

# ITALMOBILIARE

2001 Half year report



2001 Half year report

September 13, 2001

**ITALMOBILIARE**

Società per Azioni

Head office: via Borgonuovo, 20  
20121 Milano, Italy

Share capital €100.166.937  
Milano Company Register



# Directors and officers

## ■ BOARD OF DIRECTORS

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

## ■ BOARD OF STATUTORY AUDITORS

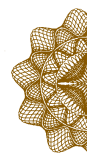
### Acting Auditors

Luigi Guatri	Chairman
Claudio De Re	
Paolo Marchi	

### Substitute Auditors

Dino Fumagalli	
Eugenio Mercorio	
Pietro Curcio	
<hr/>	
Reconta Ernst & Young	<sup>6</sup> Independent Auditors

- <sup>1</sup> Member of the Executive Committee
- <sup>2</sup> Member of the Compensation Committee
- <sup>3</sup> Member of the Internal Audit Committee
- <sup>4</sup> Independent Board Member
- <sup>5</sup> Secretary to the Executive Committee
- <sup>6</sup> Appointed at the Shareholders' Meeting of 11 May 2000

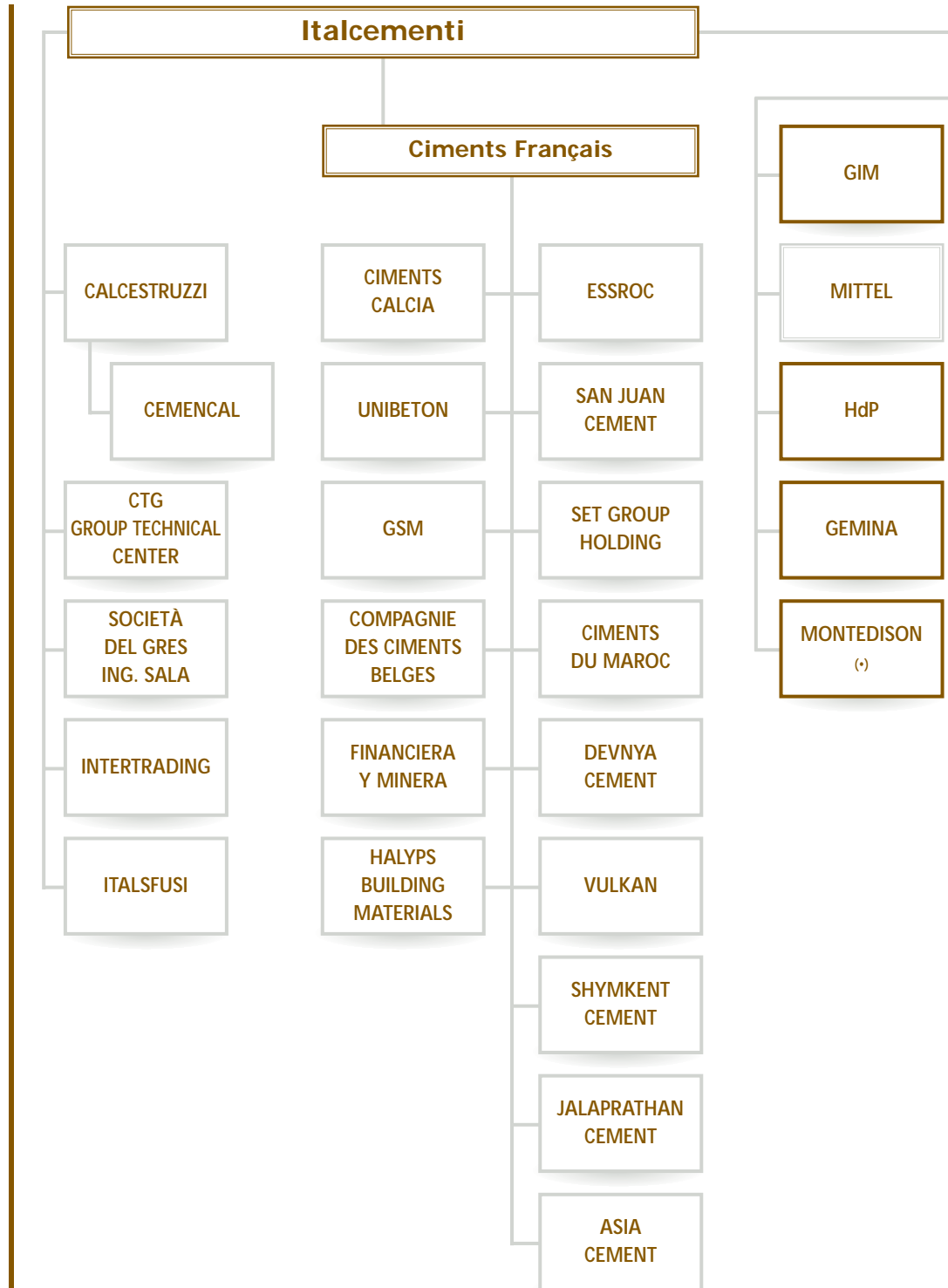


## ■ ITALMOBILIARE GROUP

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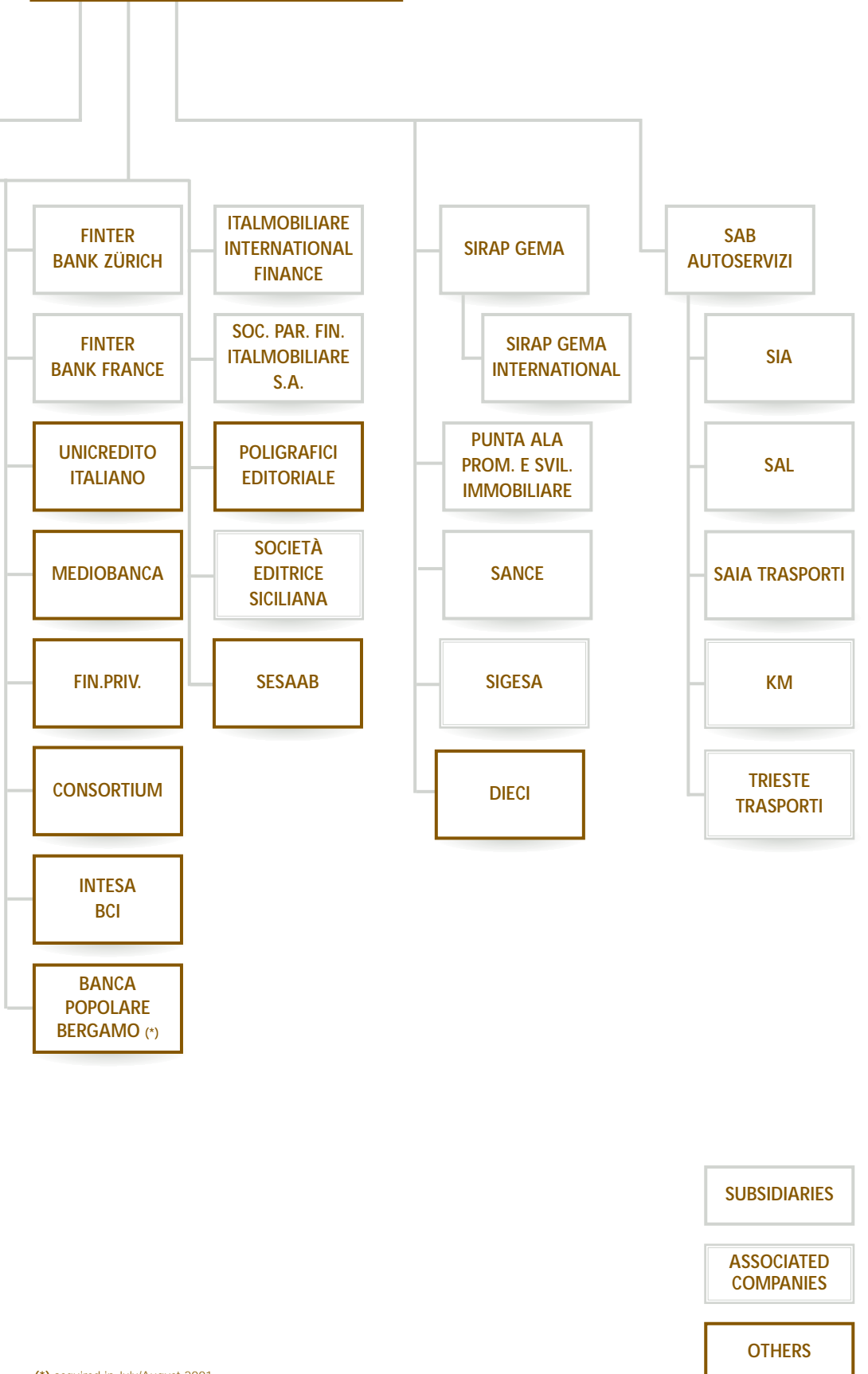


