector and by 11.1% in the ready mixed concrete sector, thanks also to the installation of two new plants.

The increase in sales prices in the cement sector at the start of the year, the increase in volumes and the containment of costs all contributed to sound growth in net sales and a marked rise in results.

Bulgaria

	2001	2000	1999
Net sales	61	54	48
Gross operating profit	12	8	7
Capital expenditure	9	16	14
Invested capital **	152	156	119
Personnel (heads)	1,018	1,116	1,378

* consolidated country data before infragroup eliminations

** net tangible and intangible fixed assets and working capital



Despite the approximate 4% increase in GDP in 2001 the construction sector stayed relatively unchanged compared to 2000, as did cement consumption at 1.4 million metric tons.

The group maintained its position as the leading cement producer in the country with a significant market share. Overall sales increased by 9% compared to 2000.

Net sales, helped by a rigorous sales policy, benefited from the marked increase in average sales prices.

The great increase in net sales and the containment of production costs led to a strong growth in operating results.

Thailand

	(in millions of euro*)		
	2001	2000	1999***
Net sales	153	127	62
Gross operating profit	49	38	19
Capital expenditure	3	4	11
Invested capital **	419	438	475
Personnel (heads)	1,509	1,589	1,801

* consolidated country data before infragroup eliminations

** net tangible and intangible fixed assets and working capital

*** figures include Asia Cement as from 1 September 1999

In 2001 the economy saw a slight recovery and cement consumption grew by 3.2% compared to 2000.

The national cement sales of Asia Cement Public Co. (ACC) and Jalaprathan Cement Public Co. (JCC) rose by 16.5% compared to 2000 and a marked increase was seen in clinker volumes for export.

The increase in volumes and, less so, sales prices, as well as the containment of production costs, led to a marked increase in net sales and operating margins in 2001.

India*

	(in millions of euro**)
	2001
Net sales	38
Gross operating profit	8
Capital expenditure	1
Invested capital ***	88
Personnel (heads)	313

* Zuari Cement Ltd was consolidated on a proportional basis

** consolidated country data before infragroup eliminations

*** net tangible and intangible fixed assets and working capital



The group has been present in India since the beginning of 2001 following the 50/50 joint venture with Zuari Industries Ltd in Zuari Cement Ltd, a company that owns a cement plant in the south of the country with an annual production capacity of approximately 2 million metric tons.

Despite the fact that national cement consumption improved noticeably compared to 2000, the market where the group operates remained largely unchanged.

Nonetheless, Zuari Cement Ltd's sales volumes rose.

In 2001 Zuari Cement Ltd obtained satisfactory operating results and benefited from a large increase in sales prices compared to 2000.

The purchase in January 2002 of Sri Vishnu Cement Ltd, a company that works in the northern part of the State of Andhra Pradesh, increased the group's production capacity to approximately 3 million metric tons and gave it access to the Hyderabad market, thus raising its commercial profile.

Kazakhstan

The strong economic recovery that was already underway in 2000 continued in 2001. Cement consumption, helped by the positive trend in the construction sector, was 1.6 million metric tons. Against this background, sales volumes at Shymkent Cement rose from 260 thousand metric tons in 2000 to 334 thousand metric tons in 2001. In 2001 initiatives continued to protect the environment and improve product quality.

Energy project

At the end of 2001 Italcementi S.p.A. transferred the electric power production and distribution unit to the subsidiary Italgem S.p.A. The objective of this transfer is to ensure greater competition in the supply of energy, increase the group's presence in the sector and maximize the value of the assets currently owned.

The plan foresees the revamping of the existing thermoelectric plants, the enhancement of other group industrial sites which lend themselves to the construction of new facilities, and the expansion of the hydroelectric plants in order to increase the production of renewable energy.

The major capital expenditure planned for the project will be met by Italcementi in cooperation with one or more national and international partners.

Group e-business initiatives

The group operates in this sector through BravoSolution S.p.A., formerly Newco.com S.p.A., a company set up in June 2000, which has reinforced its leadership of the construction sector, offering e-commerce B2B services and content through its vertical BravoBuild.com portal. During the year there was a marked and continuous increase in the sales of services.



As confirmation of the European nature of the initiative, the French (BravoBuild France S.a.s) and Spanish (Bravo Build España S.A.) subsidiaries launched their own services and subsequently started an intense commercial penetration stage.

In 2001, BravoSolution S.p.A. and its two subsidiaries ended the year with an overall loss of 7.6 million euro. This result, which was in line with forecasts, includes the economic impact of the capital expenditure undertaken and the costs encountered in the launch and development stages of the project.

Ecology, environment and safety

In 2001 joint projects continued on safety, quality and the environment, which aim to ensure greater consistency of action among the group companies on these issues. The objective of making safety a group-wide value was achieved as early as 2000 with the launch of the "Zero accidents" injury-prevention project, designed to promote a real safety corporate culture.

In 2001 the group was also very active worldwide in the environmental field. It began action to define basic principles for the environmental policies of all the companies in the group and for coordination of the initiatives undertaken in this field.

Engineering, technical support, research and development (CTG S.p.A. - Centro Tecnico di Gruppo, Group Technical Center)

In keeping with its mission, as in the past, CTG S.p.A. worked for group companies undertaking research, engineering, support for the construction of new plants and the modernization of existing facilities, assistance in the operation and maintenance of production facilities and R&D projects.

The main plant design and installation projects were the new cement plant in Italy as well as the advancement of studies to enhance production facilities at the group's American cement plants.

In the assistance area, note should be made of the work to improve the quality of products, production and technology and to start-up and/or equip new facilities.

The transfer of technology for self-compacting ready mixed concrete continued and entered the marketing stage; and the system for self-compacting ready mixed concrete for the prefabrication industry and new self-leveling mortars was launched.

At 31 December 2001, the company had 399 employees (410 employees at 31 December 2000), of whom 275 worked at the Bergamo, Italy, office and 124 at Guerville, France.



Parent company results

Italcementi S.p.A. ended 2001 with net income of 122.6 million euro, an increase of 40.3% compared to 2000 (net income of 87.4 million euro).

Key financial statements

	(in millions of euro)		
	2001	2000	Change % 2001/2000
Net sales	839.7	749.2	12.1
Added value	383.1	337.6	13.5
Gross operating profit	247.8	206.6	
<i>% of net sales</i>	<i>29.5</i>	<i>27.6</i>	<i>19.9</i>
Amortization and depreciation	62.5	97.2	(35.8)
Operating income	185.3	109.4	69.3
<i>% of net sales</i>	<i>22.1</i>	<i>14.6</i>	
Financial income and charges	22.7	22.4	1.1
Adjustments to the value of financial assets	(4.5)	(1.9)	135
Non-recurring income and charges	(0.8)	12.6	n.s.
Income before taxes	202.7	142.5	42.2
Net income for the year	122.6	87.4	40.3
Shareholders' equity	1,767.1	1,699.1	4.0
Net debt	(333.3)	(325.6)	2.4
Investments in fixed assets	156.4	114.5	36.6
Cash flow (income+amortization and depreciation)	185.1	184.7	0.2

n.s. = not significant

Significant post balance sheet events

At the start of 2002 Zuari Cement Ltd acquired from India Cement approximately 95% of Sri Vishnu Cement Ltd on the basis of an enterprise value of approximately 80 million USD. At the beginning of February the Group bought for approximately 20.9 million USD, the company Marmara Cimento which owns a terminal with a cement grinding plant with a capacity of approximately 700 thousand metric tons, located near the facility it already owns at Ambarli. The initiative will allow the Group to strengthen its position in the Istanbul market.

In February the Asia Cement Public Company's Board of Directors passed a resolution to make a public tender offer for 75.6 million shares in the company Jalaprathan Cement Public Company, equivalent to 63% of the share capital at a price of 15 baht per share (approximately 0.39 euro). The public offer ran from 25 February to 1 April 2002.

Ciments Français acquired a further 2.8% of the share capital of the Suez Cement Company by purchasing shares held by employees for a total investment of approximately 22.7 million USD.



Essroc Cement announced an agreement to purchase Riverton Investment Corporation, known in the USA under the brand of Capitol Materials Corporation, a cement plant with a production capacity of 750 thousand metric tons annually, on the basis of an enterprise value of 107 million USD.

Outlook

The uncertainty about the global economy, following the slowdown in 2001, continues despite the first signs of recovery from the United States.

In this scenario the markets where the Group operates will not perform uniformly.

In the European Union a slowdown is expected in France and Belgium, while growth should continue in Spain, Italy and Greece, albeit at a slower pace.

In North America the positive trend in public investment should continue, but its impact might not make up for the slowdown in the residential and non-residential construction sectors.

In Asia the markets where the Group operates could improve slightly. Among the other emerging countries, Turkey should finally recover from the serious crisis of 2001; however, investment levels in construction will remain much lower than before the crisis. In Morocco the trend should remain positive and in Bulgaria signs of recovery may emerge; our business in the latter country will, nonetheless, feel the impact of the fall in exports to the North American market.

Against this background the Group will continue its cost cutting program, both through organizational restructuring measures and by maintaining its industrial efficiency and energy saving targets.

Subject to unforeseeable events, Group results should be in line with 2001.



Food packaging and thermal insulation

Sirap Gema S.p.A. and its subsidiaries are active in the food packaging and thermal insulation sectors with five production facilities, of which one is in France.

Summarized consolidated figures are as follows:

	(in millions of euro)		
	2001	2000	Change
Net sales	109.8	116.2	(5.5)
Added value	39.4	38.3	2.9
Gross operating profit	15.9	12.8	3.1
Amortization and depreciation	6.7	6.2	0.5
Operating income	9.2	6.6	2.6
Financial income and charges	(2.2)	(1.3)	(0.9)
Non-recurring income and charges	(11.1)	0.1	(11.2)
Taxes on income	0.1	2.7	(2.6)
Net income for the year	(4.2)	2.7	(6.9)
Net cash flow	2.5	8.9	(6.4)
Investments in tangible assets	11.2	12.9	(1.7)
Net invested capital	66.7	60.8	5.9
Group shareholders' equity	19.4	23.9	(4.5)
Net debt	(37.8)	(28.7)	(9.1)
Personnel (heads)	579	669	(90)

2001 saw a wide-scale restructuring of the thermal insulation sector. In the first half of the year the worsening market conditions in central Europe and the lack of competitiveness at the facility in Manage led to the decision to go ahead with the closure of this production facility and to the sale of the commercial activities connected to it.

On 30 June the plant finished all production activity and the redundancy plan agreed with the union representatives was put into action. In the second half operations to sell off the assets and to reorganize the commercial network were launched: the German trading company Sirap Gema GmbH was put into liquidation, while a commercial presence was maintained in the markets of South-West France, the Benelux countries and Great Britain largely through agents and distributors co-ordinated by the Italian sales division.

This extraordinary operation had a significant impact on the income statement and on the financial structure causing a net loss of 4,208 thousand euro, compared to a net profit of 2,677 thousand euro in the previous year, and increased net debt.

Nonetheless, it should be noted that the choice made led to a significant improvement in operating income (+39%) which was only penalized in the first half by the poor performance of the Belgian thermal insulation sector, while it was assisted by the positive trend in other sectors.



Food packaging

Italy

(in millions of euro)

	2001	2000	1999
Net sales	41.8	40.7	35.7
Gross operating profit	10.6	9.4	8.9
Net invested capital	32.1	27.5	27.5
Investments in fixed assets	5.5	8.6	3.8
Personnel (heads)	291	288	272

At the start of 2001 the Italian market recorded a significant reduction in red meat consumption following the well-known health problems caused by the BSE epidemic. This alarm subsequently faded and in the second half of the year there was an increase in demand.

For Sirap the repercussions of this event were cushioned by a strong presence in the packaging sector for alternative meats to bovine and by a trend in raw material prices that stayed favorable throughout 2001.

Thus sales were at the levels of 2000 and gross operating profit rose by 12.8%.

Investments in fixed assets were aimed at installing other lines to produce absorbent trays (Activopack) and to improve storage structures.

France

	2001	2000	1999
Net sales	24.9	22.0	16.9
Gross operating profit	4.2	3.3	1.8
Net invested capital	11.4	8.9	7.3
Investments in fixed assets	2.3	1.4	3.6
Personnel (heads)	110	101	94

The French market shook off the effects of BSE sooner than the Italian market.

So the start of 2001 experienced the tail end of the decline and demand, especially from major retailers, was at decidedly higher levels than in 2000, which allowed positive price levels to be maintained.

Sales increased by approximately 13% and gross operating profit, helped also by the favorable trend in raw material costs, by 27%.

Investments in fixed assets concerned the purchase of a thermoforming line to produce absorbent trays and to modernize extrusion facilities for the mixing and storage of raw materials.



Thermal insulation

Italy

	(in millions of euro)		
	2001	2000	1999
Net sales	25.0	20.3	18.1
Gross operating profit	2.9	2.4	4.8
Net invested capital	15.5	9.1	9,0
Investments in fixed assets	5.4	1.3	0.9
Personnel (heads)	113	107	108

Following restructuring, the Italian organization in this sector was strengthened both in terms of production capacity and commercial control of foreign markets that was transferred directly under Italian responsibility. Investments in fixed assets and net invested capital of the Italian facility include the transfer of part of the Belgian facilities to Italy for a total of about 3 million euro.

The new structure only became fully operational at the start of 2002.

In Italy the thermal insulation market saw an upward trend in demand thanks to the growth of the construction sector. In this sector note should be made of the increase in sales of products destined for specific applications, while for traditional insulation panels strong competition led to price levels that were on average lower than in 2000.

Sales thanks in part to the contribution from overseas sales from October, were markedly up (23.1%), as was gross operating profit (20.8%).

Research and Development

The Research and Development sector continued to focus on polymeric foams, new expanding gases, lamination and sintering techniques for expanding polymers.

These activities bore fruit in 2001 with the development of new products, some of which have been patented.

Parent company results

The results of the parent company, a loss of 4,731 thousand euro, were affected by the restructuring process started in the thermal insulation sector.



Outlook

2002, no longer affected by the negative impact of the restructuring process on the thermal insulation sector, should see better results both at the level of operating income as well as in the net results.

Nevertheless it must be noted that the economic recovery, which is causing a rise in demand, already seems to be having a negative effect on the cost of polymeric materials. If this trend should be confirmed together with a fall in sale prices, it would lead to erosion of operating margins.

Services

Public transport

The Group is active in the public transport sector in northern Italy through SAB Autoservizi S.r.l. and its controlled companies. Besides the traditional controlled companies SIA S.p.A. and SAL S.r.l., from 1 January 2001 the Group includes SAIA Trasporti S.r.l. and KM S.p.A. set up with operators in the sector and operational in the provinces of Brescia and Cremona through the contribution of the business activities of SAIA Bus S.r.l.

Furthermore, from the same date the associated company Trieste Trasporti started its operations. It manages urban transport in Trieste and is under the management control of SAB.

Key consolidated figures

(in millions of euro)

	2001	2000	Change
Net sales and grants for operating expenses	78.9	79.2	(0.3)
Gross operating profit	11.7	12.1	(0.4)
Amortization and depreciation	8.4	7.5	0.9
Operating income	3.3	4.6	(1.3)
Financial income and charges	1.1	0.9	0.2
Non-recurring income and charges	5.3	(1.1)	6.4
Net income for the year	9.7	4.3	5.4
Net cash flow	18.0	11.8	6.2
Investments in tangible assets	21.3	26.9	(4.0)
Group shareholders' equity	40.8	32.0	8.8
Net debt	24.5	25.0	(0.5)
Personnel (heads)	1,072	1,080	(8)



The main operating figures of the sector are as follows:

	12.31.2001	12.31.2000	Change
Number of buses	1,051	921	130
Routes traveled (km)	39,942,857	35,243,009	4,699,848
Passengers carried (no.)	44,611,707	36,818,545	7,793,162
Length of trip (passengers per km)	730,899,981	704,340,416	26,559,565

The figures for 2001, which are not entirely comparable with 2000 because of the aforementioned changes in structure, show gross operating profit fall by approximately 3% because of increases in the cost of labor, connected to the developments in the national collective contract, and insurance premiums that were only partially compensated for by the fall in the cost of petrol. The completion of the important renewal program of the bus fleet that started in 2000, led to an increase in amortization costs and a subsequent further reduction in profitability.

Nonetheless, net income reached a level more than twice that of 2000 thanks to significant non-recurring income due to, among others, capital gains on the equity operations undertaken.

In 2001 the Group concentrated on the operational launch of the new companies and on assessing, with the help of external consultants too, more fitting solutions to meet effectively the great changes that are now looming in the sector.

Indeed the process of reforming public transport began in 1997 with the issue of Legislative decree no. 422 and should be complete in Lombardy and Liguria from 1 January 2003 and in other regions from the start of 2004.

In particular for Lombardy, the Group's main area of business, the current concession regime should end on 31 December 2002. By that date the tender procedures for the assignment of operations must be launched and completed, through the stipulation of long-term service contracts, for transport networks in the areas identified by the provinces.

Parent company results

In 2001 the parent company recorded net income of 3,079 thousand euro (following amortization and depreciation of 3,224 thousand euro) compared to 2,553 thousand euro in 2000 (following depreciation of 2,945 thousand euro).

The Shareholders' meeting will be asked to resolve a distribution of an extraordinary dividend of 5,062 thousand euro by means of a sufficient withdrawal from back reserves.



Significant post balance sheet events

- A statement of understanding was signed by the largest public and private local transport companies operating in Brescia and its province, in expectation of the establishment of a consortium company that is delegated to take part, in the name of all the companies that signed the statement, in the tenders that will be launched in the territory of Bergamo.
- SAB won a tender organized by Riviera Trasporti for the supply, as a subcontract, of a network of 1,000,000 km routes traveled, expandable up to 2,000,000 km, for a period of five years.

Outlook

The development of the Group's business will be mainly devoted to the arranging of tenders for the award of areas already under management.

As for the economic outlook it may be forecast that the net result will be lower than that for 2001 which was strongly affected by significant non-recurring income.

Financial sector

This sector includes the financial companies over which Italmobiliare has, directly or indirectly, full control.

Italmobiliare International Finance Limited (Dublin)

This company is the main financial company of the Group. It operates in international capital markets and provides financial support to the Group's foreign companies.

Its main financial figures are as follows:

	(in millions of euro)	
	2001	2000
Financial income and charges	22.8	21.7
Write-downs	(1.2)	(0.8)
Operating costs, amortization and depreciation	(0.8)	(0.4)
Net income for the year	18.8	18.0
Net shareholders' equity	454.7	435.9
Net financial position	450.3	432.5



The company recorded net income of 18.8 million euro, an improvement compared to 2000 (+4.3%). This growth, that was achieved despite the absence of income from equity investments – sold in 2000 – depended on improved profitability in the management of financial activities which enabled the company to go beyond both the money market parameters and the key benchmarks (comparable mutual bond funds), while respecting Group restrictions regarding minimum acceptable credit standing.

The net financial position at 31 December 2001, of 450.3 million euro, improved on the previous year.

Fincomind group (Zürich)

The Fincomind group, mainly formed by Finter Bank Zürich and Finter Bank France, recorded consolidated net income at 31 December 2001 of 894 thousand Swiss francs, notably down on 2000, at 12.3 million Swiss francs.

2001 was a particularly difficult year for private banking units and for their customers. The period of recession that hit the main world economies, and started at the beginning of 2001, continued during the year until reaching its peak after the tragic events of last September. This had a hard negative impact on the choices and decisions of operators in the sector.