# ITALMOBILIARE GROUP





# ITALMOBILIARE



(\*) acquired in July/August 2001



# Group financial highlights

(in billions of lire)

	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	1 <sup>st</sup> half 1999	31 December 2000
Net sales	4,101.2	3,788.0	3,360.6	7,671.9
Gross operating profit	963.9	852.9	807.1	1,834.5
Amortisation and depreciation	383.7	359.9	334.7	814.6
Operating income	580.2	493.0	472.4	1,019.9
Financial income/(charges)	(47.2)	132.8	(60.1)	119.1
Total income before minority interests	306.5	398.2	220.7	714.3
Group net income	119.4	230.8	68.7	361.4
Cash flow (income+amortisation and depreciation)	690.1	758.1	555.4	1,528.9
Investments	535.9	514.0	777.7	1,197.5
Total shareholders' equity	7,072.5	6,501.3	6,018.0	6,777.5
Group shareholders' equity	2,845.2	2,618.8	2,281.8	2,774.5
Net debt	3,398.1	3,230.3	3,229.2	2,972.7
Employees at period end (heads)	19,988	19,972	19,914	19,311

(in millions of euro)

	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	1 <sup>st</sup> half 1999	31 December 2000
Net sales	2,118.1	1,956.3	1,735.6	3,962.2
Gross operating profit	497.8	440.5	416.8	947.4
Amortisation and depreciation	198.1	185.9	172.9	420.7
Operating income	299.7	254.6	244.0	526.7
Financial income/(charges)	(24.4)	68.6	(31.0)	61.54
Total income before minority interests	158.3	205.7	114.0	368.9
Group net income	61.6	119.2	35.5	186.6
Cash flow (income+amortisation and depreciation)	356.4	391.6	286.8	789.6
Investments	276.8	265.4	401.6	618.5
Total shareholders' equity	3,652.6	3,357.6	3,108.0	3,500.3
Group shareholders' equity	1,469.4	1,352.5	1,178.5	1,432.9
Net debt	1,755.0	1,668.3	1,667.7	1,535.3
Employees at period end (heads)	19,988	19,972	19,914	19,311



## Operations

The consolidated financial statements for Italmobiliare S.p.A. at 30 June 2001 show total income before minority interests of lire 306.5 billion and Group net income of lire 119.4 billion, compared to lire 398.2 billion and lire 230.8 billion respectively in the 1<sup>st</sup> half of 2000.

Overall in the 1<sup>st</sup> half of 2001 the Group made a solid improvement in its levels of business and operating results, while it recorded a fall in net income compared to the 1<sup>st</sup> half of 2000, mainly due to the absence of both capital gains on equity sales and non-recurring income, which had a significant impact on the previous year's results.

### Group performance

In a slowing international economic context and with trends in the construction sector mixed among different geographic areas, the **Italcementi Group** recorded overall net income before minority interests of lire 249 billion, up 26 billion (+11.5%) compared to the 1<sup>st</sup> half of 2000, and Group net income of lire 173 billion, compared to lire 164 billion in the 1<sup>st</sup> half of 2000.

Overall net sales were lire 3,949 billion, up 8.6% compared to the 1<sup>st</sup> half of 2000. This increase was helped by the upward trend in sales volumes, as well as in prices, in most markets and by the enlargement of the consolidation area with the inclusion of Zuari Cement (India).

Performance in other industrial and service sectors may be summarised as follows:

- the **Sirap Gema group** (food packaging and insulation) ended the half year with a consolidated loss of lire 18.1 billion, compared to a profit of lire 1.1 billion at 30 June 2000; net sales rose to lire 114.9 billion, compared to lire 111.7 billion the year before. The loss in the period was caused by high restructuring costs in the insulation materials sector, which led to the closure of the Manage facility (Belgium).
- the **SAB group** (public transport) made a net profit of lire 10.9 billion, compared to lire 4.5 billion in the 1<sup>st</sup> half of the previous year, with net sales practically unchanged (lire 79.9 billion up from 79.8 billion lire). The increase in profit was largely due to non-recurring income in the period.

The main finance companies recorded the following results:

- **Italmobiliare International Finance Ltd** (a company operating in international capital markets) recorded net income of lire 20.1 billion, an increase of 24% compared to the 1<sup>st</sup> half of 2000;
- **Société de Participation Financière Italmobiliare S.A.** (a finance company that manages key equity investments and liquidity) ended the half year with net income of lire 12.5 billion, down 40% compared to the 1<sup>st</sup> half of 2000; the latter period was marked by capital gains on the disposals of equity investments;
- **Fincomind group** (which controls Finter Bank Zürich and Finter Bank France) recorded consolidated net income of Swiss francs 2.2 million, compared to Swiss francs 10.1 million in the 1<sup>st</sup> half of 2000.





The fall in earnings is explained by the downward trend on international stock markets, which led to a downturn in trading volumes, and so in income, of the main subsidiary Finter Bank Zürich.