The financial results recorded by the Group must be considered in this light and are recorded as follows:

	(in thousands of Swiss francs)		
	2001	2000	Change 2001/2000
Net interest income	13,456	16,805	(3,349)
Commissions and services	43,100	56,111	(13,011)
Trading and other income	6,515	9,746	(3,221)
Total income from operations	63,071	82,662	(19,591)
Operating costs	(56,806)	(57,752)	946
Gross operating profit	6,265	24,910	(18,645)
Write-downs, provisions and losses	(301)	(2,748)	2,447
Amortization and depreciation	(3,982)	(4,213)	231
Operating income	1,982	17,949	(15,967)
Non-recurring income and charges	174	(1,757)	1,931
Income before taxes	2,156	16,192	(14,036)
Income taxes	(1,262)	(3,840)	2,578
Minority interest	-	(1)	1
Group net income	894	12,351	(11,457)
Shareholders' equity	86,947	87,855	(908)

Finter Bank Zürich ended 2001 with a consolidated net income of 7.2 million Swiss francs compared with 20.2 million Swiss francs in 2000, a reduction mainly caused by a marked fall in income only partially offset by a contraction in operating costs.

Shareholders' equity was 96.9 million Swiss francs, compared to 104 million Swiss francs last year, a fall caused by the partial distribution of income realized in 2000.



Total assets managed amounted to approximately 4.7 billion Swiss francs, better than at 30 September 2001, but lower than the 4.9 billion Swiss francs of 31 December 2000, changes that may be largely attributed to the variable market performance in the periods given.

2001 was another difficult year for Finter Bank France: the crisis in the financial markets had a considerable impact on the profitability of the private banking business. Furthermore, the process of repositioning the banking activity, started some years ago, is still not completed, with an inevitable pressure on overall profitability. This situation has required adequate provision by shareholders to achieve a breakeven result.

The parent company Fincomind ended 2001 with net income of 4.2 million Swiss francs compared to 1.6 million in the previous year, by virtue above all of increased dividends, referring to 2000, paid out by the subsidiary company Finter Bank Zürich. Fincomind's net financial position totaled 32 million Swiss francs, a fall of 8 million Swiss francs compared to 31 December 2000.

Although the situation of the financial markets is expected to remain unstable and the private banking sector operates in an increasingly competitive environment, the economic forecasts for 2002 are cautiously optimistic, considering the asset-finance structure and above all the assets under management at Finter Bank Zürich.

Société de Participation Financière Italmobiliare S.A. (Luxembourg)

The company holds some important equity investments, including HdP, IntesaBci, Mediobanca, Poligrafici Editoriale, Fincomind S.A., Consortium S.r.l., Cartiere Burgo, and also manages significant liquid funds.

Its main financial figures for 2001 and 2000 are set out below:

	(in millions of euro)	
	2001	2000
Financial income and charges	13.2	19.2
Write-downs and revaluations	(34.4)	0.8
Operating costs, amortization and depreciation	(0.6)	(0.6)
Net income	(21.7)	19.0
Equity investments	155.2	127.7
Shareholders' equity	242.0	263.7
Net financial position	87.7	135.4

The company recorded a loss of 21.7 million euro compared to a profit of 19 million euro in 2000. The poor performance of the stock market during 2001 made it necessary to adjust the value of some equity investments to the average of the prices prevailing in December 2001, for 34.4 million euro: among these may be noted 19.5 million euro referring to IntesaBci, 8.5 million euro to HdP and 5.4 million euro to Poligrafici Editoriale; write-downs on equity investments were virtually absent in 2000.



The positive balance on financial income and charges, which includes income from equity investments and from financial assets, was hit by the unfavorable conditions of the stock markets and fell to 13.2 from 19.2 million euro in 2000, the latter figure was affected by major capital gains on the disposal of shares.

The company, besides the operations described in the first part of the Directors' report, bought on the open market 856,754 IntesaBci shares, paying 3.5 million euro and sold warrant-puts due in 2002 in the same shares, for a countervalue of 3.2 million euro.

Among other equity investments are:

- Credit Mobilier de Monaco, a small banking unit in Monaco, recorded net income of 370 thousand euro, up on the 290 thousand euro in 2000; in 2001 a dividend of 277 thousand euro was paid in respect of the results for 2000;
- Consortium S.r.l., which currently holds 13.9% of the share capital of Mediobanca, had still not approved its financial statements at 31 December 2001.

Other equity investments

At consolidated level this heading includes:

- equity investments in the banking-finance sector;
- minority equity investments in important Italian industrial groups.

(in thousands of euro)

	31 December 2001		31 December 2000	
	%	Book value	%	Book value
Banking-finance sector				
Mediobanca	2.48	122,969	3.01	122,969
Unicredito Italiano	1.70	98,296	1.71	98,306
Banca IntesaBci	0.29	46,210	0.27	51,572
Banca Popolare di Bergamo e Credito Varesino	1.51	36,937	-	-
Banca Commerciale Italiana	-	-	0.11	10,482
Mittel	12.91	19,836	12.91	14,859
Fincomind S.A.	100.00	58,632	100.00	57,678
Fin.Priv. S.r.l.	14.28	14,354	12.50	10,033
Tredicimarzo S.r.l.	10.00	14,001	-	-
Consortium S.r.l.	2.27	15,092	5.00	2,324
Total		426,327		368,223
Industrial groups and holding companies for industrial equity investments				
Montedison	-	-	3.04	79,000
HdP	5.77	85,608	4.82	62,363
Gemina	4.38	19,920	4.38	23,048
Gim	4.33	7,276	4.16	6,996
Poligrafici Editoriale	4.77	4,409	4.77	4,409
Cartiere Burgo (formerly Dieci S.r.l.)	15.36	28,030	10.00	15,494
Sigesa	29.00	19,832	29.00	19,832
Società Editrice Siciliana S.p.A.	33.00	15,468	33.00	15,468
Sesaab S.p.A.	10.00	9,325	10.00	9,325
Total		189,868		235,935



Other companies

Sigesa group

2001 featured a reorganization of operations, especially in the activities controlled by Sigesa and Castalia. Among these the 49% equity investment in Società Salerno Sistemi was sold.

On the commercial side the efforts continued of the companies operating in Umbria and Tuscany to forge links with the main public water supply bodies to verify the possibility of alliances and mergers in prospect of the future award of the ATO (Ambito Territoriale Ottimale) territorial designation.

Operating results, particularly at Crea, remained positive, but the weak financial structure of the Group, the still over burdensome organizational structure, the high financial burdens and non-recurring costs such as write-downs and amortization of goodwill, led to another heavy net loss of approximately 7.45 million euro.

As for 2002, prospects are still uncertain because the delays in introducing the Galli and Vigneri Laws prevent tariff increases and the recent financial law relating to water introduces some limitations which make the development of such business for private operators more problematic.

It should be remembered that Italmobiliare holds an option to sell to Saur, the majority shareholder in Sigesa, its entire equity investment in the company at a price whose minimum value, on the basis of the information available, should not be lower than the book value of the shares themselves. The option may be exercised from 1 April 2002 to 31 March 2004.

Cartiere Burgo S.p.A.

The Burgo group specializes in the production of special, mainly glossy, paper with a strong presence on national (53%) and European (35%) markets.

In the field of wood-free coated paper (CWF) and light-weight coated and wood-containing paper (LWC+MWC) it is among the major European producers.

In November 2001 the merger by incorporation of Cartiere Burgo S.p.A. into the parent company Dieci S.r.l. was completed. The latter took the corporate name of the former. The merger was preceded by a public tender offer made by the parent company and financed by the main shareholders.

The Burgo group, despite an unfavorable economic climate that caused a fall in sales (1,706.5 million euro) of 6.2% compared to 2000, recorded gross operating profit of 328.6 million euro, up from 2000 (310.9 million euro); the latter year was in fact heavily penalized in the coated and print paper sectors by the sudden rise in the costs of raw materials which it was impossible to quickly pass onto sales prices. Net consolidated income for 2001, at 30 million euro, was sharply down because of the interest payments following the merger with Dieci S.r.l.

During the year an important long-term investment plan was completed worth 600 million euro, which saw the installation in the paper factory in Verzuolo of a new production line with a capacity of 400,000 tons a year of coated paper and the



enhancement worth approximately 100,000 tons of a pre-existing cellulose plant in Belgium (Burgo Ardennes).

Overall investments in fixed assets carried out in 2001 totaled approximately 440 million euro.

Group net debt was approximately 1,600 million euro and includes the resources needed following the company reorganization carried out in the year.

The outlook for 2002 remains uncertain because the sector is still suffering the mismatch between supply and demand at an international level, which is intensifying competition and not preventing a full use of our productive skills. Only the consolidation provided by a positive economic cycle, which many foresee in the second half of 2002, would allow a rapid rebalance of the market.

Human resources

A breakdown of personnel by country is as follows:

	2001	%	2000	%
Italy	6,453	33.7	6,528	33.8
France	4,450	23.3	4,385	22.7
Belgium	603	3.2	754	3.9
Spain	849	4.4	815	4.2
Greece	313	1.6	306	1.6
Other European countries	6	0.1	24	0.1
Total Europe	12,674	66.2	12,812	66.3
North America	1,547	8.0	1,557	8.1
Turkey	1,040	5.4	1,171	6.1
Morocco	1,036	5.4	1,066	5.5
Bulgaria	1,018	5.3	1,116	5.8
Thailand	1,509	7.9	1,589	8.2
India	313	1.6	-	-
Total countries outside Europe	6,463	33.8	6,499	33.7
Total	19,137	100.0	19,311	100.0

The number of employees at the subsidiary companies in which equity investments have been made and which carry out various activities and are consolidated on the equity basis, was 193 heads.



Transactions with related parties

For the purposes of the consolidated annual report dealings with related parties regarded those with:

- subsidiary companies that are valued with the equity method or stated at cost;
- associated companies.

Among the companies in the construction division, dealings with related parties reflect the Group's interest in leveraging the synergies in the sector to enhance production and commercial integration, employ competencies efficiently, and rationalize use of corporate divisions and financial resources.

All dealings are of a business and/or financial nature.

Italmobiliare provides an administration service towards some associated companies.

All the dealings are conducted at normal market conditions.

It is worth pointing out, even if it is not strictly a matter of dealings with related parties, that with Mediobanca, which holds a shareholding in Italmobiliare of 9.50% of the common share capital, the following situations exist:

- a collaboration agreement between the Italmobiliare Group and Mediobanca in accordance with article 121 paragraph 2 of Legislative decree no. 58/1998, subject to formal authorization by the respective shareholders' meetings;
- financial dealings carried out at the market conditions prevailing at the moment of the related agreement.

Significant post balance sheet events

Significant post balance sheet events have been included in the comments on the individual sectors or on subsidiary companies.



Outlook

In the earlier pages of this report, the forecasts of the results of the main industrial companies in the Group have been given, which should produce overall results at least in line with those of 2001.

Nonetheless, the still uncertain trend in financial markets will have an important influence on the results of the parent company Italmobiliare and the financial companies that it wholly owns.

However, considering that 2001 also featured large capital gains from the sale of the equity investment in Montedison, the consolidated result for 2002 should be lower than in 2001.

Milan, 27 March 2002

The Board of Directors

Consolidated

financial statements

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Consolidated income statement

Notes to the consolidated

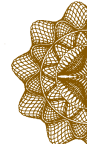
financial statements



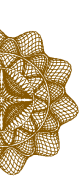
Consolidated balance sheet

ASSETS

(in thousands of euro)	12.31.2001	12.31.2000	Change
A) Amounts due from shareholders	-	-	-
B) Fixed assets			
I - Intangible assets:			
1) Start-up and capital expenses	17,361	17,143	218
2) Research, development and advertising expenses	707	1,038	(331)
3) Industrial patents and similar rights	2,316	2,792	(476)
4) Licenses, trademarks and similar rights	31,241	38,272	(7,031)
5) Goodwill	26,912	30,520	(3,608)
6) Assets under development and goodwill	5,016	2,485	2,531
7) Consolidation differences	1,245,644	1,274,475	(28,831)
8) Other	37,192	46,222	(9,030)
Total	1,366,389	1,412,947	(46,558)
II - Tangible assets:			
1) Land and buildings	1,142,382	1,137,516	4,866
2) Plant and machinery	1,403,076	1,335,533	67,543
3) Industrial and commercial equipment	130,332	125,376	4,956
3 bis) Freely transferable assets	12,844	12,990	(146)
4) Other fixed assets	96,106	90,490	5,616
5) Assets under construction and advances	203,126	181,547	21,579
Total	2,987,866	2,883,452	104,414
III - Investments and other financial assets:			
1) Equity investments in:			
a) Subsidiaries	88,148	90,812	(2,664)
b) Associated companies	503,366	204,789	298,577
c bis) Related companies		666	(666)
d) Other	412,631	426,502	(13,871)
2) Amounts receivable:			
a) From subsidiaries:			
due within one year	15	15	-
due after one year	620	420	200
b) From associated companies:			
due within one year	17,001	16,555	446
due after one year	5,954	4,803	1,151
d) Other			
due within one year	620	516	104
due after one year	302,662	265,577	37,085
3) Other securities	156,716	341,975	(185,259)
4) Own shares			
Book value	21,120	20,724	396
Nominal value 2,388,880 euro			
Total	1,508,853	1,373,354	135,499
Total fixed assets (B)	5,863,108	5,669,753	193,355

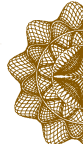


(in thousands of euro)	12.31.2001	12.31.2000	Change
C) Current assets			
I - Inventories:			
1) Raw materials, consumables and supplies	268,238	261,341	6,897
2) Work in progress and semi-finished products	72,656	73,112	(456)
4) Finished products	97,145	102,804	(5,659)
5) Payments on account	7,931	7,097	834
Total	445,970	444,354	1,616
II - Trade and other receivables:			
1) Trade receivables			
due within one year	946,125	928,359	17,766
due after one year	145	456	(311)
2) Subsidiaries:			
due within one year	5,691	4,742	949
3) Associated companies:			
due within one year	2,050	1,524	526
4 bis) Related companies:			
due within one year	1,710	83	1,627
5) Others			
due within one year	250,713	204,282	46,431
due after one year	43,636	44,360	(724)
Total	1,250,070	1,183,806	66,264
III - Financial assets not held as fixed assets:			
2)) Equity investments in associated companies	2,006	-	2,006
4) Other equity investments	83,147	73,361	9,786
6) Other securities	600,394	575,042	25,352
7) Financial receivables:			
due within one year:			
a) subsidiaries	4,996	6,663	(1,667)
b) associated companies	1,085	2,618	(1,533)
d) related companies	9	107	(98)
e) other	10,148	14,359	(4,211)
Total	701,785	672,150	29,635
IV - Cash and cash equivalents			
1) Bank and postal accounts	151,574	215,020	(63,446)
2) Checks on hand	4,136	2,029	2,107
3) Cash-in-hand and cash equivalents	1,728	1,998	(270)
Total	157,438	219,047	(61,609)
Total current assets (C)	2,555,263	2,519,357	35,906
D) Prepayments and accrued income			
b) Other prepayments and accrued income	79,598	79,766	(168)
Total	79,598	79,766	(168)
Total assets	8,497,969	8,268,876	229,093



EQUITY AND LIABILITIES

(in thousands of euro)	12.31.2001	12.31.2000	Change
A) Shareholders' equity			
I - Share capital	100,167	100,167	-
II - Share premium reserve	177,191	177,191	-
III - Revaluation reserve	86,760	86,760	-
IV - Legal reserve	20,033	19,897	136
V - Reserve for purchase of own shares	21,120	20,724	396
VII - Other reserves	951,572	836,255	115,317
VIII - Retained earnings	42,753	5,282	37,471
IX - Net income for the year	143,112	186,622	(43,510)
Total Group shareholders' equity	1,542,708	1,432,898	109,810
X - Minority interest	2,171,313	2,067,380	103,933
Total shareholders' equity	3,714,021	3,500,278	213,743
A/bis) Floating rate subordinated securities	324,640	324,640	-
B) Provisions for contingencies and charges			
1) Pension and similar provisions	59,564	63,394	(3,830)
2) Taxes	356,395	366,359	(9,964)
3) Other	255,979	246,607	9,372
Total	671,938	676,360	(4,422)
C) Employees' leaving entitlements	102,634	100,795	1,839
D) Payables			
1) Debentures:			
due within one year	504,312	10	504,302
due after one year	150,924	633,462	(482,538)
3) Due to banks:			
due within one year	449,076	848,412	(399,336)
due after one year	934,270	815,495	118,775
4) Sums due to other providers of finance:			
due within one year	14,022	12,725	1,297
due after one year	592,581	384,467	208,114
5) Payments on account:			
due within one year	10,762	11,801	(1,039)
6) Accounts payable to suppliers:			
due within one year	578,296	525,025	53,271
due after one year	-	-	-
7) Accounts payable on bills accepted and drawn:			
due within one year	69,926	75,250	(5,324)
due after one year	-	27	(27)
8) Amounts payable to subsidiaries:			
due within one year	1,605	1,792	(187)
9) Amounts payable to associated companies:			
due within one year	1,466	622	844
10bis) Amounts due to related companies:			
due within one year	-	155	(155)
11) Sums payable to tax authorities:			
due within one year	135,933	97,902	38,031
due after one year	228	903	(675)
12) Social security charges payable			
due within one year	44,693	52,042	(7,349)
13) Other amounts due:			
due within one year	175,968	188,770	(12,802)
due after one year	178	255	(77)
14) Financial payables:			
a) subsidiaries	278	650	(372)
b) associated companies	2,887	2,011	876
Total	3,667,405	3,651,776	15,629
E) Accruals and deferred income			
b) other accruals and deferred income	17,331	15,027	2,304
Total	17,331	15,027	2,304
Total equity and liabilities	8,497,969	8,268,876	229,093



MEMORANDUM AND CONTINGENCY ACCOUNTS

(in thousands of euro)	12.31.2001	12.31.2000	Change
1) Guarantees:			
a) Sureties:			
On behalf of subsidiaries	8,837	9,281	(444)
On behalf of associated companies	8,024	8,032	(8)
Other	89,791	84,973	4,818
Total a)	106,652	102,286	4,366
c) Other personal guarantees:			
On behalf of subsidiaries	728	320	408
Other	259	984	(725)
Total c)	987	1,304	(317)
Total guarantees	107,639	103,590	4,049
2) Guarantees on company assets:			
a) For third party payables and obligations of others	192,664	81,689	110,975
b) For payables accounted for in financial statements	112,515	487,858	(375,343)
Total collateral given	305,179	569,547	(264,368)
3) Purchase commitments	5,648	8,289	(2,641)
4) Sales commitments:			
Sales commitments	565	1,811	(1,246)
Total sales commitments	565	1,811	(1,246)
5) Other memorandum and contingency accounts:			
Group assets held by third parties	1,846,789	2,012,172	(165,383)
Third party assets held by the Group	64,549	83,879	(19,330)
Leasing installments to be paid	4,251	4,236	15
Guarantees received	12,893	17,635	(4,742)
Sureties received	96,908	84,509	12,399
Property in leasing	1,370,956	-	1,370,956
Derivative financial instruments	27,842	1,274,528	(1,246,686)
Other commitments	-	46,900	(46,900)
Other	6,857	8,203	(1,346)
Total other memorandum and contingency accounts	3,431,045	3,532,062	(101,017)
Total memorandum and contingency accounts	3,850,076	4,215,299	(365,223)