#### Main transactions involving the equity investments of Italmobiliare and its financial subsidiaries

The main equity transactions effected by the parent company Italmobiliare and its financial subsidiaries were as follows:

- Italmobiliare acquired 10% of Tredicimarzo S.r.l. with a lire 27.1 billion investment; Tredicimarzo in turn acquired 1.99% of the share capital of Mediobanca from Eurafrance and Eurazeo.  
The associated company Fin.Priv. also took part in this operation. Italmobiliare made a further investment in Fin.Priv. of lire 8.4 billion overall by taking part in a share capital increase and raising its stake from 12.5% to 14.28%.
- Société de Participation Financière Italmobiliare S.A. took part in the share capital increase in Consortium S.r.l., in which it already had a stake, investing an overall amount of lire 24.7 billion lire. Consortium acquired 79.3% of the share capital of Euralux; as a result of the resolution to merge Euralux with Mediobanca, Consortium will become a 13.9% shareholder in Mediobanca.  
The stake in Consortium, following the aforementioned increases in capital in which a larger number of investors took part, fell from 5% to 2.274%.
- Société de Participation Financière Italmobiliare S.A. bought 856,754 IntesaBci shares on the open market for an outlay of lire 6.8 billion; at the same time, put warrants on these shares, with a November 2002 maturity date, were sold on the open market for proceeds of lire 6.3 billion.
- Italmobiliare bought on the open market 140,000 Italcementi common shares through a financial investment of lire 2.4 billion: thus its stake, both direct and indirect (through Intermobiliare), rose to 56.73%.
- Italmobiliare invested lire 2.2 billion in the share capital increase of Newco.com, a company set up in 2000 by the Italcementi Group, which has developed a vertical portal for the B2B construction materials sector; the direct stake in this company fell from 10% to 9.62%.



## Main consolidated figures at 30 June 2001

	(in millions of euro)		(in billions of lire)	
	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	2000
<b>Net sales</b>	2,118.1	4,101.2	3,788.0	7,671.9
<b>Value added</b>	881.8	1,707.4	1,577.9	3,272.6
<b>Gross operating profit</b>	497.8	963.9	852.9	1,834.5
<i>as % of net sales</i>	23.5	23.5	22.5	23.9
Amortisation and depreciation	198.1	383.7	359.9	814.6
<b>Operating income</b> (difference between net sales and other operating income and operating costs)	299.7	580.2	493.0	1,019.9
<i>as % of net sales</i>	14.1	14.1	13.0	13.3
Financial income and charges, net	(24.4)	(47.2)	132.8	119.1
Adjustments to the value of financial assets and non-recurring items, net	(5.5)	(10.6)	50.5	28.8
<b>Income before taxes</b>	<b>269.8</b>	<b>522.4</b>	<b>676.3</b>	<b>1,167.7</b>
<b>Income before minority interests</b>	<b>158.3</b>	<b>306.5</b>	<b>398.2</b>	<b>714.3</b>
Minority interests	96.6	187.1	167.4	352.9
<b>Group net income</b>	<b>61.6</b>	<b>119.4</b>	<b>230.8</b>	<b>361.4</b>
	30.6.2001	30.6.2001	30.6.2000	31.12.2000
Total shareholders' equity	3,652.6	7,072.5	6,501.3	6,777.5
Group shareholders' equity	1,469.4	2,845.2	2,618.8	2,774.5
Net debt	1,755.0	3,398.1	3,230.3	2,972.7
Capital expenditure	276.8	535.9	514.0	1,197.5
Cash flow (income+amortisation and depreciation)	356.4	690.1	758.1	1,528.9

The seasonal nature of the Group's core business, construction materials, is evident in the following summarised figures, which reflect the increase in business levels in the second quarter.

	1 <sup>st</sup> half 2001	2 <sup>nd</sup> quarter 2001	1 <sup>st</sup> quarter 2001
<b>Net sales</b>	<b>4,101.2</b>	<b>2,252.9</b>	<b>1,848.3</b>
<i>% change compared to 2000</i>	8.3	9.0	7.3
<b>Gross operating profit</b>	<b>963.9</b>	<b>601.6</b>	<b>362.3</b>
<i>as % of net sales</i>	23.5	26.7	19.6
<b>Operating income</b>	<b>580.2</b>	<b>411.0</b>	<b>169.2</b>
<i>as % of net sales</i>	14.1	18.2	9.2



## Net sales

Net sales rose by 8.3%, increasing from lire 4,101 billion to lire 3,788 billion, thanks to the contribution from the construction materials sector.

The increase in net sales is due to:

- the positive trend in the markets where the Group operates (5%)
- changes in the consolidation area (2.5%)
- exchange rate fluctuations (0.8%).

The breakdown of sales among the various business sectors and geographic areas<sup>(\*)</sup> can be summarised as follows:

	(in billions of lire)					
	1 <sup>st</sup> half 2001		1 <sup>st</sup> half 2000		Change	
		%		%	%	% <sup>(**)</sup>
<b>Geographic area</b>						
European Union	2,944.5	71.8	2,774.0	73.2	6.1	6.0
<i>of which Italy</i>	<i>1,326.1</i>	<i>32.3</i>	<i>1,229.0</i>	<i>32.4</i>	<i>7.9</i>	<i>7.9</i>
North America	563.5	13.7	548.1	14.5	2.8	-3.8
Emerging countries and trading	593.2	14.5	465.9	12.3	27.4	10.3
<b>Total</b>	<b>4,101.2</b>	<b>100.0</b>	<b>3,788.0</b>	<b>100.0</b>	<b>8.3</b>	<b>5.0</b>
<b>Business sector</b>						
Construction materials	3,945.2	96.2	3,635.5	96.0	8.5	5.1
Food packaging and insulation	114.9	2.8	111.7	2.9	2.8	2.8
Transport	38.1	0.9	37.7	1.0	1.2	1.2
Other activities	3.0	0.1	3.1	0.1	-3.6	-3.6
<b>Total</b>	<b>4,101.2</b>	<b>100.0</b>	<b>3,788.0</b>	<b>100.0</b>	<b>8.3</b>	<b>5.0</b>

\* net sales by country/sector are shown net of inragroup transactions

\*\* at constant size and exchange rates

## Gross operating profit and operating income

Gross operating profit and operating income increased by 13% and 17.7% respectively, on net sales up by 8.3% as mentioned previously. The positive trend, both in absolute and relative terms, is due to the construction materials sector which achieved significant efficiency improvements through a program of industrial cost-cutting, despite an unhelpful background of price rises on some production factors.



## Financial income and charges and other items

Financial income and charges recorded a negative balance of lire 47.2 billion after a positive balance of lire 132.8 billion.

The 1<sup>st</sup> half of 2000 had capital gains from the sale of equity investments worth lire 148.4 billion (in particular Crea, Burgo and Poligrafici), whereas similar items were practically absent in the 1<sup>st</sup> half of 2001. In this latter period, on the other hand, currency losses of approximately lire 24 billion were recorded because of the devaluation of the Turkish lira, as well as additional financial charges of lire 13 billion in connection with the consolidation of Zuari Cement Ltd and the corresponding increase in debt.

Non-recurring income/charges had a negative balance of lire 10.4 billion after a positive result of lire 57 billion. This latter figure was influenced by significant windfall gains connected to the reduction of the European Commission fine and compensation paid by Paribas in respect of the purchase price of Ciments Français. The 1<sup>st</sup> half of 2001 also included non-recurring charges relating to the restructuring of the insulation division of the subsidiary Sirap Gema.

## Net income

Overall net income fell to lire 306.5 billion from lire 398.2 billion, after income taxes of lire 215.9 billion (lire 278 billion at 30 June 2000).

## Financial position

	(in millions of euro)		(in billions of lire)	
	30.6.2001	30.6.2001	31.12.2000	30.6.2000
Net fixed assets	5,325.1	10,310.8	9,919.0	9,751.8
Working capital	981.2	1,899.8	1,571.7	1,719.6
<b>Net invested capital</b>	<b>6,306.3</b>	<b>12,210.6</b>	<b>11,490.7</b>	<b>11,471.4</b>
Total shareholders' equity	3,652.6	7,072.5	6,777.5	6,501.2
of which <i>Group shareholders' equity</i>	<i>1,469.4</i>	<i>2,845.2</i>	<i>2,774.5</i>	<i>2,618.8</i>
Floating rate subordinated securities (net)	111.4	215.6	235.8	254.8
Provisions	787.3	1,524.4	1,504.7	1,485.1
Net debt	1,755.0	3,398.1	2,972.7	3,230.3
<b>Total financing</b>	<b>6,306.6</b>	<b>12,210.6</b>	<b>11,490.7</b>	<b>11,471.4</b>

## Capital expenditure

Capital expenditure in the period was lire 535.9 billion, compared to lire 514 billion in the 1<sup>st</sup> half of 2000. This consisted of lire 234.7 billion for financial fixed assets, lire 271.4 billion for tangible fixed assets, and lire 29.8 billion for intangible fixed assets.

The main financial investments were in Zuari Cement, Tredicimarzo, Consortium, Italcementi, Trieste Trasporti, and Fin.Priv.



## Net financial position

The net financial position worsened from lire 2,973 billion at 31 December 2000 to lire 3,398 billion, an increase of lire 425 billion due to the sizeable aforementioned investments, which were not completely financed by the considerable cash flows generated from operations.

The ratio of net debt, including floating rate subordinated securities, to shareholders' equity increased to 51.1% from 47.3% at 31 December 2000.

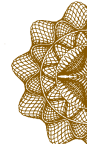
The following is a summary of the net financial position and financial flows.

### Net debt

	(in millions of euro)		(in billions of lire)	
	30.6.2001	31.12.2000	30.6.2001	31.12.2000
Cash, cash equivalents and current financial assets	992.1	834.9	1,921.0	1,616.6
Short-term financing	(1,176.0)	(863.8)	(2,277.1)	(1,672.6)
Medium/long-term financial assets	267.3	327.0	517.7	633.3
Medium/long-term financing	(1,838.4)	(1,833.4)	(3,559.7)	(3,550.0)
<b>Net financial position</b>	<b>(1,755.0)</b>	<b>(1,535.3)</b>	<b>(3,398.1)</b>	<b>(2,972.7)</b>
Change compared to 31.12.2000	(219.7)	-	(425.4)	-
<b>Floating rate subordinated securities (net)</b>	<b>(111.3)</b>	<b>(121.8)</b>	<b>(215.6)</b>	<b>(235.8)</b>

### Summary of financial flows

	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000
<b>Opening net financial position</b>	<b>(1,535.3)</b>	<b>(1,749.6)</b>	<b>(2,972.7)</b>	<b>(3,387.7)</b>
<b>Cash flows from operating activities</b>	<b>192.6</b>	<b>183.8</b>	<b>372.9</b>	<b>355.9</b>
Investments				
Intangible	(15.4)	(12.2)	(29.8)	(23.6)
Tangible	(140.2)	(122.3)	(271.4)	(236.9)
Financial (equity investments)	(121.2)	(126.9)	(234.7)	(245.8)
Own shares	-	(4.0)	-	(7.7)
Proceeds from sale of fixed assets	27.5	134.8	53.3	261.0
<b>Total capital expenditure</b>	<b>(249.3)</b>	<b>(130.6)</b>	<b>(482.6)</b>	<b>(253.0)</b>
Change in other financial fixed assets	(14.7)	(12.6)	(28.4)	(24.4)
Change in other equity investments	(6.5)	74.0	(12.6)	143.4
Dividends paid	(99.7)	(82.6)	(193.1)	(159.9)
Other	(42.1)	49.3	(81.6)	95.4
Total of changes in net debt	(219.7)	81.3	(425.4)	157.4
<b>Closing net financial position</b>	<b>(1,755.0)</b>	<b>(1,668.3)</b>	<b>(3,398.1)</b>	<b>(3,230.3)</b>



For the purposes of full disclosure, the net financial position of Italmobiliare, together with its wholly owned financial subsidiaries is set out below.

(in millions of lire)

	30 June 2001		31 December 2000	
	Italmobiliare	Consolidated Italmobiliare and finance companies <sup>(*)</sup>	Italmobiliare	Consolidated Italmobiliare and finance companies <sup>(*)</sup>
Cash, cash equivalents and current financial assets	72,000	1,057,919	81,210	1,052,633
Short-term financing	(406,330)	(427,919)	(250,787)	(257,564)
Short-term net financial position	(334,330)	630,000	(169,577)	795,069
Medium/long-term net debt	(589,343)	(489,343)	(696,935)	(596,935)
<b>Net financial position</b>	<b>(923,673)</b>	<b>140,657</b>	<b>(866,512)</b>	<b>198,134</b>

(in thousands of euro)

	30 June 2001		31 December 2000	
	Italmobiliare	Consolidated Italmobiliare and finance companies <sup>(*)</sup>	Italmobiliare	Consolidated Italmobiliare and finance companies <sup>(*)</sup>
Cash, cash equivalents and current financial assets	37,185	546,370	41,941	543,640
Short-term financing	(209,852)	(221,002)	(129,521)	(133,021)
Short-term net financial position	(172,667)	325,368	(87,580)	410,619
Medium/long-term net debt	(304,370)	(252,725)	(359,936)	(308,291)
<b>Net financial position</b>	<b>(477,037)</b>	<b>72,643</b>	<b>(447,516)</b>	<b>102,328</b>

\* These include: Italmobiliare International Finance Limited - Italmobiliare International B.V. - Intermobiliare S.p.A. - Société de Participation Financière Italmobiliare S.A. - Fincomind group (excluding the net financial position of the subsidiary banks).

## Shareholders' equity

Overall shareholders' equity (lire 7,072.5 billion) increased by lire 295 billion compared to 31 December 2000. This increase is made up as follows: lire 70.8 billion for group shareholders' equity and lire 224.2 billion for minority interests.

Exchange rate differences, arising mainly from the appreciation of the US dollar, contributed a gain of approximately lire 103.3 billion.



## Performance by business and by country

### Construction materials sector

This sector, which represents Italmobiliare's core business, includes the cement, ready mixed concrete and aggregates businesses, all run by the Italcementi Group. The consolidated figures for the 1<sup>st</sup> half of 2001 include the figures for Zuari Cement Ltd (on a line-by-line basis) starting from the beginning of the accounting period.