Consolidated income statement

(in thousands of euro)	12.31.2001	12.31.2000	Change
A) Net sales and other operating income			
1) Net sales	4,206,727	3,962,201	244,526
2) Change in inventories of work in progress, semi-finished and finished goods	(8,552)	18,086	(26,638)
4) Increase on internal work capitalized under fixed assets	15,012	15,803	(791)
5) Other operating income:			
a) Grants for operating expenses	44,867	44,004	863
b) Other operating income	46,884	61,048	(14,164)
Total	4,304,938	4,101,142	203,796
B) Operating costs			
6) Raw, ancillary and consumable materials and supplies	1,064,195	1,060,472	3,723
7) Services	1,257,090	1,180,720	76,370
8) Use of third party assets	78,967	73,582	5,385
9) Personnel expenses:			
a) Wages and salaries	513,594	507,069	6,525
b) Social security contributions	186,595	182,604	3,991
c) Employees' leaving entitlements	18,611	17,634	977
d) Pension and similar costs	2,390	6,589	(4,199)
e) Other costs	7,980	7,411	569
10) Amortization, depreciation and write-downs:			
a) Amortization of intangible assets	109,487	101,414	8,073
b) Depreciation of tangible assets	286,125	319,286	(33,161)
d) Write-downs of receivables and cash and cash equivalents forming part of current assets	15,708	12,150	3,558
11) Variation in raw materials, consumables and supplies	(9,958)	(15,001)	5,043
12) Provision for contingencies	8,455	8,933	(478)
13) Other provisions	310	310	-
14) Other operating costs	112,340	111,232	1,108
Total	3,651,889	3,574,405	77,484
Operating income (A-B)	653,049	526,737	126,312
C) Financial income and charges			
15) Income from equity investments:			
a) Dividends from subsidiaries	901	2,812	(1,911)
b) Dividends from associated companies	3,155	2,185	970
b bis) Dividends from related companies	-	34	(34)
c) Other dividends	30,515	31,118	(603)
d) Other	90,927	110,326	(19,399)
16) Other financial income:			
a) Receivables classified as fixed assets:			
- Subsidiaries	1	80	(79)
- Associated companies	630	679	(49)
- Other companies	2,729	341	2,388
- Other	274	343	(69)
b) From securities included as fixed assets which are not investments	16,025	13,440	2,585
c) From securities included under current assets which are not equity investments	36,068	30,654	5,414



(in thousands of euro)	12.31.2001	12.31.2000	Change
d) Other income:			
- Subsidiaries	236	274	(38)
- Associated companies	27	119	(92)
- Related companies	-	8	(8)
- Other companies/other	82,278	54,899	27,379
16 bis) Income from equity investments stated with the net equity method	15,785	18,307	(2,522)
17) Interest and other financial charges:			
- Subsidiaries	(7)	(91)	84
- Associated companies	(37)	(40)	3
- Other companies/other	(270,446)	(200,672)	(69,774)
17 bis) Charges from equity investments stated with the net equity method	(2,585)	(3,324)	739
Total	6,476	61,492	(55,016)
D) Adjustments to financial asset values			
18) Revaluations:			
a) Equity investments	-	2,862	(2,862)
b) Financial assets other than equity investments	1,097	26	1,071
c) Securities included under current assets which are not equity investments	1,591	952	639
19) Write-downs:			
a) Equity investments	(5,844)	(3,343)	(2,501)
b) Financial assets other than equity investments	(3)	(4,850)	4,847
c) Securities included under current assets which are not equity investments	(29,770)	(1,201)	(28,569)
Total	(32,929)	(5,554)	(27,375)
E) Non-recurring income and charges			
20) Income:			
a) Capital gains on disposal	28,229	26,262	1,967
b) Other income	56,432	60,783	(4,351)
21) Charges:			
a) Capital losses on disposal	(5,956)	(1,113)	(4,843)
b) Taxes in respect of prior years	(10,320)	(13,974)	3,654
c) Other charges	(92,539)	(51,551)	(40,988)
Total	(24,154)	20,407	(44,561)
Income before taxes (A-B+C+D+E)	602,442	603,082	(640)
22) Income taxes	(249,090)	(234,183)	(14,907)
Income before minority interest	353,352	368,899	(15,547)
23) Income before minority interest	210,240	182,277	27,963
Group net income	143,112	186,622	(43,510)



Notes to the consolidated financial statements

Business scope of the Company and subsidiaries

Italmobiliare S.p.A. acts as a holding Company. Its subsidiaries perform different activities mainly in the following sectors:

- manufacturing;
- real estate;
- financial;
- services.

Reference should be made to the Directors' report for comments on the different activities performed during the year.

Contents and format of the consolidated financial statements

The consolidated financial statements as at and for the year ended 31 December 2001 have been prepared in accordance with Legislative Decree no. 127/1991 (section 3) which incorporated the EU VII Directive into Italian law.

They comprise a balance sheet, income statement and these notes and are integrated, for the purposes of providing greater clarity on the Group's position and results, by a statement of cash flows analyzing the cash flow generated during the year.

In order to provide greater clarity the following headings have been introduced into the financial statements: "Freely transferable assets" under tangible assets, "Floating rate subordinated securities" in liabilities on the balance sheet, as well as financial receivables, payables, income and charges towards related companies.

The format of the consolidated financial statements is consistent with that of the holding company and in accordance with that required by Consob (National Commission for Listed Companies and the Stock Exchange) for industrial holding companies.

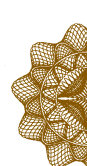
The accounting policies for the preparation of the financial statements at 31 December 2001 agree with those set out in article 2423 bis of the Civil Code as per Consob guidelines and are detailed here below.

All figures in the financial statements, annexes and additional information are expressed in thousands of euro, and are rounded up for amounts of 500 euro and above.

This method has been applied consistently and ensures the appropriate comparison of the figures.

Consolidation area

The consolidated financial statements of the Italmobiliare Group include the financial statements of the parent company, Italmobiliare Società per Azioni, and those of the Italian and foreign subsidiaries in which the former holds, either directly or indirectly, the majority of the voting rights or a significant proportion thereof sufficient to guarantee a dominant



influence at ordinary shareholders' meetings. Such financial statements have been consolidated using the line-by-line method, except for where indicated differently below. Companies in which the Group has joint control have been consolidated using the proportionate method.

Associated companies (in which the Group has an investment of at least between 20% and 50% of the share capital with voting rights, reduced to 10% for listed companies and in which it has significant influence) and subsidiaries not fully consolidated (i.e. which perform different activities) have been consolidated using the equity method.

Inactive companies, those in liquidation and companies with insignificant results have not been consolidated and have been valued at cost.

These exclusions did not have an impact on the true and fair presentation of the consolidated financial statements.

Annexes A and B set out lists of the subsidiary and associated companies showing the percentage of investment and consolidation method adopted.

Annex C sets out the subsidiaries and associated companies valued with the equity method; the other subsidiaries and associated companies stated at cost are listed in Annex D. Annex E gives the other investments greater than 10%.

The most significant variations compared to 31 December 2000 are as follows:

– **Companies that entered the consolidation area:**

line-by-line method

BravoBuild France S.a.s., Unibéton – Saba (France), BravoBuild Espana S.A., Maquinaria y Proyectos Inmob. S.A., Rosa del Amuley S.A. (Spain)

proportional method

Zuari Cement Ltd (India), KM S.p.A., Saia Trasporti S.p.A. (Italy)

equity method

Trieste Trasporti S.p.A. (Italy)

– **Change in consolidation method:**

from equity to line-by-line method

Cassano Cave S.p.A. (Italy)

– **Merged companies:**

in GSM S.A.

Soc. d'expl. des carrières Langlois S.A., Les Mesanges, Société Rey-Bellemer, Granulats et Sables de Méditerranée, Granulats et Sables de la Moiselle

in Ciments Français S.A.

Calixa S.A.

in Unibéton S.A.

Unibéton Atlantique

in Société Internationale Italcementi (Luxembourg) S.A.

Italcementi Europe (Luxembourg) S.A.

in Sociedad Financiera y Minera S.A.

Iniciativas Estrategicas S.L.



The above variations in the consolidation did not have a significant impact on the consolidated financial statements taken as a whole.

Presentation criteria and consolidation policies

The consolidated financial statements have been prepared using the annual financial statements of the companies as at 31 December 2001 prepared in accordance with local legislation and approved by the related boards of directors or shareholders' meeting if available.

Interim accounts at 31 December 2001 have been prepared by companies with different year end dates to that of the holding Company.

All the financial statements have been drawn up using accounting policies consistent with those adopted by the holding company and have been adjusted, if necessary, to eliminate fiscally-driven entries. These adjustments have been made in order to comply with Legislative Decree no. 127/1991, the accounting principles recommended by Consob and, where they are silent, those of the International Accounting Standard Committee (IASC).

Principles of consolidation

The following consolidation policies have been adopted:

- significant intercompany transactions and intercompany profits which had not been realized with third parties at the balance sheet date have been eliminated, taking account of deferred taxes where necessary;
- fiscally-driven entries have been eliminated, taking account of deferred taxes where necessary.

In particular the accelerated depreciation and provisions charged by certain consolidated subsidiaries in excess of ordinary depreciation have been eliminated.

The financial statements of subsidiaries (with the exception of those performing different activities) have been fully consolidated with the line-by-line method, eliminating the book value of the investments against the related portions of net equity, without considering the net result for the year, and considering their assets and liabilities.

Minority interest in capital and reserves and in the net result for the year has been shown separately.

Own shares have been debited against shareholders' equity.

The portions of shareholders' equity and results pertaining to the Group for consolidation purposes have been calculated on the basis of all the investments held directly or indirectly by the holding Company.



When a company is consolidated for the first time, the difference generated as a result of eliminating the investment, if positive, is attributed to the subsidiary's assets, to the extent possible, with any excess being booked to "Consolidation differences" (goodwill); if negative it is booked to "Negative Consolidation differences" (badwill) as follows:

- under liabilities in the consolidated provision for contingencies and future charges if it is due to estimated future losses; this provision is made on the basis of estimated and realized losses;
- under shareholders' equity in the "Consolidation reserve" in other cases.

Variations in the shareholders' equity of subsidiaries, which have occurred after acquisition, have been shown under "Other consolidation reserves" for the portion attributable to the Group.

The above method of allocating the greater value paid may be reviewed within the year following that of acquisition, in light of a better calculation of the value of the acquired assets and liabilities.

Companies in which the Group has joint control with other companies (either directly or indirectly) have been consolidated using the proportional method, whereby the assets and liabilities and result for the year have been consolidated in proportion to the investment.

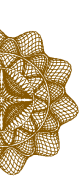
Investments in associated companies and subsidiaries which perform different activities have been consolidated using the equity method. This consists of the modification of the historical cost of the investment to take account of the portion of profits or losses realized by the company following its acquisition.

Currency translation

The results of operations for non-Italian subsidiaries consolidated on a line-by-line or proportional basis, and those of foreign associated companies valued using the equity method, other than those located in highly inflationary countries, have been translated into euro using the exchange rate ruling at year-end for balance-sheet items and the average annual rate for the income statement.

Any gains or losses arising from the translation of opening shareholders' equity at the closing rather than the opening exchange rate and from the different method used to translate net income for the year are reported under shareholders' equity as "Consolidation reserves."

The financial statements of companies operating in highly inflationary economies (Turkey) were translated first into euro (functional currency), as follows: fixed assets and shareholders' equity headings were translated using the exchange rate ruling at the date of acquisition or formation. The same rates were used to translate depreciation, amortization and other costs or income related to fixed assets; any translation gains or losses were classified as financial income or charges.



The following exchange rates were used:

Currency	Average rate		Year end rate	
	2001	2000	December 2001	December 2000
Italian lira	1,936.2700	1,936.27000	1,936.27000	1,936.27000
US dollar	0.89581	0.92343	0.88130	0.93050
Canadian dollar	1.38677	1.37052	1.40770	1.39650
French franc	6.55958	6.55958	6.55958	6.55958
Belgian franc	40.33988	40.33988	40.33988	40.33988
Spanish peseta	166.38624	166.38624	166.38624	166.38624
Pound sterling	0.62191	0.60941	0.60850	0.62410
Cypriot pound	0.57589	0.57392	0.57504	0.57369
Moroccan dirham	10.08960	9.77999	10.19830	9.86605
Greek drachma	340.75000	336.62900	340.75000	340.75000
Turkish lira	1,091,893.00	573,961.00	1,265,229.00	618,561.00
Dutch guilder	2.20371	2.20371	2.20371	2.20371
Swiss franc	1.51047	1.55785	1.48290	1.52320
Thai baht	39.81730	36.99600	38.94290	40.14800
Bulgarian lev	1.95583	1.95516	1.95583	1.95583
Indian rupee	42.82580	-	43.54740	-

The exchange rates of the euro-linked currencies are fixed.

Significant accounting policies and valuation criteria

The financial statements have been drawn up in line with the principles of prudence and accruals on a going concern basis.

They have been prepared in accordance with current legislation, applying the following valuation criteria.

Intangible assets

Start-up costs and capital expense, which relate principally to the increase in share capital of consolidated companies, are stated at cost net of amortization.

Amortization is calculated in a straight line basis over not more than five years.

Research, development and advertising expenses are entirely charged to the income statement in the year in which they are incurred, except for those related to the development on new products/procedures for which potential demand exists which justifies production. These deferred research expenses are amortized on a straight line basis over not more than five years.



Industrial patents and similar rights are stated at purchase or production cost, including directly related charges, and amortized over the duration of the underlying contract or on another reasonable basis. If the residual income generating therefrom cannot be determined objectively, they are amortized over five years.

Goodwill is stated at cost if acquired against payment and amortized on a straight line basis, usually over ten years which are considered to be in line with its income generating potential.

The heading "Consolidation differences" reflects the residual portion of the excess amount paid in respect of book net equity for the acquisition of consolidated companies after taking account of fair value adjustments to asset values. "Consolidation differences" are shown net of amortization which is calculated over the expected useful life; this is considered to be up to 40 years for the cement business (in accordance with international accounting policies) and between 10 and 20 years for other activities, depending on the assets.

Expected useful life is determined in relation to the duration of the investments based on the specific characteristics of the sector in which the companies operate and which justified their acquisition from a financial and business point of view.

"Consolidation differences" are written down at year-end to reflect any permanent impairment in value.

Tangible assets

Tangible assets are stated at acquisition or production cost, including any directly related charges, net of accumulated depreciation.

They are subjected to monetary revaluation as per the relevant laws or revaluations following extraordinary transactions.

If their value at the year end is believed to be lower on a permanent basis than their book value, the cost is written down accordingly.

Financial charges incurred during production relating to specific financing obtained for the construction of buildings etc. are added to production costs.

Depreciation is calculated on a straight-line basis using rates that represent the estimated useful lives of the assets in question.

Assets that become operative during the year are depreciated at half the ordinary rates.

Freely transferable or leased assets are depreciated over the duration of the concession or estimated useful life, whichever is the shorter.



Ordinary maintenance costs are expensed in full; maintenance costs that enhance asset life are capitalized under the asset to which they relate and depreciated over its useful economic life. .

Significant assets held under financial leasing contracts are stated under fixed assets at the current value of the outstanding installments and depreciated at the rates applicable to the specific asset categories.

Financial assets

Equity investments in non-consolidated subsidiary companies and in associated companies are valued with the equity method.

Other equity investments are valued at acquisition or subscription cost (using the moving average cost method), adjusted where necessary to reflect monetary revaluations and any permanent impairment in value. The original value is reinstated in the following year if the reasons for the write-down are no longer valid.

Other securities held as financial assets are stated at purchase cost, including related charges, and, if fixed rate securities, issue discounts, adjusted to reflect any permanent impairments in value.

Any differences between the cost of fixed and floating rate securities and their reimbursement value are accrued on a straight line basis over the life of the security.

Own shares held on a long-standing basis are valued at acquisition cost. In accordance with articles 2357 ter of the Italian Civil Code, a special reserve has been formed under shareholders' equity against this caption for an amount equivalent to the related book values.

Inventories

Inventories are stated at the lower of purchase or production cost and market value. Cost is determined largely with the average annual weighted method.

Production cost includes raw materials, direct and indirect production costs.

Market value is based on replacement costs for raw and ancillary materials, and net realization value for finished and semi-finished goods.

Obsolete or slow-moving stock is depreciated on the basis of presumptions about its use or recovery in the future, by means of entry in a special stock value adjustment provision.



Receivables and payables

Receivables are stated at estimated realizable value taking account of the provision for bad and doubtful debts through the allocation of a special receivables write-down reserve.

Other receivables recorded under current assets also include amounts lodged as guarantees in respect of receivables factored without recourse on international markets.

Payables are stated at face value.

Foreign-currency receivables and payables are translated using year-end exchange rates, taking account of any hedging contracts.

Hedging contracts were transacted on the official or secondary markets to reduce the risk of interest-rate fluctuations on financial payables and to reduce exchange rate risks. The relevant charges and income are accounted for together with charges and income on the hedged items.

Financial assets not held as fixed assets

Equity investments listed on the Stock Exchange are stated at the lower of purchase cost (determined using the LIFO method) and the realizable value based on market trends.

Unlisted equity investments are stated at the lower of purchase or subscription cost and the realizable value based on market trends.

Other securities are stated at the lower of cost and estimated market value: where the latter is unavailable, the value of similar securities is used. The original cost is reinstated if the reasons for the write-downs are no longer valid.

Accruals, prepayments and deferrals

Accruals and deferrals are stated to reflect the correct apportionment of revenue and expense transactions covering two or more accounting periods.

Grants related to assets

Grants received from the state or from other public bodies are booked under shareholders' equity reserves net of related taxes.

As from 1998, grants relating to investments are recorded when the conditions for their receipt arise. They are credited to income in portions reflecting the residual life of the assets concerned.



Provision for contingencies and other charges

- Taxes

Current income taxes are determined on the basis of a reasonable estimate of liabilities pursuant to tax legislation in the countries in which the Group operates.

Deferred and prepaid taxes are calculated on the most significant consolidation adjustments, on temporary differences between the book values of consolidated companies' assets and liabilities and their corresponding tax values, and on tax loss carry-forwards. Deferred tax liabilities are recognized unless the related payable is very unlikely to arise; deferred tax assets are not recognized unless there is a reasonable certainty that they will be recovered. The benefit from the carry forward of tax losses is accounted for when there is reasonable certainty of realizing the said benefit, even if the losses arose in previous periods; otherwise it is included when it is realized. Any adjustments to estimates are shown under taxes for the year.

Deferred tax liabilities are set off against prepaid taxes if they relate to the same company or to companies that may be considered as a group for tax purposes. The resulting balance is stated under "Other receivables" if positive, or under the provision for taxes if negative.

The provision for taxes also covers presumed tax liabilities in respect of open positions.

- Other provisions for contingencies and charges

These provisions refer to known or likely losses or liabilities, the timing or extent of which are uncertain at year-end. The provisions reflect best estimates based on the information available.

Provisions for pensions and social security contributions for the employees of non-Italian companies are shown under "Employee pensions and similar obligations." They are calculated on a time-discounting basis. These provisions are not regulated by legislation, but are based on local agreements and internal company agreements.

Employees' leaving entitlements and provision for pensions

The provision made for employees' leaving entitlements is in line with the actual liability matured at year end, due to all employees in accordance with current legislation and labor contracts.



Memorandum and contingency accounts

These show commitments undertaken, guarantees received and given as well as assets given and received in relation to third parties.

Costs and revenues

Costs and revenues are prudently stated on a time-apportionment basis, recording accruals and deferrals as appropriate. Sales and income, costs and charges are stated net of returns, discounts and bonuses and also net of taxes directly related to the sale of products and provision of services. Net sales from products are recognized upon transfer of title which generally coincides with delivery. Revenues on contract work in progress are recorded in line with the percentage of work completed.

Research, development and advertising costs are normally expensed as incurred.

Dividends

Dividends from subsidiaries carried at cost are recorded in the year they are collected.



Assets

B - Fixed assets

B I - Intangible assets 1,366,389 thousand euro
(1,412,947 thousand euro at 31 December 2000)

(in thousands of euro)

Balance at 31 December 2000	1,412,947
Additions	31,885
Disposals	(1,823)
Amortization and write-downs	(109,486)
Translation differences	1,900
Variations in consolidation area and reclassifications	30,966
Balance at 31 December 2001	1,366,389

“Variations in consolidation area” refers mainly to the entry into the consolidation area of Zuari Cement Ltd (24.9 million euro) and to the surplus relating to the purchase of Ciments Français S.A. shares (5.3 million euro). These amounts have been classified under “Consolidation differences.”

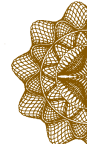
“Start-up and capital expenses” and “research, development and advertising expenses” may be analyzed as follows:

Start-up and capital expenses

	12.31.2001	12.31.2000
Restoration of quarry	8,245	11,447
Start-up and capital increase expenses	1,126	1,602
Other start-up and capital expenses	7,990	4,094
Total	17,361	17,143

Research, development and advertising expenses

	12.31.2001	12.31.2000
Research and development expenses	23	237
Advertising expenses	684	801
Total	707	1,038



Consolidation differences 1,245,644 thousand euro
(1,274,475 thousand euro at 31 December 2000)

“Consolidation differences” refers almost entirely to excess costs paid by Ciments Français and Italcementi S.p.A. on the acquisition of Italian and overseas subsidiaries.

The decrease of 28,831 thousand euro compared to 2000 is due to the following changes:

	(in thousands of euro)		
	Gross value	Accumulated amortization	Net value
Balance at 31 December 2000	1,656,297	(381,822)	1,274,475
Additions	2,749	-	2,749
Amortization and write-downs	-	(67,120)	(67,120)
Translation differences	2,282	(583)	1,699
Reclassifications	1,436	(5,824)	(4,388)
Change in consolidation area	38,112	117	38,229
Total changes	44,579	(73,410)	(28,831)
Balance at 31 December 2001	1,700,876	(455,232)	1,245,644

B II - Tangible assets 2,987,866 thousand euro
(2,883,452 thousand euro at 31 December 2000)

Compared to 2000 these rose by 104,414 thousand euro, as follows:

	December 2001			December 2000	Variation
	Gross value	Accumulated depreciation	Net value	Net value	
Land and buildings	2,064,538	(922,156)	1,142,382	1,137,516	4,866
Plant and machinery	4,024,014	(2,620,938)	1,403,076	1,335,533	67,543
Industrial and commercial equipment	556,326	(425,994)	130,332	125,376	4,956
Freely transferable assets	37,368	(24,524)	12,844	12,990	(146)
Other assets	362,072	(265,966)	96,106	90,490	5,616
Assets under construction and advances	203,126	-	203,126	181,547	21,579
Total	7,247,444	(4,259,578)	2,987,866	2,883,452	104,414

In previous years the transport companies used depreciation rates above 12.50% for their fleets, which was still within the limits allowed by law. If they had calculated depreciation exclusively on the basis of the economic/technical rate of 12.50%, reduced by 50% in the year the assets were first used, then “Tangible assets” and “Depreciation of tangible assets” would have been 7,515 thousand and 32 thousand euro higher respectively, and moreover smaller capital gains of 198 thousand euro would have been realized.

Consequently shareholders’ equity and income for 2001 would have been 7,515 thousand euro higher and 230 thousand euro lower respectively without deducting the theoretical tax impact.



The variations in the year were as follows:

	(in thousands of euro)
Additions	335,845
Disposals	(21,115)
Revaluations	2,914
Write-downs	(6,183)
Depreciation	(286,125)
Translation differences	21,499
Variations in consolidation area and reclassifications	57,579
Total	104,414

"Additions" includes major investment in fixed assets in Italy, France and the United States.

"Variations in consolidation area and reclassifications" is almost entirely due to the consolidation on a proportional basis of Zuari Cement Ltd.

"Translation differences" mainly arose from changes in the USD and the Thai baht.

Accumulated depreciation as a percentage of gross tangible assets increased from 59.8 % at the end of 2000 to 60.5 % at the end of 2001.

B III - Investments and other financial assets 1,508,853 thousand euro
(1,373,354 thousand euro at 31 December 2000)

These increased by 135,499 thousand euro compared to 2000, as follows:

	December 2001	December 2000	Variation
Equity investments	1,004,145	722,769	281,376
Amounts receivable	326,872	287,886	38,986
Other securities	156,716	341,975	(185,259)
Own shares	21,120	20,724	396
Total	1,508,853	1,373,354	135,499

Equity investments

At 31 December 2001 these totaled 1,004,145 thousand euro (722,769 thousand euro at 31 December 2000), an increase of 281,376 thousand euro due to the following changes:

	Opening balance	Additions	Disposals	Write-downs	Revaluations	Translation differences	Change in consolidation	Closing balance
Subsidiary companies	90,812	139,858	(4,930)	(3,215)	592	1,558	(136,527)	88,148
Associated companies	204,789	296,582	(1,379)	(949)	14,916	(674)	(9,919)	503,366
Related companies	666	-	-	-	-	-	(666)	-
Other	426,502	69,403	(79,408)	(3,764)	-	-	(102)	412,631
Total	722,769	505,843	(85,717)	(7,928)	15,508	884	(147,214)	1,004,145



“Additions” and “Change in consolidation area” in subsidiary companies refer mainly to the purchase of the equity investment in Zuari Cement Ltd (India) for 69.1 million euro and the purchase of additional shares in Ciments Français S.A. for 46.7 million euro and in Italcementi S.p.A. for 12.5 million euro.

“Additions” also includes equity investments in Suez Cement Ltd (Egypt) (278.6 million euro), Banca Popolare di Bergamo (36.9 million euro), Tredicimarzo S.r.l. (14.0 million euro), Consortium (12.8 million euro), Dieci S.r.l. (12.5 million euro) and Fin.Priv. S.r.l. (4.3 million euro). The valuation of the equity investment in Suez Cement Ltd has been kept at cost in view of it being a recent acquisition.

Equity investments in unconsolidated subsidiaries of 88,148 thousand euro include those in cement and ready mixed concrete production companies (26.9%) and in financial companies and banks (73.1%).

Equity investments in associated companies of 503,366 thousand euro include:

- cement and ready mixed concrete companies - approximately 414.4 million euro;
- other companies in various sectors for the remaining 89.0 million euro.

The main equity investments in associated companies were: Suez Cement Company (278.6 million euro), Vassiliko Cement Works Ltd (43.9 million euro), Groupe Ciment Quebec Inc (47.4 million euro), Cartiere Burgo S.p.A. (28.0 million euro), Sigesa S.p.A. (19.8 million euro), Mittel S.p.A. (19.8 million euro), Società Editrice Siciliana S.E.S. S.p.A. (15.5 million euro) and Trieste Trasporti S.p.A. (5.3 million euro).

Annexes C and D give detailed lists of all equity investments in unconsolidated subsidiary and associated companies.

The equity investment in the associated company Mittel S.p.A. has been valued using the equity method on the most recently approved financial statements at 30 September 2001. The equity investment in Società Editrice Siciliana S.E.S. S.p.A. has been stated at the same book value of the previous year.

The most significant equity investments included under “Other” are:

	(in thousands of euro)	
	12.31.2001	12.31.2000
Mediobanca S.p.A.	122,969	122,969
UniCredito Italiano S.p.A.	98,296	98,305
Montedison S.p.A.	-	79,001
Holding di Partecipazioni Industriali S.p.A.	62,362	62,363
Banca Popolare di Bergamo e Credito Varesino	36,937	-
Gemina S.p.A.	19,920	23,048
Consortium S.r.l.	15,092	2,324
Fin.Priv. S.r.l.	14,354	10,033
Tredicimarzo S.r.l.	14,001	-
Sesaab Editrice S.p.A.	9,325	9,325
G.I.M. Generale Ind. Metallurgiche S.p.A.	7,276	6,996
Istituto Europeo di Oncologia S.r.l.	4,175	4,261
Premafin Finanziaria S.p.A.	732	748
Other	7,192	7,129
Total	412,631	426,502



Receivables

"Receivables due from others" totaled 303,282 thousand euro (266,093 thousand euro at 31 December 2000). The heading includes receivables of 224,135 thousand euro (202,862 thousand euro at 31 December 2000) for the principal and interest accrued but not collected on deposits lodged with banks at the time of the issue of "Floating rate subordinated securities" by the Italcementi group, which are described under liabilities. The remaining other receivables mainly comprise guarantee deposits of 41,350 thousand euro (25,490 thousand euro at 31 December 2000), advances for IRPEF tax paid on employees' leaving entitlements of 8,256 thousand euro (9,382 thousand euro at 31 December 2000) and other receivables of 29,541 thousand euro (28,360 thousand euro at 31 December 2000). Guarantee deposits include 31.9 million euro relating to pension funds at the Group's North American companies, of which 6.7 million euro relates to the excess of plan assets compared with the plan for future pension benefit obligations and 25.2 million euro for actuarial deviations and other costs relating to the future.

Other securities

These totaled 156,716 thousand euro (341,975 thousand euro at 31 December 2000) and are mainly composed of fixed rate government securities and debentures (54,457 thousand euro) and 71,546 thousand euro for "Italcementi Zero Coupon 1997-2002" bonds shown at cost restated to reflect interest accrued at the end of the year.

Own shares

They amounted to 21,120 thousand euro and 20,724 thousand euro at 31 December 2001 and 31 December 2000 respectively. The increase of 396 thousand euro is due to the purchase of 28,500 savings shares. At the balance sheet date ordinary shares totaled 890,300 and 28,500 savings shares. The total par value of own shares held amounts to 2,388,880 euro.



C - Current assets

C I - Inventories 445,970 thousand euro
(444,354 thousand euro at 31 December 2000)

Inventories at the end of the year were as follows:

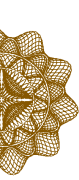
	(in thousands of euro)	
	12.31.2001	12.31.2000
Raw materials, consumables and supplies	312,555	299,934
Provision for write-down of raw materials	(44,317)	(38,593)
	268,238	261,341
Work-in-progresses and semi-finished goods	78,940	80,722
Provision for write-down	(6,284)	(7,610)
	72,656	73,112
Finished goods	93,060	96,387
Goods	8,406	10,485
Provision for write-down of finished goods	(4,321)	(4,068)
	97,145	102,804
Payments on account	7,931	7,097
Total	445,970	444,354

If determined at current values, inventories stated using the LIFO method would generate a gain totaling approximately 45.2 million euro (37.7 million euro in 2000).

C II - Trade and other receivables 1,250,070 thousand euro
(1,183,806 thousand euro at 31 December 2000)

These rose compared to 2000 by 66,264 thousand euro, as follows:

	12.31.2001	12.31.2000
Trade receivables	946,270	928,815
Subsidiaries	5,691	4,742
Associated companies	2,050	1,524
Related companies	1,710	83
Others	294,349	248,642
Total	1,250,070	1,183,806



Trade receivables

These refer to receivables of a commercial nature and they may be analyzed by their maturity as follows:

	(in thousands of euro)		
	12.31.2001	12.31.2000	Change
Due within one year	1,016,843	995,832	21,011
Provision for bad debts	(70,718)	(67,473)	(3,245)
Total due within one year	946,125	928,359	17,766
Due after one year	145	456	(311)
Total trade receivables	946,270	928,815	17,455

Unconsolidated subsidiaries

Amounts receivable from unconsolidated subsidiaries of 5,691 thousand euro (4,742 thousand euro at 31 December 2000), are mainly of a trading nature and are due within one year.

Associated companies

Amounts receivable from associated companies of 2,050 thousand euro (1,524 thousand euro at 31 December 2000), are mainly of a trading nature and are due within one year.

Others

These totaled 294,349 thousand euro (248,642 thousand euro at 31 December 2000), as follows:

	12.31.2001	12.31.2000
Taxation authorities - sales taxes	49,692	51,658
Taxation authorities - duties	103,241	90,937
Employees	3,697	2,945
Social security institutions	1,351	1,006
Disposal of equity investments and securities	12,127	5,422
Deferred tax assets	17,946	17,247
Other	106,295	79,427
Total	294,349	248,642

"Other" includes 34.8 million euro (27.6 million euro in 2000) for guarantees lodged in respect of receivables factored without recourse on international markets, which totaled 155 million euro at 31 December 2001 (123 million euro in 2000).

For comments on prepaid taxes see comments on the provisions for deferred taxes under liabilities.

There were no receivables due after five years or more.



C III - Financial assets not held as fixed assets 701,785 thousand euro
(672,150 thousand euro at 31 December 2000)

Equity investments in associated companies 2,006 thousand euro

This includes the equity investments in Immobiliare Golf S.p.A. and GIST S.p.A. which at 31 December 2000 were included under "Equity investments in associated companies" in fixed assets.

Other equity investments 83,147 thousand euro
(73,361 thousand euro at 31 December 2000)

At 31 December 2001 these totaled 83,147 thousand euro and mainly consist of IntesaBci and HdP S.p.A shares.

Other securities 600,394 thousand euro

The balance at 31 December 2001 of 600,394 thousand euro (575,042 thousand euro at 31 December 2000) comprises:

	(in thousands of euro)		
	12.31.2001	12.31.2000	Change
Government securities	27,707	34,612	(6,905)
Debentures	359,815	505,713	(145,898)
Units of unit trusts	212,872	34,717	178,155
Total	600,394	575,042	25,352

The increase of 25,352 thousand euro was mainly due to investments in the securities portfolio.

Financial receivables 16,238 thousand euro
(23,747 thousand euro at 31 December 2000)

	12.31.2001	12.31.2000	Change
Financial receivables due from:			
- subsidiaries	4,996	6,663	(1,667)
- associated companies	1,085	2,618	(1,533)
- related companies	9	107	(98)
- other	10,148	14,359	(4,211)
Total	16,238	23,747	(7,509)

The aforementioned financial receivables are largely financial and current account items due within one year.



C IV - Cash and cash equivalents 157,438 thousand euro
(219,047 thousand euro at 31 December 2000)

These may be analyzed as follows:

	(in thousands of euro)		
	12.31.2001	12.31.2000	Change
Bank and postal accounts	151,574	215,020	(63,446)
Checks on hand	4,136	2,029	2,107
Cash-in-hand and cash equivalents	1,728	1,998	(270)
Total	157,438	219,047	(61,609)

These mainly consist of bank accounts and instruments representing short-term deposits earning interest at market rates.

A more detailed analysis of the variations under this heading is given in the Directors' report and in the consolidated statement of cash flows in the annexes.

D - Prepayments and accrued income 79,598 thousand euro
(79,766 thousand euro at 31 December 2000)

The heading comprised interest-related accrued income, prepaid expenses and advances, including 41,539 thousand euro for advances paid for the use of quarries.



Equity and liabilities

A - Shareholders' equity 3,714,021 thousand euro
(3,500,278 thousand euro at 31 December 2000)

As follows:

	(in thousands of euro)	
	12.31.2001	12.31.2000
Group	1,542,708	1,432,898
Minority interest	2,171,313	2,067,380
Total	3,714,021	3,500,278

In particular, note should be made of:

A I - Share capital

At 31 December 2001 the fully paid up share capital of the parent company totaled 100,166,937 euro divided in 38,525,745 shares with a par value of 2.6 euro each, of which 22,182,583 were ordinary shares and 16,343,162 savings shares.

A II - Share premium reserve

This reserve amounts to 177,191 thousand euro, unchanged compared to 2000.

A V - Reserve for purchase of own shares

This reserve has been set up in accordance with paragraph 3, article 2357 ter of the Civil Code.

It amounts to 21,120 thousand euro (20,724 thousand euro at 31 December 2000). The increase of 396 euro includes the countervalue of the savings shares purchased during the year. This amount was transferred from the extraordinary reserve.



A VII - Other reserves
(836,255 thousand euro at 31 December 2000)

951,572 thousand euro

“ Other reserves ” is composed as follows:

	(in thousands of euro)		
	12.31.2001	12.31.2000	Change
Extraordinary reserve	257,163	257,555	(392)
Other reserves awaiting taxation	97,364	97,364	-
Merger reserve	57,715	57,715	-
Other consolidation reserves	539,330	423,621	115,709
Total	951,572	836,255	115,317

“ Other consolidation reserves ” comprises retained earnings, other reserves of the consolidated companies attributable to the Parent Company, other consolidation adjustments and the translation reserve of 98.1 million euro (in 2000 83.4 million euro).

Annexes F and G set out a reconciliation between the shareholders' equity of Italmobiliare S.p.A. and, as well as a schedule showing variations in Group consolidated shareholders' equity.

A X - Minority interest
(2,067,380 thousand euro at 31 December 2000)

2,171,313 thousand euro

The heading reflects the equity of the consolidated companies owned by third-party shareholders at 31 December 2001, as follows:

	12.31.2001	12.31.2000	Change
Share capital and reserves	1,961,073	1,885,103	75,970
Net income for the year	210,240	182,277	27,963
Total	2,171,313	2,067,380	103,933

The balance at 31 December 2001 is almost entirely attributable to minority interest in the Italcementi group, through Italcementi S.p.A., Ciments Français S.A. and their subsidiaries.



A bis - Floating rate subordinated securities 324,640 thousand euro
(324,640 thousand euro at 31 December 2000)

These securities have been classified separately from both shareholders' equity and from payable since by their nature they are not suitable for the headings in the framework set out by article 2424 of the Italian Civil Code.

The total remains almost unchanged on the figure for 2000.

These securities were issued in 1990 by the subsidiaries Ciments Français S.A. and Unibéton S.A. for an amount of FFr 2,130 million (324.6 million euro). They have no fixed maturity date and can be redeemed only if the companies are wound up, after payment of other debt.

On the issue of these securities, the subsidiaries deposited sums with banks totaling an original amount of FFr 481 million (73.3 million euro).

These deposits, classified as "Other receivables" under financial fixed assets together with the interest accrued, will form a capital sum which, 15 years from issue, will generate interest income for a sum equivalent to the interest payable to the security-holders.

Interest expense is linked to the six-month Pibor rate; the risk of fluctuations in interest rates has been partially hedged.

B - Provisions for contingencies and charges 671,938 thousand euro
(676,360 thousand euro at 31 December 2000)

These decreased by 4,422 thousand euro compared to 2000, as follows:

	(in thousands of euro)		
	12.31.2001	12.31.2000	Change
Employee pensions and similar obligations	59,564	63,394	(3,830)
Taxes	356,395	366,359	(9,964)
Other	255,979	246,607	9,372
Total	671,938	676,360	(4,422)

- Employee pensions and similar obligations
These totaled 59,564 thousand euro and included provisions of 18,782 thousand euro for pension funds and social security contributions for employees of non-Italian companies (in compliance with local legislation) and provisions totaling 39,941 thousand euro for medical expenses and provisions totaling 841 thousand euro for agents' termination indemnity.
The decrease of 3,830 thousand euro relates to the utilization of 8,603 thousand euro net of provisions of 2,466 thousand euro and translation differences of 2,307 thousand euro.



- Taxes

Provisions for taxes are composed as follows:

(in thousands of euro)			
	12.31.2001	12.31.2000	Change
Provisions for taxes and charges	47,425	44,055	3,370
Provisions for deferred taxes	308,970	322,304	(13,334)
Total	356,395	366,359	(9,964)

The “Provisions for taxes and charges” is provided for tax-related liabilities that are considered likely to arise as a result of tax audits and adjustments to tax returns.