#### Half year consolidated figures

	(in millions of euro)		(in billions of lire)	
	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	1 <sup>st</sup> half 2000
<b>Net sales</b>	<b>2,039.4</b>	<b>3,948.8</b>	<b>3,637.6</b>	
<b>Value added</b>	<b>837.0</b>	<b>1,620.6</b>	<b>1,497.4</b>	
<b>Gross operating profit</b>	<b>490.2</b>	<b>949.2</b>	<b>840.6</b>	
<i>as % of net sales</i>	<i>24.0</i>	<i>24.0</i>	<i>23.1</i>	
Amortisation and depreciation	(188.0)	(364.1)	(340.6)	
<b>Operating income</b>	<b>302.2</b>	<b>585.1</b>	<b>500.0</b>	
<i>(difference between net sales and other operating income and operating costs)</i>				
<i>as % of net sales</i>	<i>14.8</i>	<i>14.8</i>	<i>13.7</i>	
Financial income and charges, net	(70.4)	(136.2)	(98.3)	
Adjustments to the value of financial assets and non-recurring items	2.1	4.1	48.3	
<b>Income before taxes</b>	<b>233.9</b>	<b>452.9</b>	<b>450.1</b>	
<b>Total income before minority interests</b>	<b>128.5</b>	<b>248.7</b>	<b>223.0</b>	
Minority interests	(39.3)	(76.1)	(58.6)	
<b>Group income</b>	<b>89.2</b>	<b>172.6</b>	<b>164.4</b>	
	30 June 2001	30 June 2001	31 December 2000	
Capital expenditure	220.3	426.6	369.1	
Cash flow (income+amortisation and depreciation)	316.5	612.8	563.6	



The half year was marked by strong growth in operating income, which, however, was offset by unfavourable changes in financial and non-recurring items compared to the 1st half of 2000.

Despite a slowing international economic context and with trends in the construction sector tending increasingly to vary among into different geographic areas, the group recorded growth in all its business areas.

### Quarterly performance

	(in billions of lire)		
	1 <sup>st</sup> half 2001	2 <sup>nd</sup> quarter 2001	1 <sup>st</sup> quarter 2001
<b>Net sales</b>	<b>3,948.8</b>	<b>2,171.1</b>	<b>1,777.7</b>
<i>Change compared to 2000</i>	+8.6%	+9.4%	+7.5%
<b>Gross operating profit</b>	<b>949.2</b>	<b>594.5</b>	<b>354.7</b>
<i>as % of net sales</i>	+12.9%	+14.1%	+11.0%
<b>Operating income</b>	<b>585.1</b>	<b>413.7</b>	<b>171.4</b>
<i>as % of net sales</i>	+17.0%	+18.9%	+12.7%
<b>Net debt</b> (at period end)	<b>3,560.8</b>	<b>3,560.8</b>	<b>3,371.3</b>

The highly seasonal nature of the group's activities is reflected in the breakdown of the year's business trend, which normally shows higher levels of business and operating results in the second quarter compared to the first months of the year, due to generally better weather conditions and lower maintenance costs.

### Sales and internal consumption

	1 <sup>st</sup> half 2001	% change from 1 <sup>st</sup> half 2000	
		historical	like for like
<b>Cement</b> (millions of metric tons)	20.4	5.5	1.2
<b>Aggregates</b> (millions of metric tons)	27.1	0.5	0.5
<b>Ready mixed concrete</b> (millions of m <sup>3</sup> )	9.3	3.0	2.2





## Contribution to consolidated net sales <sup>(\*)</sup>

(in billions of lire)

	1 <sup>st</sup> half 2001	%	1 <sup>st</sup> half 2000	%	Change
					2001 /2000
<b>Geographic area</b>					
European Union	2,792.1	70.7	2,623.7	72.1	6.4
<i>of which Italy</i>	563.5	14.3	548.1	15.1	2.8
North America	540.2	13.7	417.0	11.5	29.5
Other countries and trading	53.0	1.3	48.8	1.3	8.7
<b>Total</b>	<b>3,948.8</b>	<b>100.0</b>	<b>3,637.6</b>	<b>100.0</b>	<b>8.6</b>
<b>Business area</b>					
Cement	2,481.2	62.8	2,255.8	62.0	10.0
Ready mixed concrete and aggregates	1,278.1	32.4	1,180.2	32.4	8.3
Other	189.5	4.8	201.6	5.6	-6.0
<b>Total</b>	<b>3,948.8</b>	<b>100.0</b>	<b>3,637.6</b>	<b>100.0</b>	<b>8.6</b>
<b>Total like for like</b>					<b>5.2</b>

\* net sales for the geographic/business areas are recorded net of infragroup operations between geographic/business areas

Besides the aforementioned increase in sales volumes, half-year sales also benefited from a favourable price trend in all countries, except for North America where they remained largely stable, and Turkey. Italy, which accounts for a third of the group's net sales, is also the country which made the biggest contribution to the growth of half year net sales. The increase seen in North America is entirely due to exchange rate differences.

## Net sales, gross operating profit and capital expenditure by geographic area

	Net sales		Gross operating profit		Capital expenditure		Capital invested <sup>(*)</sup>	
	% change on		% change on					
	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	30 Jun 2001	31 Dec 2000
European Union	2,848.8	6.6	662.5	8.1	163.3	135.4	5,383.9	5,176.6
North America	563.5	2.8	120.3	6.2	45.1	55.7	1,234.8	1,058.8
Emerging countries <sup>(**)</sup>	591.4	25.9	164.4	42.0	27.6	30.7	2,502.6	2,264.4
Trading and other countries	167.1	-11.5	2.0	>100	1.1	1.2	23.0	63.2
Holdings	-	-	-	-	-	-	881.7	873.8
Elimination of inter-country sales	(222.0)	-8.2	-	-	-	-	-	-
<b>Total</b>	<b>3,948.8</b>	<b>8.5</b>	<b>949.2</b>	<b>12.9</b>	<b>237.1</b>	<b>223.0</b>	<b>10,026.0</b>	<b>9,436.8</b>

\* net tangible and intangible fixed assets and working capital

\*\* Zuari Cement Ltd not included in the 1<sup>st</sup> half of 2000



## European Union

### Italy

	(in millions of euro*)		(in billions of lire*)
	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000
Net sales	674.6	1,306.3	1,183.2
Gross operating profit	142.6	276.2	244.9
Capital expenditure	41.8	81.0	64.2

\* consolidated country data before intragroup eliminations

After the impressive increase recorded in the previous two years, demand for cement grew at a more moderate rate, estimated (in the absence of official figures) at about 2% compared to the 1<sup>st</sup> half of 2000, rising above all in the 2nd quarter after a largely stable first quarter.

Likewise, group sales of hydraulic binders rose overall by 1.9%, with a smaller increase on the national market because of imports.

The positive market situation saw an improvement in average sales prices, which made a significant contribution to the growth of group net sales.

Operating results progressed well, but nevertheless felt the impact of the increase in some variable costs, especially fuel, electricity and raw materials.

The ready mixed concrete market in Italy grew overall in the half year under review. As previously mentioned, favourable investment dynamics contributed to this trend, in particular with regard to public works.