Deferred taxes, which also include prepaid taxes, classified as other receivables under balance sheet assets, are as follows:

	12.31.2001	12.31.2000	Change
Prepaid taxes	17,946	17,247	699
Provisions for deferred taxes	(308,970)	(322,304)	13,334
Total	(291,024)	(305,057)	14,033

The balance at 31 December 2001 refers to taxes in respect of the following items:

(in millions of euro)			
	12.31.2001	12.31.2000	Change
Adjustments to amortization	(175.3)	(140.0)	(35.3)
Gains classified under assets	(126.0)	(128.2)	2.2
Floating rate subordinated securities	(35.0)	(28.4)	(6.6)
Taxed provisions	56.1	32.9	23.2
Tax relief and carry forward tax losses	20.5	10.6	9.9
Other	(31.3)	(52.0)	20.7
Total	(291.0)	(305.1)	14.1

Other

At 31 December 2001 they were made up as follows:

(in thousands of euro)			
	12.31.2001	12.31.2000	Change
Environment-related improvements	78,528	72,935	5,593
Restructuring and reorganization	54,644	57,359	(2,715)
Disputes	22,643	25,842	(3,199)
Receivables and equity investments	28,087	24,795	3,292
Exchange rates	328	158	170
Other	71,749	65,518	6,231
Total	255,979	246,607	9,372



C - Employees' leaving entitlements 102,634 thousand euro
(100,795 thousand euro at 31 December 2000)

This heading totaled 102,634 thousand euro and represents the severance liabilities accrued in respect of the 6,453 employees of the Italian consolidated companies at 31 December 2001 (6,528 at 31 December 2000).

The increase of 1,839 thousand euro relates to provisions of 20,723 thousand euro and utilization of 18,884 thousand euro.

D - Payables 3,667,405 thousand euro
(3,651,776 thousand euro at 31 December 2000)

During the year these increased by 15,629 thousand euro, as follows:

	(in thousands of euro)		
	12.31.2001	12.31.2000	Change
Debentures	655,236	633,472	21,764
Due to banks	1,383,346	1,663,907	(280,561)
Due to other providers of finance	606,603	397,192	209,411
Financial payables due to:			
subsidiaries	278	650	(372)
associated companies	2,887	2,011	876
	2,648,350	2,697,232	(48,882)
Payments on account	10,762	11,801	(1,039)
Due to suppliers	578,296	525,025	53,271
Due on bills accepted and drawn	69,926	75,277	(5,351)
Due to subsidiaries	1,605	1,792	(187)
Due to associated companies	1,466	622	844
Due to related companies	-	155	(155)
	662,055	614,672	47,383
Due to tax authorities	136,161	98,805	37,356
Due to social security authorities	44,693	52,042	(7,349)
Other amounts due	176,146	189,025	(12,879)
	357,000	339,872	17,128
Total	3,667,405	3,651,776	15,629



Financial payables

Financial payables, which totaled 2,648,350 thousand euro at 31 December 2001 (2,697,232 thousand euro at 31 December 2000), are composed as follows:

	(in thousands of euro)		
	12.31.2001	12.31.2000	Change
Short-term debt	970,575	863,808	106,767
Medium/long-term debt	1,677,775	1,833,424	(155,649)
Total	2,648,350	2,697,232	(48,882)

By currency, medium/long-term debt was as follows:

	(in millions of euro)	
	12.31.2001	12.31.2000
Euro	1,585	1,775
Moroccan Dirham	-	1
US and Canadian Dollar	60	-
Thai Baht	31	57
Other	2	-
Total	1,678	1,833

By maturity, medium/long-term debt was as follows:

	12.31.2001	12.31.2000
2002	-	656
2003	203	355
2004	976	663
2005	184	96
2006	203	32
Beyond	112	31
Total	1,678	1,833

Debt payable after five years included 110.4 million euro relating to loans to non-Italian companies.



Debentures

"Debentures" of 655,236 thousand euro consist of 213,813 thousand euro being the issue price of the "Italcementi Zero Coupon 1997-2002" debenture bond of an original nominal amount of 600 billion Italian lira (309.9 million euro), consisting of 120,000 bonds with a par value of 5,000,000 Italian lira each and 90,490 thousand euro of interest accruing during the year.

It also includes two bond loans issued by Ciments Français S.A.:

- on 23 October 1997 with the participation of Société Générale and Lehman Brothers, a seven-year bond for 150.9 million euro at a fixed rate of 5.90%;
- on 25 October 2000 with the participation of Natexis Banque Populaire, a two-year floating rate bond for 200 million euro.

Due to banks

"Due to banks" fell compared to 2000 by 280,561 thousand euro. The fall is mainly due to the repayment of the loan related to the debenture bond called "Mediobanca International Ltd Zero Coupon 1998/2001 convertible in UniCredito Italiano S.p.A ordinary shares" that matured on 12.18.2001 with the conversion of 7 bonds into 10,335 UniCredito shares, for 226,129 thousand euro.

Amounts due within one year consist of the current portion of loans and ordinary debt of 449,076 thousand euro (848,412 thousand euro in 2000).

Amounts due after one year were 934,270 thousand euro (815,495 thousand euro in 2000) and consist of the residual portions of secured loans for 374,290 thousand euro and long-term borrowings obtained from banks for 559,980 thousand euro.

The main borrowings due after one year are composed as follows:

- a loan connected to the bonded loan "Mediobanca International Ltd 1.5% 1998/2003 convertible into UniCredito Italiano S.p.A. shares" for 236 million euro;
- a five-year loan obtained during 2001 for a total of 125 million euro;
- a loan due in 2004 granted by a pool of banks worth 122 million euro;
- the use of 50 million euro from credit lines obtained by Italcementi S.p.A in 1999 and worth 750 million euro overall, maturing in 2006;
- a loan from Mediobanca for 51 million euro maturing in 2004;
- a loan maturing in 2005 for 76 million euro.

Due to other providers of finance

This refers mainly to 504.5 million euro (285.5 million euro in 2000) for third-party loans (commercial paper) provided to Ciments Français S.A. as part of credit lines opened by a pool of international banks worth 550 million euro maturing in 2004 and 2006. The heading also includes a residual amount of 102.1 million euro, mainly due to 57.2 million euro relating to a ten-year loan obtained in 1996 from private investors on the US market, 23.4 million euro provided by the IMF in favor of Devnya Cement AD (Bulgaria) and other loans worth 21.5 million euro.



Due to suppliers

Amounts due to suppliers at 31 December 2001 reflect payables for the supplies of goods and services needed for the Group's business; the 53.3 million euro increase was mainly due to Italian companies for 22.3 million euro and French companies for 31 million euro.

Due to tax authorities

Amounts payable to tax authorities totaled 136,161 thousand euro and include 10,320 thousand euro for withholding tax, 19,317 thousand euro for sales taxes, and 106,296 thousand euro for income taxes and other taxes.

Other amounts due

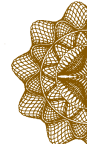
The balance on this heading was 176,146 thousand euro, as follows:

	(in thousands of euro)		
	12.31.2001	12.31.2000	Change
Employees	78,887	71,336	7,551
Dividends	424	655	(231)
Other	96,835	117,034	(20,199)
Total	176,146	189,025	(12,879)

"Other" includes the 39.7 million euro payable by Italcementi S.p.A, relating to the fine imposed by the European Commission in 1995.

E - Accruals and deferred income 17,331 thousand euro
(15,027 thousand euro at 31 December 2000)

This consists of accrued interest expense and costs for 3,474 thousand euro and deferred income of 13,857 thousand euro.



Memorandum and contingency accounts

These totaled 3,850,076 thousand euro (4,215,300 thousand euro at 31 December 2000), as follows:

	(in thousands of euro)	
	12.31.2001	12.31.2000
Guarantees	107,639	103,590
Guarantees on company assets	305,179	569,547
Group assets held by third parties	1,846,789	2,012,172
Third-party assets held by the Group	64,549	83,879
Guarantees received	12,893	17,635
Leasing installments to be paid	4,251	4,236
Other memorandum and contingency accounts	1,508,776	1,424,240
Total	3,850,076	4,215,299

"Guarantees on company assets" refers mainly to balance sheet payables and includes 91.6 million euro for share pledges of subsidiaries as security for Italcementi S.p.A., 96.4 million euro for guarantees given by the parent company for financing received and 115.0 million euro for mortgages and liens on tangible fixed assets.

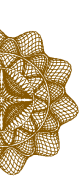
"Other memorandum and contingency accounts" refers in particular to:

- purchase and sale commitments for forward contracts transacted to hedge exchange-rate fluctuation risks on foreign-currency receivables and payables;
- commitments in respect of interest-rate hedging contracts relating to a portion of borrowings and floating rate subordinated securities, as illustrated in the comment on the financial hedging instruments.

Commitments in respect of new acquisitions

- Following the acquisition of Devnya Cement AD (Bulgaria) in 1998, the Group undertook to make investments totaling 100 million USD in 10 years.
- On the acquisition of the Vulkan company (Bulgaria), the Group undertook to make investments totaling 10.2 million USD in three years and to maintain the same number of employees for three years.
- In February 2001, Essroc Cement Corp. agreed with the Department for Environmental Protection of Pennsylvania to make investments to modernize filter equipment at the Nazareth III cement plant within five years, or risk closure of the plant itself. In December 2001, the company filed an application to expand and restructure the Nazareth I site. If this project is accepted, the kilns at Nazareth III will be closed, thus releasing Essroc Cement Corp. from the aforementioned investments. The restructuring project for Nazareth I represents an investment of over 100 million USD up to 2005.

Financial hedging instruments



Interest rate hedging

The Group enters into hedging operations in order to reduce the exposure of its net debt to interest rate variations.

These operations consist of interest rate swaps, by which financial transactions that were originally at variable rates are transformed into fixed rates.

The situation at 31 December 2001 can be summarized as follows:

	(in millions of euro)		
	Net debt FRSS* before hedging	Hedging operations	Net debt FRSS* after hedging
Variable rate	(1,473.0)	745.6	(727.4)
Fixed rate	(329.4)	(745.6)	(1,075.0)
Total	(1,802.4)	-	(1,802.4)

* floating rate subordinated securities

Exchange rate hedging

The Group is structurally exposed to the risk of exchange rate fluctuations with regard to the purchase in USD of solid fuel, as well as to clinker and cement trading and exporting in areas outside the EU.

To cover these risks, the following hedging operations, valued at the official ECB rates of 28 December 2001, were in place at 31 December 2001:

	12.31.2001
Forward purchases	55.8
Forward sales	105.5
Options	18.3



Consolidated income statement

Comments on the general trend of costs and revenues during the year are set out in the Directors' report attached to the consolidated financial statements as required by paragraph 1, article 40 of Legislative Decree no. 127/91.

A - Net sales and other operating income 4,304,938 thousand euro
(4,101,142 thousand euro at 31 December 2000)

1) Net sales

These were 4,206,727 thousand euro (3,962,201 thousand euro in 2000), as follows:

	(in thousands of euro)		
	12.31.2001	12.31.2000	Change
Sales	4,070,785	3,829,695	241,090
Services	127,014	122,328	4,686
Other net sales	8,928	10,178	(1,250)
Total	4,206,727	3,962,201	244,526

A breakdown of net sales by business and by geographical area is provided in the Directors' report.

B - Operating costs 3,651,889 thousand euro
(3,574,405 thousand euro at 31 December 2000)

6) Raw, ancillary and consumable materials and supplies

These were 1,064,195 thousand euro, down by 3,723 thousand euro compared to 31 December 2000, as follows:

	12.31.2001	12.31.2000	Change
Raw materials and semi-finished goods	447,860	475,252	(27,392)
Fuel	280,620	272,131	8,489
Packaging, materials and machinery	230,736	228,104	2,632
Finished goods	104,979	84,985	19,994
Total	1,064,195	1,060,472	3,723



7) Services

Services were 1,257,090 thousand euro compared to 1,180,720 thousand euro in 2000.

	12.31.2001	12.31.2000	Change
Electric, water, gas	271,305	248,413	22,892
Business services and maintenance	342,918	326,224	16,694
Transport	391,542	368,554	22,988
Legal fees and consultancy	64,703	62,923	1,780
Insurance	26,142	24,959	1,183
Other	160,480	149,647	10,833
Total	1,257,090	1,180,720	76,370

8) Use of third-party assets

These were 78,967 thousand euro compared to 73,582 thousand euro in 2000 and mainly concerned rents.

9) Personnel expenses

Total personnel expenses rose by 7,864 thousand euro compared to 31 December 2000, as follows:

	12.31.2001	12.31.2000	Change
Wages and salary	513,594	507,069	6,525
Social security contributions	186,595	182,604	3,991
Employees' leaving entitlements	18,611	17,634	977
Pensions and similar obligations	2,390	6,589	(4,199)
Other costs	7,980	7,411	569
Total	729,170	721,307	7,863

The total number of personnel fell by 1.1% from 19,311 heads at 31/12/2000 to 19,137 heads at 12.31.2001 (a decrease of 174).

The average number of employees in 2001 was 19,413 heads (19,708 in 2000). This figure includes 453 heads relating to companies consolidated on a proportional basis.



14) Other operating costs

These were 112,340 thousand euro (111,232 thousand euro at 31.12.2000), as follows:

	(in thousands of euro)		
	12.31.2001	12.31.2000	Change
Subscriptions	9,538	9,849	(311)
Other taxes	59,616	57,314	2,302
Other costs	43,186	44,069	(883)
Total	112,340	111,232	1,108

C - Financial income and charges

6,476 thousand euro

(61,492 thousand euro at 31 December 2000)

15) Income from equity investments

These totaled 125,498 thousand euro, a fall of 20,977 thousand euro compared to 2000 (146,475 thousand euro). Capital gains on the sale of equity investments totaled 90,927 thousand euro, as follows:

	12.31.2001
Montedison	89,467
Newco.com (unexercised rights)	1,350
UniCredito	44
Securities Issuer	16
Other	50
Total	90,927

16) Other financial income

d) Financial income from others

This includes:

	12.31.2001	12.31.2000	Change
Bank interest income	6,382	9,229	(2,847)
Interest income on receivables	6,575	5,507	1,068
Translation gains	41,109	17,567	23,542
Other income	28,212	22,596	5,616
Total	82,278	54,899	27,379

"Other income" includes interest income received on deposits made concurrently with the issue of the floating rate subordinated securities for 21,273 thousand euro (19,271 thousand euro in 2000).



16 bis) Income from equity investments stated with the net equity method

These were 15,785 thousand euro and related to income arising from the valuation of equity investments using the equity method.

17) Interest and other financial charges

“Other interest and commissions and other charges” includes:

	(in thousands of euro)		
	12.31.2001	12.31.2000	Change
Bank interest expense	33,313	24,946	8,367
Interest on debentures	70,477	55,198	15,279
Translation losses	53,620	21,468	32,152
Interest on secured payables and medium/long term payables	79,647	82,472	(2,825)
Other charges	33,389	16,588	16,801
Total	270,446	200,672	69,774

“Interest on debentures” includes 29,737 thousand euro relating to interest on floating rate securities.

The negative net balance on translation differences was 8.6 million euro, of which 12.9 million euro related to Turkey, following devaluation of the Turkish lira.

17 bis) Charges from equity investments stated with the net equity method

These totaled 2,585 thousand euro and relate for 2,413 thousand euro to losses arising from the valuation of equity investments with the equity method and for 172 thousand euro for amortization and write-down on the goodwill paid on the acquisition of associated companies.

D - Adjustments to financial asset values (32,929) thousand euro
(5,554 thousand euro at 31 December 2000)

18) Revaluations

The total of 2,688 thousand euro (3,840 thousand euro at 31 December 2000) refers to write-backs of financial assets for 1,097 thousand euro and revaluations of securities for 1,591 thousand euro.



19) Write-downs

These totaled 35,617 thousand euro (9,394 thousand euro at 31 December 2000) and refer to write-downs of equity investments included under fixed assets for 5,844 thousand euro, write-downs of securities and financial receivables included under current assets for 3 thousand euro (4,850 thousand at 31 December 2000) and write-downs of securities included under working capital for 29,770 thousand euro.

E - Non-recurring income and charges (24.154) thousand euro
(20,407 thousand euro at 31 December 2000)

20) Income

a) Capital gains on disposal

This totaled 28,229 thousand euro and includes 22,617 thousand euro for capital gains on the disposal of equity investments and 5,612 thousand euro for capital gains on the sale of tangible assets.

b) Other income

This was 56,432 thousand euro and includes 6,799 thousand euro for indemnities and windfall gains on the settlement of contractual relationships, 7,076 thousand euro in windfall gains from the settlement of outstanding accounts with tax and local authorities, 13,055 thousand euro for windfall gains from outstanding accounts resolved during the year, and 29,502 thousand euro for other income.

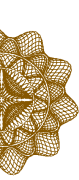
21) Charges

a) Capital losses on disposal

These were 5,956 thousand euro (1,113 thousand euro in 2000) and were mainly due to capital losses on the disposal of tangible fixed assets.

b) Taxes in respect of prior years

These totaled 10,320 thousand euro and refer mainly to charges made to adjust the estimate of deferred tax liabilities and higher taxes paid during the year.



c) Other charges

These were 92,539 thousand euro and include write-downs of buildings, plant and other assets for 16,174 thousand euro (of which 5.5 million euro related to the devaluation of consolidation differences in Turkey), non-recurring provisions for restructuring and personnel reorganizations for 11,438 thousand euro, charges incurred for the closure of the Sirap Gema International production facility at Menage (Belgium) for 11,141 thousand euro, provisions to write-down reserve for ancillary materials for 5,750 thousand euro, provisions for new disputes of 9,300 thousand euro and other charges for 38,736 thousand euro.

23) Income taxes

These totaled 249,090 thousand euro, an increase of 14,907 thousand euro compared to 31 December 2000, as follows:

	12.31.2001	12.31.2000	(in thousands of euro) Change
Current taxes	252,085	224,059	28,026
Deferred taxes	(2,995)	10,124	(13,119)
Total	249,090	234,183	14,907

The negative balance on "Deferred taxes" is mainly due to the inclusion of prepaid taxes.

The reconciliation between theoretical taxes and effective taxes charged to the income statement is set out in annex H.

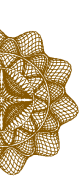
Information about the remuneration of the Directors and Statutory Auditors of Italmobiliare S.p.A., also for their duties performed for other consolidated companies, is given in the notes to the financial statements of Italmobiliare S.p.A.

Reference should be made to the Directors' report for information on post-balance sheet events.

Milan, 27 March 2002

The Board of Directors

Annexes



The following annexes have been prepared in accordance with Legislative decree no. 127 of 9 April 1991 (as specified in each annex) and Consob communication no. 11971, article 126, of 14 May 1999 which requires listed companies to publish information on their investments in unlisted companies where such investment exceeds 10% of the companies' share capital with voting rights.

Unless otherwise stated, the investments set out in annexes A, B, C, D and E are all owned by the Group.

Annex A

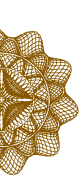
LIST OF COMPANIES CONSOLIDATED ON A LINE-BY-LINE BASIS

(as per article 26 of Legislative decree no. 127 of 9 April 1991)

Company	Registered office	Share capital	% direct	% indirect	Held by Group companies % Held by:	
EUROPEAN UNION						
Italy						
Axim Italia S.p.A.	Sorisole (BG)	€ 104,000	-	100.00	100.00	Nuova Sacelit S.r.l.
Azienda Vendite Acquisti A.V.A. S.p.A.	Milan	€ 2,550,000	100.00	-	100.00	Italmobiliare Soc. per Az.
C.T.G. S.p.A.	Bergamo	€ 103,200	-	100.00	50.00	Italcementi S.p.A.
					50.00	Ciments Français S.A.
Calcementi Jonici S.p.A.	Siderno (RC)	€ 9,000,000	-	100.00	100.00	Italcementi S.p.A.
Calcestruzzi S.p.A.	Bergamo	€ 138,000,000	-	100.00	99.90	Italcementi S.p.A.
					0.10	SICIL.FIN. S.r.l.
Cassano Cave S.p.A.	Bergamo	€ 100,000	-	100.00	100.00	Calcestruzzi S.p.A.
Cavecem S.r.l.	S.Egidio alla Vibrata (TE)	€ 10,400	-	100.00	100.00	Cemencal S.p.A.
Cemencal S.p.A.	Bergamo	€ 12,660,000	-	85.00	85.00	Calcestruzzi S.p.A.
Duca D'Este S.r.l.	Milan	€ 49,400	-	100.00	100.00	S.p.A. Nuove Costruzioni Edilizie Sance
E.I.C.A. S.r.l.	Norcia (PG)	€ 49,500	-	66.67	66.67	Calcestruzzi S.p.A.
Franco Tosi S.p.A. (formerly Iniziative Sportive)	Milan	€ 127,500	-	100.00	100.00	Intermobiliare S.p.A.
Gruppo Italsfusi S.r.l.	Savignano s/P. (MO)	€ 156,000	-	100.00	99.50	Italcementi S.p.A.
					0.50	SICIL.FIN. S.r.l.
Intercom S.r.l.	Ortona (CH)	€ 255,000	-	100.00	100.00	Italcementi S.p.A.
Intermobiliare S.p.A.	Milan	€ 5,160,000	100.00	-	100.00	Italmobiliare Soc. per Az.
Intertrading S.r.l.	Bergamo	€ 4,160,000	-	100.00	99.50	Italcementi S.p.A.
					0.50	SICIL.FIN. S.r.l.
Italcementi S.p.A.	Bergamo	€ 282,548,942	36.04	0.17	36.04	Italmobiliare Soc. per Az. (57.49% voting rights)
					0.17	Intermobiliare S.p.A.
Italgen S.p.A.	Bergamo	€ 20,000,000	-	100.00	100.00	Italcementi S.p.A.
Italmobiliare Servizi S.r.l.	Milan	€ 260,000	100.00	-	100.00	Italmobiliare Soc. per Az.
Newco.com S.p.A.	Bergamo	€ 18,479,400	9.62	82.73	82.73	Italcementi S.p.A.
					9.62	Italmobiliare Soc. per Az.
Nuova Sacelit S.r.l.	Sorisole (BG)	€ 22,950,000	-	100.00	99.00	Italcementi S.p.A.
					1.00	Intermobiliare S.p.A.
Popolonia Italica S.r.l.	Milan	€ 1,040,000	100.00	-	100.00	Italmobiliare Soc. per Az.
Progecal S.p.A.	Rome	€ 561,000	-	98.99	82.73	Speedybeton S.p.A.
					16.26	Cemencal S.p.A.
Punta Ala Promoz. e Sviluppo Imm.re S.r.l.	Milan	€ Delib. 2,575,000 Subscribed and paid up: 1,300,000	99.48	0.52	99.48	Italmobiliare Soc. per Az.
					0.52	SICIL.FIN. S.r.l.
S.A.B. Autoservizi S.r.l.	Bergamo	€ 22,500,000	99.99	0.01	99.99	Italmobiliare Soc. per Az.
					0.01	Intermobiliare S.p.A.
S.A.L. Servizi Automobilistici Lecchesi Srl	Lecco	€ 2,550,000	-	100.00	40.00	S.A.B. Autoservizi S.r.l.
					40.00	S.I.A. S.p.A.
					20.00	SAIA BUS S.r.l.
S.A.M.A. S.p.A.	Bergamo	€ 1,000,000	-	100.00	100.00	Italcementi S.p.A.
S.I.A. Società Italiana Autoservizi S.p.A.	Brescia	€ 12,000,000	-	100.00	99.14	S.A.B. Autoservizi S.r.l.
					0.86	Intermobiliare S.p.A.
S.p.A. Nuove Costruzioni Edilizie Sance	Milan	€ 139,725	100.00	-	100.00	Italmobiliare Soc. per Az.
SAIA BUS S.r.l.	Brescia	€ 1,800,000	-	100.00	99.72	S.I.A. S.p.A.
					0.28	S.A.B. Autoservizi S.r.l.



Company	Registered office	Share capital	% direct	% indirect	Held by Group companies %	Held by:
SICIL.FIN. S.r.l.	Bergamo	€ 477,360	-	100.00	99.50	Italcementi S.p.A.
					0.50	Intermobiliare S.p.A.
Sirap Gema S.p.A.	Verolanuova	€ 12,021,123	100.00	-	100.00	Italmobiliare Soc. per Az.
Silos Granari della Sicilia S.r.l.	Ravenna	€ 5,980,000	-	100.00	100.00	Intertrading S.r.l.
Società del Gres ing. Sala S.p.A.	Sorisole (BG)	€ 5,858,722.24	-	100.00	100.00	Nuova Sacelit S.r.l.
Speedybeton S.p.A.	Pomezia (RM)	€ 300,000	-	70.00	70.00	Calcestruzzi S.p.A.
Terminal Riuniti S.r.l.	Mantova	€ 255,000	-	100.00	100.00	Italcementi S.p.A.
Travel Sia S.r.l.	Brescia	€ 100,000	-	100.00	92.00	S.I.A. S.p.A.
					8.00	SAIA BUS S.r.l.
France						
Arena S.A.	Guerville	€ 180,000,000	-	99.99	99.99	Ciments Français S.A.
Axim S.A.	Guerville	€ 495,625	-	99.93	99.93	Ciments Calcia S.A.
Béton Contrôle de l'Adour S.A.	Bayonne	€ 150,000	-	59.96	59.96	Béton Contrôle du Pays Basque S.A.
Béton Contrôle du Pays Basque S.A.	Bayonne	€ 120,000	-	59.93	59.93	Unibéton S.A.
Bonafini S.A.	Argences	€ 40,000	-	99.76	99.76	Tratel S.A.
BravoBuild France S.a.s.	Paris	€ 3,500,000	-	99.99	99.99	Newco.com S.p.A.
Carrières Olivier S.A.R.L.	Salon de Provence	€ 80,000	-	100.00	100.00	GSM S.A.
Chatelet S.A.	Cayeux s/M.	€ 118,680	-	99.93	99.93	GSM S.A.
Ciberval S.A.	Le Teil	€ 64,000	-	99.99	99.99	Tratel S.A.
Ciments Calcia S.A.	Guerville	€ 593,836,525	-	99.99	99.99	Ciments Français S.A.
Ciments de l'Adour S.A.	Boucau	€ 421,290	-	99.81	86.20	Ciments Calcia S.A.
					13.61	Ciments Français S.A.
Ciments du Littoral S.A.	Bassens	€ 384,300	-	99.89	99.89	Tercim S.A.
Ciments Français S.A.	Puteaux	€ 152,111,748	-	68.30	67.98	Société Int. Italcementi France S.A.
					0.32	Société Int. Italcementi (Lux.) S.A.
					80.67	(overall voting rights)
Compagnie Financière et de Participations S.A.	Puteaux	€ 133,800	-	99.97	99.97	Ciments Français S.A.
Decoux S.A.	Beaucaire	€ 120,000	-	99.99	99.99	Tratel S.A.
Eurarco France S.A.	Les Crotoy	€ 1,520,000	-	64.99	64.99	GSM S.A.
Granulats et Sables Marins S.a.s.	Pessac	FF 250,000	-	99.99	99.99	GSM S.A.
GSM S.A.	Guerville	€ 18,675,840	-	99.99	99.99	Arena S.A.
Immobilière des Technodes S.A.	Guerville	€ 9,629,280	-	99.99	59.97	Ciments Français S.A.
					40.02	Ciments Calcia S.A.
Investcim S.A.	Puteaux	€ 124,874,000	-	99.99	99.99	Ciments Français S.A.
Johar S.A.	Luxemont et Villotte	€ 1,056,000	-	99.97	99.97	Tratel S.A.
Larricq S.A.	Airvault	€ 508,000	-	99.98	99.98	Tratel S.A.
Raingard Carrières Bétons et Compagnie S.n.c.	Bouguenais	€ 705,000	-	100.00	100.00	GSM S.A.
S.N.C. Arena Services	Guerville	€ 10,000	-	99.80	99.80	Arena S.A.
SA SOPREFIM	Nice	€ 975,000	-	99.92	99.91	Soc.d'Etudes de Participations et de Courtages
					0.01	SCI SCIF
Sables d'Armor S.a.s.	Plerin	€ 56,480	-	50.99	50.99	GSM S.A.
Sables et Gravieres de la Garonne GIE	Pessac	€ -	-	100.00	100.00	GSM S.A.
Sadecib S.A.	Puteaux	€ 40,000	-	99.76	99.76	Ciments Français S.A.
Sax S.a.s.	Guerville	€ 482,800	-	99.99	99.99	Ciments Français S.A.
SC Immobil	Nice	€ 94,518.39	-	99.84	99.84	Soc.d'Etudes de Participations et de Courtages



Annex A (continued)

Company	Registered office	Share capital	% direct	% indirect	Held by Group companies %	Held by:
SCI Le Manet	Cagnes sur Mer	€ 1,524.49	-	100.00	99.00	SCI SCIP 1.00 SCI SCIF
SCI Résidence Nice le Paillon	Nice	€ 166,306.63	-	100.00	91.67	SCI SCIF 8.33 Soc.d'Etudes de Participations et de Courtages
SCI SCIF	Nice	€ 15,244.90	-	100.00	99.00	Soc.d'Etudes de Participations et de Courtages 1.00 SCI SCIP
SCI SCIP	Nice	€ 15,244.90	-	100.00	99.00	Soc.d'Etudes de Participations et de Courtages 1.00 SCI SCIF
Sirap Gema France SA	Noves	€ 3,520,000	-	100.00	100.00	Sirap Gema S.p.A.
Société Civile Immobilière Berault	Carrières s/P.	€ 3,840	-	99.95	99.95	GSM S.A.
Société Internationale Italcementi France S.A.	Paris	€ 1,448,750,000	-	99.99	82.56	Italcementi S.p.A. 17.44 Société Int. Italcementi (Lux.) S.A.
Socli S.A.	Izaourt	€ 144,960	-	99.94	99.94	Calcia S.A.
Sodecim S.a.s.	Puteaux	€ 228,788,125	-	99.99	99.99	Ciments Français S.A.
Technodes S.A.	Guerville	€ 3,200,000	-	99.99	99.99	Ciments Français S.A.
Tercim S.A.	Puteaux	€ 1,500,000	-	99.99	99.99	Ciments Français S.A.
Tragor S.A.	Pessac	€ 640,000	-	99.99	99.99	Tratel S.A.
Tratel S.A.	L'Île S. Denis	€ 6,025,580	-	99.99	99.99	Ciments Calcia S.A.
Unibéton - Saba S.A.	Tours	€ 48,000	-	99.60	99.60	Unibéton S.A.
Unibéton Méditerranée S.a.s.	Lambesc	€ 50,000	-	99.96	99.96	Unibéton S.A.
Unibéton Ouest Pays de Loire S.a.s.	Tours	€ 50,000	-	99.96	99.96	Unibéton S.A.
Unibéton S.A.	Guerville	€ 67,899,330	-	99.99	99.99	Arena S.A.
Unibéton Sud-Ouest S.a.s.	Pessac	€ 50,000	-	99.96	99.96	Unibéton S.A.
Unibéton Var S.a.s.	Lambesc	€ 40,000	-	99.96	99.96	Unibéton S.A.
Univrac S.A.	L'Île S. Denis	€ 302,000	-	99.84	99.84	Tratel S.A.
Uniwerbétón S.a.s.	Gambsheim	€ 160,000	-	70.00	70.00	Unibéton S.A.
Belgium						
Ath Béton	Ghilblingren	€ 125,000	-	99.60	75.00	Compagnie des Ciments Belges S.A. 24.60 ORCQ Béton S.A.
Compagnie des Ciments Belges S.A.	Tournai	€ 300,000,000	-	99.91	36.94	Ciments Français Europe N.V. 29.11 Ciments Français S.A. 25.28 Ciments Calcia S.A. 8.58 Compagnie Financière des Ciments S.A.
Compagnie Financière des Ciments S.A.	Tournai	€ 5,580,000	-	99.99	99.99	Ciments Français S.A.
De Paepe Béton N.V.	Gent	€ 500,000	-	99.98	75.00	Compagnie des Ciments Belges S.A. 24.98 ORCQ Béton S.A.
ORCQ Béton S.A.	Gaurain	€ 161,500	-	100.00	100.00	Compagnie des Ciments Belges S.A.
Sirap Gema International S.A.	Manage	€ Paid up 12,000,000 Subscr. 6,750,000	-	100.00	99.83	Sirap Gema Finance S.A. 0.17 Société de Part. Financière Italmobiliare S.A.
Trabel Transports S.A.	Gaurain	€ 743,680.57	-	100.00	91.00	Tratel S.A. 9.00 Compagnie des Ciments Belges S.A.
Spain						
BravoBuild España S.A.	Madrid	€ 120,400	-	99.99	99.99	Newco.com S.p.A.
Centro Administrativo y de Servicios de Málaga S.A.	Málaga	€ 60,200	-	99.99	99.99	Sociedad Financiera y Minera S.A.
Companie General de Canteras S.A.	Málaga	€ 463,515.69	-	99.39	99.39	Sociedad Financiera y Minera S.A.
Hormigones y Minas S.A.	S. Sebastian	€ 8,689,378.20	-	99.99	99.99	Sociedad Financiera y Minera S.A.
Inversiones e Iniciativas en Aridos S.L.	Madrid	€ 3,010	-	100.00	100.00	Ciments Français S.A.
Maquinaria y Proyectos Inmobiliarios S.L.	Madrid	€ 738,230	-	100.00	100.00	Sax S.a.s.
Rosa del Amulej S.A.	Almería	€ 300,500	-	100.00	100.00	Sociedad Financiera y Minera S.A.
Sociedad Financiera y Minera S.A.	Madrid	€ 39,160,000	-	99.47	56.58	Ciments Français S.A. 39.87 Ciments Français Europe N.V. 3.02 Hormigones y Minas S.A. 0.26 Sociedad Financiera y Minera S.A.
Ventore S.L.	Málaga	€ 6,000	-	99.90	99.90	Sociedad Financiera y Minera S.A.
Greece						
Ammos Quarries of East Attica S.A.	Mandra	€ 18,671,161.30	-	100.00	100.00	Ciments Français S.A.



Company	Registered office		Share capital	% direct	% indirect	Held by Group companies % Held by:	
Domiki Beton S.A.	Iraklion	GRD	788,199,000	-	98.59	98.59	Calcestruzzi S.p.A.
ET Beton	Aspropyrgos	€	5,192,161.75	-	100.00	100.00	Ammos Quarries of East Attica S.A.
Halyps Building Material S.A.	Aspropyrgos	€	27,171,138.96	-	93.90	53.82	Ciments Français S.A.
						40.08	Ammos Quarries of East Attica S.A. (voting rights):
						53.70	Ciments Français S.A.
						41.04	Ammos Quarries of East Attica S.A.
Germany							
Sirap Gema GmbH	Aalen	€	26,000	-	100.00	100.00	Sirap Gema Finance S.A.
Ireland							
Italmobiliare International Finance Ltd.	Dublin	IR	€	1,300,000	99.99	0.01	99.99 Italmobiliare Soc. per Az. 0.01 Intermobiliare S.p.A.
Luxembourg							
Ciments Français International S.A.	Luxembourg	€	8,928,500	-	99.99	50.99	Ciments Français S.A.
						49.00	Ciments Français Europe N.V.
Sirap Gema Finance SA	Luxembourg	€	6,198,000	-	100.00	99.96	Sirap Gema S.p.A.
						0.04	Intermobiliare S.p.A.
Société de Participation Financière Italmobiliare S.A.	Luxembourg	€	223,424,344	99.94	0.06	99.94	Italmobiliare Soc. per Az. 0.06 Intermobiliare S.p.A.
Société Internationale Italcementi (Luxembourg) S.A.	Luxembourg	€	251,553,000	-	100.00	99.87	Italcementi S.p.A.
						0.13	SICIL.FIN S.r.l.
Holland							
Cimate Finance B.V.	Amsterdam	€	18,160	-	100.00	100.00	Ciments Français Europe N.V.
Ciments Français Europe N.V.	Amsterdam	€	378,503,130	-	100.00	66.80	Sodecim S.a.s.
						33.20	Ciments Français S.A.
Italmobiliare International BV	Amsterdam	€	Delib. 75,000 Subscribed and paied up 19,500	100.00	-	100.00	Italmobiliare Soc. per Az..
NORTH AMERICA							
U.S.A.							
Arrowhead Investment Company	Carson City	USD	1,000	-	100.00	100.00	Essroc Corporation
Axim Concrete Technologies Inc.	Middlebranch	USD	1,000	-	100.00	100.00	Essroc Corporation
ES Cement Co.	Nazareth	USD	100	-	100.00	100.00	Essroc Cement Corp.
Essroc Cement Corp.	Nazareth	USD	8,330,000	-	100.00	100.00	Essroc Corporation
Essroc Corporation	Nazareth	USD	1,000	-	100.00	100.00	Ciments Français S.A.
Essroc Puerto Rico Holdings Inc.	Nazareth	USD	1,000	-	100.00	100.00	Essroc San Juan Inc.
Fincel Inc.	Nazareth	USD	1	-	100.00	100.00	Essroc Corporation
Greyrock Inc.	Nazareth	USD	1,000	-	100.00	100.00	Essroc Cement Corp.
Nadco Inc.	Nazareth	USD	1,000	-	100.00	100.00	Essroc Cement Corp.
Tomahawk Inc.	Wilmington	USD	1,000	-	100.00	100.00	Essroc Cement Corp.
Canada							
155290 Canada Inc.	Mississauga	CAD	1	-	100.00	100.00	Essroc Canada Inc.
1641-9020 Quebec Inc.	Mississauga	CAD	1	-	100.00	100.00	Essroc Canada Inc.
Axim Concrete Technologies (Canada) Inc.	Cambridge	CAD	196	-	100.00	100.00	Axim Concrete Technologies Inc.
Essroc Canada Inc.	Mississauga	CAD	307,936,000	-	100.00	100.00	Essroc Corporation
OTHER COUNTRIES							
Bulgaria							
Devnya Cement AD	Devnya	LEV	1,028,557,000	-	99.97	99.97	Marvex
Marvex	Devnya	LEV	89,424,100	-	100.00	100.00	Sociedad Financiera y Minera S.A.
Vulkan A.D.	Dimitrovgrad	LEV	452,967,000	-	70.00	70.00	Ciments Français S.A.
Cyprus							
Italmed Cement Company Ltd	Limassol	CYP	12,318,000	-	99.99	99.99	Ciments Français S.A.