In this context, Calcestruzzi S.p.A. and its Italian subsidiaries increased their net sales overall by 7.7%.

Operating results were also affected by administrative reorganisation costs, as well as by the increase in raw material and transportation costs, only partially offset by the increase in net sales per unit. However, the containment of fixed costs helped to generate operating results substantially in line with those of the 1<sup>st</sup> half of 2000.



## France

	(in millions of euro*)		(in billions of lire*)
	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000
Net sales	588.1	1,138.7	1,101.9
Gross operating profit	133.5	258.4	234.5
Capital expenditure	25.8	50.0	54.7

\* consolidated country data before infragroup eliminations

In the period in question, national cement sales volumes for Ciments Calcia S.A. decreased by about 1.9%, in line with the general market trend.

Business trends varied from one area to another because of the effects of weather conditions which were unfavourable in some regions compared to the year-earlier period. However, the upward trend in average sales prices and significant containment of industrial costs, following the introduction of an action plan, led to an improvement in operating results.

In the aggregates sector, GSM increased its sales volumes by 3% by taking advantage of business opportunities connected to roadworks in the Southwest region.

The improvement in average sales prices in the two business sectors made up for the increase in some variable production costs, leading to a further improvement in operating results.

## Belgium

	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000
Net sales	96.5	186.9	188.7
Gross operating profit	22.3	43.3	52.0
Capital expenditure	7.8	15.0	7.8

\* consolidated country data before infragroup eliminations

Despite unfavourable weather conditions which caused a slowdown in the construction industry in Belgium, CCB's cement sales in Benelux were steady compared to the 1<sup>st</sup> half of 2000, while a decrease was recorded in the sales volumes destined for the French market.

Group sales of aggregates in Benelux were sharply down compared to the 1<sup>st</sup> half of 2000, which was marked by strong business activity, while sales of ready mixed concrete, thanks to the favourable location of facilities, reported strong growth.

Nonetheless, the increase in sales prices in all business sectors allowed net sales to reach the levels of the 1<sup>st</sup> half of 2000.

Operating results, however, were penalised by the increase in fuel costs and high maintenance costs which, in the previous period, had been exceptionally deferred to the 2<sup>nd</sup> half of the year.



## Spain

	(in millions of euro*)		(in billions of lire*)
	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000
Net sales	127.1	246.2	221.1
Gross operating profit	32.0	62.0	63.1
Capital expenditure	6.7	13.0	4.9

\* consolidated country data before infragroup eliminations

Cement consumption in Spain again recorded a healthy increase, after several years of strong growth, despite unfavourable weather conditions in the south of the country. National cement sales volumes at Financiera y Minera benefited from the positive market trend and were up by 13.8% compared to the 1<sup>st</sup> half of 2000.

Sales of aggregates fell, as a result of the postponement of some works, while sustained business levels in North Spain in the 2<sup>nd</sup> quarter helped group sales in the ready mixed concrete sector.

Operating results were broadly stable compared to the 1<sup>st</sup> half of the last accounting period, mainly because of the increase in variable costs.

## Greece

	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000
Net sales	38.6	74.7	66.6
Gross operating profit	12.0	23.2	18.6
Capital expenditure	2,2	4,2	3,7

\* consolidated country data before infragroup eliminations

In a very favourable economic context, the construction sector saw sustained business activity, including the public work projects related to preparations for the 2004 Olympic Games.

Halyps reported a significant increase in national cement sales by making major reductions in export volumes in order to meet more profitable internal demand.

The higher proportion of national cement sales and the improvement of sales prices in all sectors created a significant rise in net sales and operating results.



## North America

	(in millions of euro*)		(in billions of lire*)	
	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000
Net sales	291.0	291.0	563.5	548.1
Gross operating profit	62.1	62.1	120.3	113.3
Capital expenditure	23.3	23.3	45.1	55.7

\* consolidated country data before infragroup eliminations

Despite the considerable slowdown in the American economy, the construction sector held firm in the period under review.

Essroc, penalised by less favourable weather conditions compared to the first part of the previous accounting period, recorded an overall fall in cement sales volumes, the result of widely differing trends in different business areas.

The improvement in net sales and gross operating profit expressed in lire/euro is due to the appreciation of the dollar.

The operating results in the local currency showed a level marginally down on the 1<sup>st</sup> half of 2000. Despite the contraction in volumes, the stability of average net sales per unit, and increased fuel prices, operating costs were, nonetheless, well contained as special efficiency programs were put into action.

## Emerging countries

### Turkey

	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	1 <sup>st</sup> half 2000
Net sales	65.6	127.0	137.7
Gross operating profit	2.6	5.1	5.0
Capital expenditure	5.1	9.8	7.2

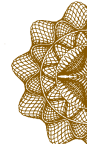
\* consolidated country data before infragroup eliminations

Last February's financial crisis, following the lesser one in November 2000, brusquely interrupted the economic recovery that began to emerge in the second part of the previous accounting period.

The sharp devaluation of the Turkish lira brought on a new period of recession, whose negative impact extended to the group's business activities, both in terms of demand and pressure on sales prices.

Group cement sales volumes in fact fell compared to the 1<sup>st</sup> half of 2000, a period which included the previous economic crisis and the suspension of building permits following the earthquakes of 1999.

A similar trend was clear in the sales of aggregates and ready mixed concrete.



An analysis of the results expressed in the accounting currency (euro) reflects a strongly depressed gross operating profit scenario: only thanks to the reduction of costs expressed in euros compared to the 1<sup>st</sup> half of 2000 were the negative effects on volumes and prices offset.

## Morocco

	(in millions of euro*)		(in billions of lire*)
	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000
Net sales	91.8	177.8	160.6
Gross operating profit	39.2	76.0	66.7
Capital expenditure	2.8	5.3	0.8

\* consolidated country data before intragroup eliminations

A promising campaign to promote agriculture livened up the economic outlook in the 1<sup>st</sup> part of the year with positive effects on cement consumption, although the growth rate eased in the last months of the half year.

Cement volumes sold by Ciments du Maroc increased overall.

There was a clear improvement in sales of aggregates and ready mixed concrete, despite the entry of new operators on the market.

The increase in volumes and the growth in sales prices in the cement sector produced a noticeable improvement in operating results.

## Bulgaria

	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000
Net sales	30.9	59.8	50.3
Gross operating profit	5.1	9.9	6.7
Capital expenditure	4.1	8.0	19.5

\* consolidated country data before intragroup eliminations

In the 1<sup>st</sup> half of 2001 cement consumption staged a recovery. The first four months of the year were helped by a milder winter than in 2000, while the following months were marked by uncertainty because of the election due at the end of June.

Group sales increased in the home market, thanks to the particularly strong trend in the first months of the year, almost completely offsetting the fall in exports to the American market.

The growth in net sales, caused by the strong improvement in sales prices compared to the depressed levels of the 1<sup>st</sup> half of 2000, led to an increase in operating results.



## Thailand

	(in millions of euro*)		(in billions of lire*)
	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000
Net sales	76.8	148.7	121.2
Gross operating profit	26.7	51.6	37.4
Capital expenditure	1.5	2.9	3.7

\* consolidated country data before infragroup eliminations

Despite the stagnation that still dominates the construction market in Thailand, group cement sales recorded a notable overall increase, accompanied by a marked improvement in sales prices.

Furthermore, the business strengthening in the ready mixed concrete sector continued, with group sales volumes rising against stable prices.

The increase in net sales (despite an unfavourable exchange rate) and the reduction of fixed costs led to a clear improvement in operating results in the half year, despite the increase in energy costs.

## India

	(in millions of euro*)		(in billions of lire*)
	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2001
Net sales	40.3		78.0
Gross operating profit	11.3		21.8
Capital expenditure	0.8		1.6

\* consolidated country data before infragroup eliminations

Starting from the beginning of the current accounting period, the group is present in India, the world's third biggest cement market, through Zuari Cement Ltd which owns a plant in the southern part of the Indian Federation.

In a context of a slight fall in cement consumption, but a marked increase in sales prices compared to the 1<sup>st</sup> half of 2000, Zuari Cement Ltd, the fourth largest cement producer in its areas of activity in the south of the country, improved its market share and turned in satisfying operating results.

### Significant events subsequent to the end of the half year

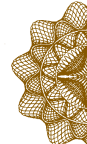
No significant events occurred to necessitate amendments or additional comments on the Group's operations, balance sheet and financial situation at 30 June 2001.

### Outlook

The global economy is going through a period of general uncertainty.

However, in the sector in which the Group operates, the trends reported in the first half year should continue.

In light of this and taking into account the positive trend of the cost reduction plan launched by the Group, the results for 2001 should show an improvement.



## Food packaging and insulation

The Group operates in the food packaging sector through Sirap Gema S.p.A. and the French subsidiary Sirap Gema France S.A. It also operates in the insulation sector through the subsidiary Sirap Gema International S.A.

### Consolidated half year figures

	(in millions of euro)		(in billions of lire)	
	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	1 <sup>st</sup> half 2000
<b>Net sales</b>	<b>59.3</b>	<b>114.9</b>	<b>111.7</b>	
<b>Value added</b>	<b>19.4</b>	<b>37.6</b>	<b>37.9</b>	
<b>Gross operating profit</b>	<b>5.7</b>	<b>11.1</b>	<b>13.3</b>	
Amortisation and depreciation	(3.1)	(6.1)	(5.6)	
<b>Operating income</b>	<b>2.6</b>	<b>5.0</b>	<b>7.7</b>	
Financial income/(charges)	(1.0)	(1.8)	(1.1)	
Non-recurring income/(charges)	(9.3)	(18.0)	0.2	
Income taxes for the period	(1.7)	(3.3)	(5.7)	
<b>Net income</b>	<b>(9.4)</b>	<b>(18.1)</b>	<b>1.1</b>	
Cash flow	(6.2)	(12.0)	6.7	
Capital expenditure	5.3	10.3	10.0	
	30.06.2001	30.06.2001	31.12.2000	
Group shareholders' equity	14.5	28.0	46.2	
Net debt	35.0	67.8	55.5	

Income for the half year was adversely affected by the charges arising from the decision to proceed with the closure of the Manage plant in Belgium, which is part of Sirap Gema International and makes insulation panels.

This important decision was taken after careful evaluation of the situation on the main markets (Germany, Belgium and France) and the current poor state of the facility.

The closure of the plant was completed on 30 June.

Estimated non-recurring charges relating to these operations totalled approximately lire 18.8 billion and were entirely charged to the 1<sup>st</sup> half.

The crisis experienced by the Belgian operation was reflected in performance in the 1<sup>st</sup> half of the accounting period, which recorded an operating loss for this business of lire 3.1 billion.

Consolidated operating income, however, recorded a profit of lire 5 billion helped by the strong performance of the other divisions and the steadying of polymer costs after the steep rises recorded in the previous accounting period.

Capital expenditure, at the same level as the previous accounting period, was mainly aimed at improving the efficiency of the production process for food trays.





## Food packaging

### Italy

	(in millions of euro)	(in billions of lire)	
	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000
Net sales	19.3	37.5	37.9
Gross operating profit	4.6	8.9	9.1
Capital expenditure	2.8	5.4	5.2

The performance of this division suffered at the start of the year from the BSE effect, which caused a steep decline in consumer demand for bovine produce. Despite this phenomenon, which started to slacken as the summer months approached, net sales and profitability were largely in line with those of the previous accounting period.

### France

	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000
Net sales	12.2	23.6	21.7
Gross operating profit	2.0	3.9	3.2
Capital expenditure	1.4	2.8	1.3

On the French market, sustained demand throughout the half year, especially from the big distribution chains, led the main economic indicators higher and they showed a marked improvement on the same period of 2000.

## Insulation

	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000
Net sales	11.0	21.3	18.8
Gross operating profit	1.5	2.9	1.6
Capital expenditure	0.4	0.8	1.3

In Italy, the performance of this sector showed clear growth in sales and profitability due both to the strength of demand, which was helped by the growth of the construction sector, and to a range that is designed to offer "insulation solutions" with specific products for particular applications.



## Significant events subsequent to the end of the half year

The operations connected to the restructuring of the insulation business continued, with the redundancy plan for the Manage employees and the start of the redundancy program for the French sales force and the employees of the German sales company Sirap GmbH. In the future the latter company will be put into liquidation.

Furthermore a development plan was started for the Italian insulation business in order to reinforce competitiveness and improve profitability.

## Outlook

Operating income for the current accounting period should be no less than that for 2000, should the current trend in raw material costs continue; the net result, however, will show a loss due to the impact of the charges arising from the current extraordinary operations.

## Services

### Public transport

The Group provides public transport services through the parent company SAB Autoservizi S.r.l. and its subsidiaries, in northern Italy.

### Consolidated half year figures

	(in millions of euro)		(in billions of lire)
	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000
<b>Net sales and grants for operating expenses</b>	<b>41.3</b>	<b>79.9</b>	<b>79.8</b>
<b>Gross operating profit</b>	<b>6.6</b>	<b>12.7</b>	<b>13.1</b>
<b>Amortisation and depreciation</b>	<b>(3.9)</b>	<b>(7.5)</b>	<b>(7.5)</b>
<b>Operating income</b>	<b>2.7</b>	<b>5.2</b>	<b>5.6</b>
Financial income/(charges)	0.5	0.9	0.5
Non-recurring income/(charges)	2.5	4.9	0.1
Income taxes for the period	(0.1)	(0.1)	(1.7)
<b>Group net income</b>	<b>5.6</b>	<b>10.9</b>	<b>4.5</b>
Cash flow	9.5	18.4	12.1
Capital expenditure	12.3	23.9	3.7
	30.06.2001	30.06.2001	31.12.2000
Group shareholders' equity	36.9	71.4	61.9
Net financial position (debt)	23.3	45.1	48.4



The most important operational figures for the sector are as follows:

	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000
Number of buses	1,030	914
Routes travelled in km/000	20,778	18,550

Business in the 1<sup>st</sup> half concentrated on completing the operating start-up and integration into the Group of the KM and SAIA Trasporti companies set up recently with other operators in the provinces of Brescia and Cremona.