Annex A (continued)

Company	Registered office		Share capital	% direct	% indirect	Held by Group companies % Held by:	
Grand Cayman (Dutch Antilles)							
Essroc Offshore Ltd	George Town	USD	3	-	100.00	100.00	GSM S.A.
Morocco							
Betomar S.A.	Casablanca	MAD	84,397,800	-	99.99	99.99	Ciments du Maroc S.A.
Ciments du Maroc	Casablanca	MAD	797,569,200	-	56.07	52.89	Ciments Français S.A. 3.18 Procimar S.A.
Industrie Sakia el Hamra "Indusaha" S.A.	Laayoune	MAD	50,000,000	-	99.99	99.99	Ciments du Maroc
Procimar S.A.	Casablanca	MAD	27,000,000	-	99.99	99.99	Ciments Français S.A.
Montecarlo							
Société d'Etudes de Participations et de Courtages	Montecarlo	€	1,290,000	-	99.84	99.84	Société de Part. Financière Italmobiliare S.A.
Porto Rico							
Essroc San Juan Inc.	Espinosa	USD	10,000	-	100.00	100.00	Essroc Cement Corp.
Switzerland							
Interbulk Trading S.A.	Meyrin	CHF	7,470,600	-	99.99	66.75	Ciments Français International S.A. 15.00 Intertrading S.r.l. 18.24 Ciments Français Europe N.V.
Thailand							
Asia Cement Products Co., Ltd	Bangkok	BT	10,000,000	-	39.03	39.03	Asia Cement Public Co., Ltd ¹
Asia Cement Public Co., Ltd	Bangkok	BT	7,800,000,000	-	39.03	24.96	Ciments Français S.A. 14.07 Vaniyuth Co. Ltd ¹
Jalaprathan Cement Public Co, Ltd	Bangkok	BT	1,200,000,000	-	46.54	37.00	Ciments Français S.A. 9.54 Vesprapat Holding Co. Ltd ¹
Jalaprathan Concrete Co, Ltd	Bangkok	BT	100,000,000	-	46.54	46.54	Jalaprathan Cement Public Co, Ltd ¹
Vaniyuth Co. Ltd	Bangkok	BT	100,000	-	48.80	48.80	Investcim S.A.
Vesprapat Holding Co, Ltd	Bangkok	BT	20,000,000	-	49.00	49.00	Sax S.a.s.
Turkey							
Afyon Cimento Sanayi Tas	Istanbul	TRL	120,000,000,000	-	78.49	76.51	Ciments Français S.A. 1.02 Set Group Holding 0.96 Set Cimento Sanayi ve Tas
Anadolu Cimentolari Tas	Istanbul	TRL	4,147,250,000,000	-	99.74	89.73	Set Group Holding 10.01 Set Cimento Sanayi ve Tas
Set Beton Madencilik Sanayi ve Tas	Istanbul	TRL	7,412,000,000,000	-	99.99	54.51	Set Group Holding 43.98 Set Cimento Sanayi ve Tas 1.50 Anadolu Cimentolari Tas
Set Betoya Prefabrik Yapi Elemanlari Sanayi ve Ticaret A.S.	Istanbul	TRL	303,400,000,000	-	99.95	78.22	Set Group Holding 21.73 Anadolu Cimentolari Tas
Set Cimento Sanayi ve Tas	Istanbul	TRL	25,890,500,000,000	-	99.81	99.81	Set Group Holding
Set Group Holding	Istanbul	TRL	15,525,000,000,000	-	99.99	99.99	Ciments Français S.A.

¹percentage of interest



Annex B

LIST OF COMPANIES CONSOLIDATED WITH THE PROPORTIONATE METHOD

(as per article 37 of Legislative decree no. 127 of 9 April 1991)

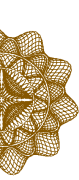
Company	Registered office	Share capital	% direct	% indirect	Held by Group companies % Held by:
EUROPEAN UNION					
Italy					
KM S.p.A.	Cremona	€ 4,650,000	-	49.00	49.00 SAIA BUS S.r.l.
SAIA TRASPORTI S.p.A.	Brescia	€ 5,700,000	-	51.00	51.00 SAIA BUS S.r.l.
France					
Béton Contrôle de Montceau le Creusot S.A.	Montceau Les M.	€ 588,000	-	49.99	49.99 Unibéton S.A.
Carrières Bresse Bourgogne	Saint Marcel	€ 387,189	-	66.48	66.48 Dragages et Carrières
Dragages et Carrières S.A.	Saint Marcel	€ 1,000,000	-	49.99	49.99 GSM S.A.
Les Graves de l'Estuaire S.a.s.	Le Havre	FF 1,860,000	-	33.33	33.33 GSM S.A.
Société des Calcaires de Château Landon S.n.c.	Souppes sur Loing	€ 2,288,000	-	50.00	50.00 GSM S.A.
Société Parisienne des Sablières S.A.	Pont de L'Arche	€ 320,000	-	49.99	49.99 GSM S.A.
OTHER COUNTRIES					
India					
Zuari Cement Ltd	Goa	INR 2,579,614,000	-	50.00	50.00 Ciments Français S.A.

Annex C

LIST OF COMPANIES CONSOLIDATED WITH THE EQUITY METHOD

(as per article 36 paragraphs 1 and 3, of Legislative decree no.127 of 9 April 1991)

Company	Registered office	Share capital	% direct	% indirect	Held by Group companies % Held by:
EUROPEAN UNION					
Italy					
Aliserio S.p.A.	Bergamo	€ 2,270,000	10.00	90.00	90.00 Italcementi S.p.A. 10.00 Italmobiliare Soc. per Az.
Betonsud S.r.l. - in liquidation	Foggia	€ 1,082,220	-	49.99	49.99 Calcestruzzi S.p.A.
Cave Comand S.r.l.	Bergamo	€ 520,000	-	50.00	50.00 Calcestruzzi S.p.A.
Cementi della Lucania S.p.A.	Potenza	€ 619,746	-	30.00	30.00 Italcementi S.p.A.
E.C.I.T. S.r.l.	Ravenna	€ 104,208	-	50.00	50.00 Calcestruzzi S.p.A.
General Cave S.r.l.	Fiumicino (RM)	€ 31,200	-	50.00	50.00 Speedybeton S.p.A.
GESVIM S.r.l.	Milan	€ 820,000	-	50.00	50.00 Azienda Vendite Acquisti A.V.A. S.p.A.
GIST SRL Gamma Iniziative Sport. Tur.	Florence	€ 612,000	-	50.00	50.00 Intermobiliare S.p.A.
IMES S.r.l.	S. Cipriano Pic. (SA)	€ 206,000	-	100.00	100.00 Italcementi S.p.A.
Immobiliare Golf Punta Ala S.p.A.	Punta Ala (GR)	€ 5,164,000	-	36.50	11.75 Punta Ala Prom. e Sviluppo Imm.re S.r.l. 24.75 Azienda Vendite Acquisti A.V.A. S.p.A.
Italconsult S.p.A.	Rome	€ 5,404,703.20	-	29.19	29.19 Italcementi S.p.A.
Mantovana Inerti S.r.l.	Cavriana (MN)	€ 702,000	-	50.00	50.00 Calcestruzzi S.p.A.
Mittel S.p.A.	Milan	€ 39,000,000	12.91	-	12.91 Italmobiliare Soc. per Az.
Prati Fioriti S.r.l.	Rome	€ 86,700	-	62.50	37.50 Cemencal S.p.A. 25.00 Calcestruzzi S.p.A.
S.A.F.R.A. S.r.l.	Bologna	€ 51,480	-	33.33	33.33 Calcestruzzi S.p.A.
Silicalcite S.p.A.	Bergamo	€ 4,000,000	-	100.00	100.00 Italcementi S.p.A.
Trieste Trasporti S.p.A.	Trieste	€ 17,000,000	-	29.93	10.91 S.A.B. Autoservizi 9.01 SAIA BUS S.r.l. 10.01 S.I.A. Società Italiana Autoservizi
France					
Armement Secam S.A.	Paris	€ 306,000	-	34.95	34.95 Tratel S.A.
Béton Contrôle des Abers S.A.	Lannilis	€ 104,000	-	34.00	34.00 Unibéton S.A.
Béton Saone S.A.	Macon	€ 40,000	-	35.00	35.00 Unibéton S.A.
Dragages Transports & Travaux Maritimes SA	La Rochelle	€ 1,702,272	-	39.99	39.99 GSM S.A.
Finter Bank France	Paris	€ 20,000,000	-	100.00	65.49 Finter Holding S.A. 32.50 Finter Bank Zurich 1.61 Fincomind S.A. 0.40 SEPAC
Finter Gestion SA	Paris	€ 150,000	-	99.37	99.37 Finter Bank France



Annex C (continued)

Company	Registered office	Share capital	% direct	% indirect	Held by Group companies		
					%	Held by:	
S.A. Dijon Béton	Dijon	€ 184,000	-	15.00	15.00	GSM S.A.	
Stinkal S.a.s.	Ferques	€ 1,120,000	-	35.00	35.00	GSM S.A.	
Ireland							
Kayward Limited	Dublin 2	€ 1,608	-	99.94	99.94	Finter Holding S.A.	
Luxembourg							
Finter Holding SA	Luxembourg	CHF 12,700,000	-	100.00	97.01	Fincomind S.A.	
					2.99	Société de Part. Financière Italmobiliare S.A.	

NORTH AMERICA

Canada

Ciment Quebec Inc.	St. Basile	CAD 19,461,000	-	100.00	100.00	Groupe Ciment Quebec Inc.
Groupe Ciment Quebec Inc.	St. Basile	CAD 4,202,000	-	50.00	50.00	Essroc Canada Inc.
Innocon Inc.	Richmond Hill	CAD 14,134,000	-	50.00	50.00	Essroc Canada Inc.

OTHER COUNTRIES

Bahamas

Finter Bank & Trust (Bahamas) Ltd.	Nassau	USD 2,000,000	-	100.00	100.00	Finter Bank Zürich
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Cyprus

Vassiliko Cement Works Ltd	Nicosia	CYP 13,434,018.75	-	33.00	20.00	Italmed Cement Company Ltd
					13.00	Comp. Financière et de Participations S.A.

Principality of Monaco

Credit Mobilier de Monaco	Monaco	€ 5,355,000	-	99.91	99.91	Société de Part. Financière Italmobiliare S.A.
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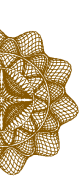
Switzerland

Delphinia Soc.di Navigazione Marittima SA	Coira	CHF 1,000,000	-	100.00	100.00	Finter Bank Zürich
Fincomind SA	Zollikon	CHF 10,010,000	69.93	30.07	69.93	Italmobiliare Soc. per Az.
					30.07	Société de Part. Financière Italmobiliare S.A.
Finconsult AG	Zürich	CHF 500,000	-	100.00	100.00	Finter Bank Zürich
Finter Bank Zürich	Zürich	CHF 45,000,000	-	100.00	100.00	Fincomind SA

LIST OF OTHER INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES VALUED WITH THE COST METHOD

(as per article 36 of Legislative decree no. 127 of 9 April 1991)

Company	Registered office	Share capital	% direct	% indirect	Held by Group companies % Held by:
EUROPEAN UNION					
Italy					
Azienda Agricola Lodoletta S.r.l.	Bergamo	€ 10,400	-	75.00	75.00 Italcementi S.p.A.
Betongenova S.r.l. - in liquidation	Genoa	€ 10,400	-	36.12	22.68 Calcestruzzi S.p.A. 13.44 Cemencal S.p.A.
Calcestruzzi e Inerti S.r.l.	Civita Castellana (VT)	€ 11,000	-	50.00	50.00 Calcestruzzi S.p.A.
Cantiere Navale di Punta Ala S.p.A. in liquidation	Milan	€ 516,000	-	100.00	100.00 Punta Ala Promoz.ne e Sviluppo Imm.re S.r.l.
Cartiere Burgo S.p.A. (formerly Dieci S.r.l.)	Cuneo	€ 156,279,377.28	-	15.36	15.36 Société de Part. Financière Italmobiliare S.A.
Cava delle Capannelle S.r.l.	Bergamo	€ 31,200	-	49.00	49.00 Calcestruzzi S.p.A.
Cava Rossetti Oreste S.r.l.	Cingoli (MC)	€ 62,400	-	50.00	50.00 Calcestruzzi S.p.A.
Cementi e Calci di S. Marinella S.r.l.	Bergamo	€ 10,000	-	66.67	66.67 Italcementi S.p.A.
E.S.A. Monviso S.p.A.	Casalgrasso (CN)	€ 1,340,000	-	41.00	41.00 Cemencal S.p.A.
Ecoinerti S.r.l.	Recanati (MC)	€ 91,800	-	50.00	50.00 Calcestruzzi S.p.A.
FAP Autoservizi S.p.A.	S.Donà di Piave	€ 2,582,275	-	20.00	20.00 S.A.B. Autoservizi S.r.l.
Gres Dalmine Resine Wavin S.c.a r.l.	Sorisoletto (BG)	€ 91,800	-	35.00	35.00 Società del Gres ing. Sala S.p.A.
Immobiliare Lido di Classe S.p.A. in liquidation	Rome	€ 255,000	18.04	-	18.04 Italmobiliare Soc. per Az.
Immobiliare Salesiane S.r.l.	Bergamo	€ 350,000	-	100.00	100.00 Italcementi S.p.A.
Italcementi Ingegneria S.r.l.	Bergamo	€ 266,220	-	100.00	100.00 Italcementi S.p.A.
La Ghiacciaia S.r.l. - in liquidation	S.Egidio alla Vibrata (TE)	€ 25,500	-	100.00	100.00 Cemencal S.p.A.
Q.T.S. S.r.l.	Rome	€ 10,400	-	60.00	60.00 Cemencal S.p.A.
Sigesa S.p.A. Soc. Italiana Gestione Servizi Ambientali	Cinisello B. (MI)	€ 40,578,554	29.00	-	29.00 Italmobiliare Soc. per Az.
Sipac S.p.A. - in liquidation	Milan	€ 1,033,000	-	27.00	27.00 Calcestruzzi S.p.A.
Soc. Editrice Siciliana S.E.S. S.p.A.	Messina	€ 5,112,900	33.00	-	33.00 Italmobiliare Soc. per Az.
Universal Imballaggi S.r.l.	Palermo	€ 1,131,588	-	24.90	24.90 Sirap Gema S.p.A.
France					
Agregats & Bétons du Languedoc S.a.s.	Bessan	€ 40,000	-	99.96	99.96 Unibéton S.A.
Arden'Pompape S.A.R.L.	Les Ayvelles	FF 60,000	-	100.00	100.00 Unibéton S.A.
Béton Contrôle de Gascogne S.A.	Soorts Hossegor	€ 40,000	-	37.00	37.00 Béton Contrôle du Pays Basque S.A.
Beton Service Artesien S.a.s.	Ronchin	€ 40,000	-	99.80	99.80 Unibéton S.A.
Bureau Engineering Travaux Publics (SA BETP)	Guerande	FF 3,432,000	-	99.94	79.94 Comp. Financière et de Participations S.A. 20.00 Arena S.A.
Carrières de Mazaugues S.A.R.L.	Maubec	FF 500,000	-	50.00	50.00 GSM S.A.
Ciments Français Participations S.n.c.	Puteaux	€ 1,500	-	100.00	50.00 Ciments Français S.A. 50.00 Comp. Financière et de Participations S.A.
Commingeoise de restauration du Patrimoine S.A.R.L.	Saint Gaudens	€ 7,622	-	100.00	100.00 Socii S.A.
Dunkerque Ajouts Snc	Paris	€ 6,000	-	33.34	33.34 Ciments Calcia S.A.
Elco S.a.s.	Courbevoie	FF 2,606,600	-	24.99	24.99 Ciments Calcia S.A.
Entreprise Lorraine d'Agriculture - ELDA S.A.R.L.	Heillecourt	€ 10,000	-	100.00	100.00 GSM S.A.
Fraimbois Granulats S.A.R.L.	Montcel les Luneville	FF 500,000	-	50.00	50.00 GSM S.A.
GIE d'exploitation du chenal de Saintonge	Pessac	FF 40,000	-	75.00	75.00 GSM S.A.
GIE des Terres de Mayocq	St. Firmin	-	-	50.00	50.00 Eurarco France
GIE Gisamo	Carrières s/P.	-	-	100.00	99.00 GSM S.A. 1.00 Sables et Gravieres de la Garonne GIE
GIE GM	Reims	€ -	-	63.00	63.00 GSM S.A.
GIE Les Sables	Mehun sur Yèvre	€ 1,500	-	50.00	50.00 GSM S.A.
Gitec - GIE	Paris	-	-	49.00	49.00 Ciments Français S.A.
Granulats de la Drome S.a.s.	Saint Jean de Vedas	€ 40,000	-	63.00	63.00 GSM S.A.
Graves de l'Estuaire de la Gironde L.G.E.G.	Saint Jean de Blaignac	-	-	50.00	50.00 GSM S.A.
Les Calcaires Girondins S.a.s.	Cenon	€ 100,000	-	50.00	50.00 GSM S.A.
Les Calcaires Sud Charentes	Cherves Richemont	FF 10,000	-	34.00	34.00 GSM S.A.
Materiaux Routiers du Bearn S.A.R.L.	Rebenacq	FF 100,000	-	33.30	33.30 GSM S.A.
Neyrtec Industrie SA	Le Pont de Claix	FF 10,000,000	100.00	-	100.00 Italmobiliare Soc. per Az.
Port St. Louis Aménagement S.n.c.	Carrières s/P.	FF 50,000	-	51.00	51.00 GSM S.A.
Port St. Louis Remblaiement S.A.R.L.	Carrières s/P.	FF 50,000	-	51.00	51.00 GSM S.A.
Provence Aménagement S.A.	Port Frejus	€ 480,000	-	35.00	35.00 Arena S.A.



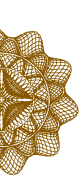
Annex D (continued)

Company	Registered office		Share capital	% Held by Group companies		Held by Group companies
				direct	indirect	
Saint Remy Aggregats S.A.R.L.	Salon de Provence	FF	50,000	-	100.00	100.00 GSM S.A.
Sas des Gresillons	Paris	FF	250,000	-	50.00	50.00 GSM S.A.
SCI Batlongue	Arudy	€	53,504	-	100.00	100.00 GSM S.A.
SCI Delrieu Frères	Fumel	FF	114,000	-	100.00	50.00 Ciments Français S.A. 50.00 Socli S.A.
SCI des Granets	Cayeux sur M.	FF	30,000	-	47.33	47.33 GSM S.A.
SCI du Colombier	Rungis	€	2,000	-	63.00	63.00 GSM S.A.
SCI du Domaine de Saint Louis	Carrières s/P.	€	6,720	-	99.76	99.76 GSM S.A.
SCI Lepeltier	S. Doulichard	€	6,150	-	99.76	99.76 GSM S.A.
SCI Triel Carrières	Le Vesinet	€	13,500	-	99.89	99.89 GSM S.A.
SnC Rouennaise de Transformation	Grand Couronne	€	7,500	-	60.00	60.00 Ciments Calcia S.A.
Société Civile Bachant le Grand Bonval	Carrières s/P.	€	1,500	-	80.00	80.00 GSM S.A.
Société Civile Carrière de Maraval	Frejus	FF	10,000	-	100.00	100.00 GSM S.A.
Société Civile d'Exploitation Agricole de l'Avesnois	Reims	€	3,000	-	90.00	50.00 Société Civile Bachant le Grand Bonval 40.00 GSM S.A.
Société de la Grange d'Etaule	Gray	€	3,750	-	99.60	99.60 Ciments Calcia S.A.
Société Foncière de la petite Seine S.a.s.	Saint Sauveur les Bray	€	50,000	-	40.00	40.00 GSM S.A.
Unibéton Holding S.A.	Guerville	€	45,000	-	99.86	99.86 Arena S.A.
Unibéton Est S.a.s.	Heilcourt	€	40,000	-	100.00	100.00 Unibéton Holding S.A.
Unibéton Ile de France S.a.s.	L'île Saint Denis	€	40,000	-	100.00	100.00 Unibéton Holding S.A.
Unibéton Med S.a.s.	Lambesc	€	40,000	-	100.00	100.00 Unibéton Holding S.A.
Unibéton Nord S.a.s.	Hellemmes - Lille	€	40,000	-	100.00	100.00 Unibéton Holding S.A.
Unibéton Pays de Loire S.a.s.	Tours	€	40,000	-	100.00	100.00 Unibéton Holding S.A.
Unibéton Region Express S.a.s.	Guerville	FF	250,000	-	99.96	99.96 Unibéton S.A.
Belgium						
Société des Carrières du Tournais S.C.T. S.A.	Tournai	€	61,973.38	-	65.00	65.00 Compagnie des Ciments Belges S.A.
Spain						
Asociación de Empresas de Transporte a Granel	S. Sebastian	ESP	3,850,000	-	92.86	92.86 Sociedad Financiera y Minera S.A.
Canteras Aldoyar S.L.	Olazagutia	€	1,508,510	-	20.00	20.00 Hormigones y Minas S.A.
Cementos Capa S.L.	Archidona	€	1,260,000	-	48.00	48.00 Sociedad Financiera y Minera S.A.
Cisnel Descargas S.L.	Madrid	€	3,010	-	100.00	100.00 Sodecim S.a.s.
Conglomerates Hidraulicos Especiales S.A.	Madrid	€	120,200	-	51.00	51.00 Sociedad Financiera y Minera S.A.
Euroasfaltos y Construcción S.A.	Málaga	€	60,500	-	100.00	99.00 Sociedad Financiera y Minera S.A. 1.00 Companie General de Canteras S.A.
Eurocalizas S.L.	Cantabria	€	18,030	-	33.33	33.33 Hormigones y Minas S.A.
Exportaciones de Cemento del Norte de Espana	Bilbao	ESP	10,000,000	-	45.00	45.00 Sociedad Financiera y Minera S.A.
Hormigones Olatzi S.A.	Olazagutia	ESP	47,222,000	-	25.00	25.00 Hormigones y Minas S.A.
Hormigones Txingudi S.A.	San Sebastian	ESP	10,000,000	-	50.00	50.00 Hormigones y Minas S.A.
Industrias del Cemento Y Viguetas Castilla SA	Vizcaya	€	299,890.61	-	50.00	50.00 Sociedad Financiera y Minera S.A.
Maquinaria para Hormigones A.I.E.	Bilbao	€	258,435.21	-	37.50	37.50 Sociedad Financiera y Minera S.A.
Neuciclaje S.A.	Bilbao	€	60,101.21	-	30.00	30.00 Sociedad Financiera y Minera S.A.
Novhorvi S.A.	Vitoria	€	180,300	-	25.00	25.00 Hormigones y Minas S.A.
Nugra S.A.	Madrid	€	60,100	-	100.00	100.00 Sociedad Financiera y Minera S.A.
Transagrox Pasajes S.A.	Guipúzcoa	€	1,652,783.29	-	100.00	100.00 H.C. Plasier Beheer B.V.
Universal de Hormigones Unidos S.L.	Madrid	€	3,010	-	99.80	99.80 Sociedad Financiera y Minera S.A.
Greece						
Betodomi S.A.	Iraklion	GRD	40,000,000	-	30.00	30.00 Domiki Béton S.A.
Skyra S.r.l.	Mandra	GRD	3,000,000	-	100.00	100.00 Ammos Quarries of East Attica S.A.
Germany						
Saarlandische Zementgesellschaft MBH	Saarbrücken	DEM	100,000	-	80.00	80.00 Ciments Français International S.A.
Great Britain						
Gecocem Limited	London	GBP	50,000	-	100.00	100.00 Ciments Français S.A.
Luxembourg						
Omniun des Arts et Techniques S.A.	Luxembourg	LUF	54,000,000	-	99.99	99.99 Ciments Français International S.A.
Unibéton Luxembourg S.A.	Luxembourg	€	35,000	-	99.71	99.71 Unibéton S.A.



Company	Registered office		Share capital	% direct	% indirect	Held by Group companies % Held by:	
Holland							
H.C. Plasier Beheer B.V.	Vlaardingen	€	18,151.21	-	100.00	100.00	Rular Trading
R.G. Aggregates B.V.	Vlaardingen	€	18,151.21	-	100.00	100.00	Ruler International
Rular Trading B.V.	Vlaardingen	€	18,151.21	-	100.00	100.00	Ruler International
NORTH AMERICA							
U.S.A							
Miron USA Ltd	Nazareth	USD	200	-	100.00	100.00	Essroc Cement Corp.
Canada							
Concrete Systems International Ltd	Kitchener	CAD	1,000	-	50.00	50.00	Essroc Canada Inc.
OTHER COUNTRIES							
Albania							
Eurotech Cement S.h.p.k.	Durres	LEK	270,000,000	-	84.99	84.99	Halyps Building Material S.A.
Dutch Antilles							
Ruler International	Curaçao	USD	6,000	-	100.00	100.00	Compagnie des Ciments Belges S.A.
Bulgaria							
Devnya Finance	Devnya	LEV	50,000,000	-	50.00	50.00	Devnya Cement A.D.
Devnya Limestone Ad Chernovo	Chernovo	LEV	328,737	-	80.00	80.00	Devnya Finance
Dobrotitsa BSK A.D.	Dobritch	LEV	100	-	26.00	26.00	Devnya Cement A.D.
Ljulyaka A.D.	Devnya	LEV	759,372	-	80.00	80.00	Devnya Cement AD
Gambia							
Gacem Company Limited	Serrekunda	GMD	4,500,000	-	80.00	80.00	Tercim S.A.
Kazakhstan							
Shymkent Cement	Shymkent	TEN	10,969,300	-	88.15	88.15	Ciments Français S.A.
Morocco							
Asment (Ciments de Temara)	Temara	MAD	171,875,000	-	37.01	19.99 17.02	Ciments Français S.A. Procimar S.A.
Les Ciments de Laayoune	Laayoune	MAD	50,000	-	79.20	79.20	Ciments du Maroc
Société Immobilière Marguerite VIII	Casablanca	MAD	100,000	-	94.00	94.00	Ciments du Maroc
Société Immobilière Marguerite X	Casablanca	MAD	100,000	-	94.00	94.00	Ciments du Maroc
Mauritania							
Mauritano-Française des Ciments	Nouakchott	UG	1,111,310,000	-	51.11	51.11	Ciments Français S.A.
Thailand							
JTC	Bangkok	BT	1,000,000	-	46.42	46.42	Jalaprathan Concrete Co, Ltd ¹
Sukanit	Bangkok	BT	500,000	-	46.12	46.12	Jalaprathan Concrete Co, Ltd ¹
Turkey							
Met Teknik Servis ve Maden Sanayi Ticaret A.S.	Istanbul	TRL	5,000,000,000	-	99.99	99.99	Set Group Holding
Sri Lanka							
International Cement Traders Ltd	Colombo	LKR	401,416,620	-	80.00	80.00	Ciments Français S.A.
Egypt							
Suez Cement Company	Cairo	LE	640,000,000	-	31.20	31.20	Ciments Français S.A.

¹ percentage of interest



Annex E

LIST OF OTHER INVESTMENTS GREATER THAN 10%

(as per article 126 of Consob communication no. 11971 of 14 May 1999)

Company	Registered office	Share capital	% direct	% indirect	Held by Group companies % Held by:	
EUROPEAN UNION						
Italy						
Compagnia Fiduciaria Nazionale S.p.A.	Milan	€ 312,000	16.67	-	16.67	Italmobiliare Soc. per Az.
Ecoserio S.r.l.	Bergamo	€ 48,960	-	12.50	12.50	Calcestruzzi S.p.A.
Fin.Priv. S.r.l.	Milan	€ 20,000	14.28	-	14.28	Italmobiliare Soc. per Az.
I.GE.PO. - Impresa Gestione Porti S.r.l.	Vibo Valentia	ITL 50,000,000	-	18.00	18.00	Italcementi S.p.A.
Janua Marittima S.p.A.	Genoa	€ 2,205,000	-	10.71	10.71	Italcementi S.p.A.
LUXVIDE S.p.A.	Rome	€ 4,128,000	10.81	-	10.81	Italmobiliare Soc. per Az.
Musone S.r.l. ²	Civitanova Marche (MC)	€ 102,960	-	-	100.00	Calcestruzzi S.p.A.
Procalmi S.r.l. in liquidation	Milan	€ 51,000	-	11.52	11.52	Cemencal S.p.A.
France						
Granulats Marins de Normandie - GIE	Le Havre	-	-	11.05	11.05	GSM S.A.
Scori S.A.	Plaisir	€ 1,092,800	-	13.95	13.95	Ciments Calcia S.A.
Great Britain						
Sirio Vide Ltd	London	GBP 100	11.00	-	11.00	Italmobiliare Soc. per Az.
OTHER COUNTRIES						
Turkey						
Altas Ambarlı Liman Tesisleri Tas	Istanbul	TRL 100,000,000,000	-	12.25	12.25	Anadolu Cimentolari Tas

² held as usufruct

■ Additional
information



Annex F

VARIATIONS IN SHAREHOLDERS' EQUITY

(in thousands of euro)

	Share capital	Legal reserve	Monetary revaluation reserve	Share premium reserve	Reserve for purchase of own shares	Other reserves of the holding company	Other consolidation reserves	Net result for the year	Group shareholders' equity
Balance at 31 December 2000	100,167	19,897	86,760	177,191	20,724	417,915	423,622	186,622	1,432,898
Allocation of income at 31 December 2000:									
Board of Directors								(727)	(727)
Dividends								(36,652)	(36,652)
Legal reserve		136						(136)	
Carried forward						37,472		(37,472)	
Prescribed dividends/waiver of dividends						4			4
Transfer of reserves					396	(396)	111,635	(111,635)	
Consolidation adjustments							(1,018)		(1,018)
Exchange rate differences							5,091		5,091
Net income for the year								143,112	143,112
Balance at 31 December 2001	100,167	20,033	86,760	177,191	21,120	454,995	539,330	143,112	1,542,708



Annex G

RECONCILIATION BETWEEN SHAREHOLDERS' EQUITY AND RESULT FOR THE YEAR OF THE HOLDING COMPANY AND CONSOLIDATED SHAREHOLDERS' EQUITY AND CONSOLIDATED RESULT FOR THE YEAR

	(in thousands of euro)			
	12.31.2001		12.31.2000	
A) Net income for the year of Italmobiliare S.p.A.	66,831		74,988	
Consolidation adjustments:				
Net results of consolidated companies (Group portion)	79,972		118,891	
Adjustment to Group accounting policies (Group portion)	(1,336)		(2,310)	
Adjustment to value of investments stated using the net equity method	5,186		9,310	
Adjustment of gains on investments sold	13,382		20,599	
Elimination of dividends received during the year	(29,539)		(18,495)	
Elimination of write-downs of consolidated investments	4,661		(487)	
Elimination of intercompany income or losses and other variations	3,955		(15,874)	
Group net income	143,112		186,622	
B) Shareholders' equity of Italmobiliare S.p.A.	927,099		897,643	
Adjustment to Group accounting policies	6,610		(6,817)	
Elimination of the book value of consolidated investments:				
in subsidiary companies consolidated on a line-by-line basis	(1,012,253)		(1,004,653)	
in subsidiary and associated companies consolidated on an equity basis	(37,778)	(1,050,031)	(37,791)	(1,042,444)
compared to shareholders' equity of subsidiary companies:				
in subsidiary companies consolidated on a line-by-line basis	1,533,518		1,467,440	
in subsidiary and associated companies consolidated on an equity basis	95,514	1,629,032	89,677	1,557,117
Gains posted to shareholders' equity of subsidiary and associated companies	34,369		33,323	
Elimination of the effects of infragroup operations	(4,371)		(5,924)	
Group consolidated shareholders' equity	1,542,708		1,432,898	



Allegato H

RECONCILIATION BETWEEN THEORETICAL TAXES AND EFFECTIVE TAXES CHARGED TO THE INCOME STATEMENT

(in thousands of euro)

2001

Consolidated income before taxes	602,442
Current IRPEG tax rate	36.0%
Theoretical IRPEG tax effect	(216,879)
Effect of the rate reduction for tax allowances and relief	6,442
Tax effect on permanent differences:	
overseas dividends and other exempt income	14,698
non-deductible costs	(31,854)
Net effect in the year of deferred and prepaid taxes not recorded under temporary differences	(4,570)
Effect of the variation in tax rates	4,019
Withholdings on overseas dividends	(4,218)
Effect of estimated exchange rates and/or recording of deferred taxes previously not recorded	449
Effect of the difference between Italian and overseas tax rate	6,674
Other changes	(3,810)
Effective IRPEG tax charge	(229,049)
Effective IRAP tax charge	(20,041)
Total taxes charged to income statement	(249,090)

Reclassified consolidated balance sheet



	(in thousands of euro)				
	12.31.2001	%	12.31.2000	%	Change 2001/2000
Fixed assets					
Intangible assets	1,366,389		1,412,947		(46,558)
Tangible assets	2,987,866		2,883,452		104,414
Investments and other financial assets	1,109,320		826,357		282,963
Total	5,463,575	86.8	5,122,756	86.3	340,819
Working capital					
Inventories	445,970		444,354		1,616
Trade receivables	955,721		935,164		20,557
Trade payables	(662,055)		(614,673)		(47,382)
Other assets	462,100		401,768		60,332
Other liabilities	(374,331)		(354,899)		(19,432)
Total	827,405	13.2	811,714	13.7	15,691
Net invested capital	6,290,980	100.0	5,934,470	100.0	356,510
Shareholders' equity					
Pertaining to the Group	1,542,708		1,432,898		109,810
Minority interest	2,171,313		2,067,380		103,933
Total	3,714,021	59.0	3,500,278	59.0	213,743
Floating rate subordinated securities	100,505	1.6	121,778	2.1	(21,273)
Provisions					
Employees' leaving entitlements	102,634		100,795		1,839
Other provisions	671,938		676,360		(4,422)
Total	774,572	12.3	777,155	13.1	(2,583)
Net debt					
Liquid funds and current financial assets	(890,954)		(834,921)		(56,033)
Short-term financing	970,575		863,808		106,767
Short term indebtedness	79,621	1.3	28,887	0.5	50,734
Medium to long term financial assets	(55,514)		(327,051)		271,537
Medium to long term financing	1,677,775		1,833,423		(155,648)
Medium to long term financial position	1,622,261	25.8	1,506,372	25.4	115,889
Net debt	1,701,882	27.1	1,535,259	25.9	166,623
Total financing	6,290,980	100.0	5,934,470	100.0	356,510



Reclassified consolidated income statement

(in thousands of euro)

	12.31.2001	%	12.31.2000	%	Change 2001/2000	%
Net sales	4,206,727	100.0	3,962,201	100.0	244,526	6.2
Variation in inventories	(8,552)	-0.2	18,086	0.5	(26,638)	-147.3
Increase on internal work capitalized under fixed assets	15,012	0.4	15,803	0.4	(791)	(5.0)
	4,213,187	100.2	3,996,090	100.9	217,097	5.4
Other revenues	91,751	2.2	105,052	2.7	(13,301)	-12.7
Net sales and other operating income	4,304,938	102.3	4,101,142	103.5	203,796	5.0
Consumables	1,054,237	25.1	1,045,472	26.4	8,765	0.8
Services	1,336,057	31.8	1,254,302	31.7	81,755	6.5
Other operating costs	112,340	2.7	111,232	2.8	1,108	1.0
Value added	1,802,304	42.8	1,690,136	42.7	112,168	6.6
Personnel expenses	729,170	17.3	721,306	18.2	7,864	1.1
Provisions and write-downs	24,473	0.6	21,393	0.5	3,080	14.4
Gross operating profit	1,048,661	24.9	947,437	23.9	101,224	10.7
Amortization and depreciation	395,612	9.4	420,700	10.6	(25,088)	(6.0)
Operating income (difference between production value/costs)	653,049	15.5	526,737	13.3	126,312	24.0
Financial income and charges	6,476	0.2	61,492	-	(55,016)	-89.5
Adjustments to financial asset values	(32,929)	-0.8	(5,554)	-0.1	(27,375)	-
Non-recurring items	(24,154)	-0.6	20,407	0.5	(44,561)	-218.4
Income before taxes	602,442	14.3	603,082	15.2	(640)	-0.1
Taxes on income	(249,090)	-5.9	(234,183)	-5.9	(14,907)	6.4
Income before minority interest	353,352	8.4	368,899	9.3	(15,547)	-4.2
Minority interest	210,240	5.0	182,277	4.6	27,963	15.3
Group net income	143,112	3.4	186,622	4.7	(43,510)	-23.3
Cash flow	748,964		789,599		(40,635)	

Consolidated statement of cash flows



(in thousands of euro)

	12.31.2001	12.31.2000
A) Cash and cash equivalents at beginning of year	219,039	308,870
B) Cash flow from operating activities:		
Group net income	143,112	186,622
Minority interest	210,240	182,277
Depreciation	395,612	420,700
Change from companies valued using the equity method	(11,156)	(12,322)
Dividends from companies valued using the equity method	741	824
Write-downs/revaluations of fixed assets	17,724	10,567
Capital (gain)/loss on sales of fixed assets	(114,865)	(118,819)
Interest on debenture loan	20,149	18,925
Interest income on floating rate subordinated securities	(21,273)	(19,271)
	640,284	669,503
Change in working capital:		
Inventories	7,409	(27,524)
Trade receivables	(10,331)	22,683
Trade payables	39,312	(21,126)
Other assets/liabilities	(39,137)	(35,658)
Investments not of a fixed nature	(9,811)	75,595
	(12,558)	13,970
Variation in provisions:		
Net variation in employees' leaving entitlements	2,192	(7,814)
Variation in other provisions	4,732	2,579
	6,924	(5,235)
Total B)	634,650	678,238
C) Cash flow from investing activities:		
Investments in fixed assets:		
Intangible	(29,135)	(31,768)
Tangible	(330,434)	(316,217)
Financial (equity investments)	(517,104)	(266,495)
Share buyback	(396)	(3,955)
	(877,069)	(618,435)
Proceeds from sales of fixed assets	214,238	197,312
Total C)	(662,831)	(421,123)
D) Cash flow from financing activities:		
Change in financial receivables	116,165	(163,844)
Change in financial payables	(94,009)	(202,091)
Change in financial assets other than equity investments	(4,746)	(2,459)
Total D)	17,410	(368,394)
E) Cash flow from variations in shareholders' equity:		
Share capital increases	3,986	2,295
Grants related to assets	5,013	484
Dividends paid to minority interest	(99,343)	(82,899)
Total E)	(90,344)	(80,120)
F) Change in consolidation and translation differences	39,506	101,568
G) Cash flow for the year (B+C+D+E+F)	(61,609)	(89,831)
Cash and cash equivalents at year end (A+G)	157,430	219,039



Report of the Board of Statutory Auditors

Dear Shareholders,

the consolidated financial statements for the year 2001 have been prepared in accordance with the legislation in force, in particular in compliance with the provisions of Legislative Decree no. 127/91, section III, which incorporated EU VII Directive, in accordance with the principles of clarity. The consolidated financial statements have been audited by Reconta Ernst & Young S.p.A.

The balance sheet position may be summarized as follows:

(in thousands of euro)	
Total assets	8,497,969
Group shareholders' equity	1,542,708
Minority interest	2,171,313
Liabilities	4,783,948
Total equity and liabilities	8,497,969

The income statement shows Group net income of 143.1 million euro, compared to 186.6 million euro in the previous year.

The Directors' report summarizes the performance of the Group and the key sectors and, in our opinion, provides adequate information. In particular, we confirm that:

- the consolidation area is correctly determined and the most important changes compared to the previous year have been adequately set out in the notes to the consolidated financial statements;
- the consolidation policies adopted conform to statutory regulations and generally accepted criteria;
- the accounting policies and valuation criteria for the various entries in the consolidated financial statements are agreed by us;
- the consolidated financial statements have been prepared on the basis of the financial statements at 31 December 2001 provided by the Boards of Directors, approved by the shareholders' meetings of the respective companies if they have already been held.

Milan, 9 April 2002

Board of Statutory Auditors