Furthermore, since 1 January, Trieste Trasporti has been in operation. This is an associated company which manages the city's urban transport service and which is under the operational control of the SAB Group.

With the help of outside consultants, a business analysis was undertaken to evaluate the most effective solutions in response to the changes in the sector, following both the deregulation of the local public transport market and the coming into force of recent legislative changes. In 2002, the Lombardy region will bring the current concession regime to an end and replace it with a system based on service contracts. These contracts will govern the sector for about a year until the tenders are judged, with the winning bids to be announced by the end of 2002.

Furthermore, the provinces of Lombardy are currently defining the service areas that will be allocated to operators through tenders that will last 7-8 years.

The Group finalised a business plan designed to identify the most interesting opportunities that could emerge from the aforementioned legislative changes, which will take effect in all the regions of Italy between 2002 and 2003.

The figures for the 1<sup>st</sup> half of 2001, which are not fully comparable to those for the corresponding period in 2000 because of structural changes, show higher labour and insurance costs.

Operating profitability thus suffered a slight fall, while net income, due to non-recurring income mainly from cash contributions and spin-offs, reached lire 10.9 billion.

The high level of capital expenditure (lire 23.9 billion) was aimed mainly at renewing the bus fleet, and benefited from an unsecured contribution from the Lombardy Region covering about 50% of overall expenditure.

The financial position continues to show a very healthy balance, albeit slightly down on 31 December 2000, mainly because of subscription of the share capital increase carried out by the associated company Trieste Trasporti, which overall led to expenditure of approximately lire 9.5 billion.

#### Significant events subsequent to the end of the half year

No significant events occurred.

#### Outlook

Save for unforeseeable events, net income for 2001 should show a significant improvement on the previous accounting period.



## Financial sector

This sector includes Italmobiliare's wholly owned financial subsidiaries. The details are as follows.

### Italmobiliare International Finance Limited (Dublin)

The company, the main financial arm of Italmobiliare, operates in international capital markets and offers financial support to the Group's overseas companies.

The main financial figures are:

	(in thousands of euro)	(in millions of lire)	
	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000
Financial income and charges	11,898	23,038	20,342
Operating costs, amortisation and depreciation and adjustments to asset values	(286)	(554)	(2,293)
Net income	10,402	20,141	16,239
	30.06.2001	30.06.2001	31.12.2000
Group shareholders' equity	446,360	864,273	844,132
Net financial position (debt)	440,254	852,450	837,495

The company had net income of lire 20.1 billion, compared to lire 16.2 billion in the 1<sup>st</sup> half of 2000 (+24%); this progress was achieved thanks to efficient management of financial activities and notwithstanding the lack of income from equity investments that were sold during 2000.

Taking into account the recent trend in interest rates, the overall income for all of 2001 should not be dissimilar from that reported in 2000.

### Fincomind S.A. (Zürich)

Fincomind S.A. controls the entire shareholding in Finter Bank Zürich and indirectly, through Finter Holding S.A. (97% owned), Finter Bank France.

The consolidated figures for the Fincomind group are as follows:

	(in millions of Swiss Francs)	
	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000
Income from interest rate operations	7.6	8.5
Income from commissions and share dealing	27.0	35.6
Gross profit	6.6	16.5
Net profit	2.2	10.6



As widely reported, the main international stock markets were depressed in the 1<sup>st</sup> half of 2001.

This generally unfavourable climate had a negative impact on Finter Bank Zürich's asset management operations, with a marked fall in business because of the cautious attitude of operators and customers.

Consequently Finter Bank Zürich ended the 1<sup>st</sup> half of the year with consolidated income of Swiss Francs 5.4 million, compared to Swiss Francs 13.8 million in the same period of the previous year which, in contrast, was marked by intense levels of business and exuberant stock markets. Assets managed on behalf of third parties totalled approximately Swiss Francs 5 billion, higher than at 31 December 2000 (Swiss Francs 4.8 billion).

Finter Bank France continued to refocus its business on private banking and carried forward the definition of an operating plan in keeping with its new mission.

In the meantime operations remained at the levels of the previous period, with some slight improvements, and so still made a loss.

The parent company Fincomind ended the half year with net income of Swiss Francs 11.6 million, compared to Swiss Francs 7.5 million at 30 June 2000, an improvement due to the increase in the dividend paid out by the subsidiary Finter Bank Zürich.

The net debt of Fincomind S.A. and Finter Holding S.A. was Swiss Francs 27.6 million, compared to Swiss Francs 40.3 million at 31 December 2000.

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

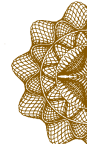
The company holds some important equity investments including IntesaBci, Mediobanca, Fincomind, Consortium and Dieci, besides managing a sizeable cash fund.

The main financial figures were as follows:

	(in thousands of euro)	(in millions of lire)	
	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000
Financial income and charges	9,213	17,839	21,943
Operating costs, amortisation and depreciation and adjustments to asset values	(2,601)	(5,037)	(314)
Net income	6,475	12,537	21,076
	30.06.2001	30.06.2001	31.12.2000
Group shareholders' equity	270,198	523,177	510,640
Net financial position (debt)	127,329	246,544	262,219

At 30 June 2001 Société de Participation Financière Italmobiliare S.A. recorded net income of lire 12.5 billion compared to lire 21.1 billion in the 1<sup>st</sup> half of 2000.

Financial operations recorded increased income, but not sufficient to offset the fall in income from equity management. The latter was badly affected by writedowns totalling lire 4.6 billion, mainly due to the adjustment of the book value of the Poligrafici Editoriale shares to the average stock market price in June 2001; in the 1<sup>st</sup> half of 2000, the sale of shares in that same company generated capital gains of lire 13 billion.



Among the operations undertaken was an investment of lire 24.7 billion in Consortium and an investment of lire 6.8 billion in IntesaBci, mostly financed by the contemporaneous sale of IntesaBci put warrants, which generated income of lire 6.3 billion.

Among events subsequent to the end of the half year, an additional investment of lire 24.2 billion was made in Dieci S.r.l. (which owns almost all the share capital of Burgo S.p.A.), thus increasing the stake to approximately 15%.

The results achieved to date as well as current stock market trends suggest that income at the end of 2001 will be lower than in 2000.

In summary, the Italmobiliare Group's financial operations include:

- minority shareholdings in the banking-finance sector
- minority shareholdings in Italian industrial groups

which make a major contribution to the economic-financial elements of the consolidated figures.

(in millions of lire)

	30 June 2001		31 December 2000	
	%	Book value	%	Book value
<b>Banking-finance sector</b>				
Mediobanca (*)	3.01	238,101	3.01	238,101
UniCredito Italiano	1.71	190,346	1.71	190,346
IntesaBci (formerly Banca Intesa)	0.29	127,301	0,27	99,857
Fincomind S.A	100.00	114,414	100.00	111,680
Mittel	12.91	38,217	12.91	28,771
Consortium S.r.l.	2.27	29,222	5.00	4,500
Fin.Priv. S.r.l.	14.28	27,794	12.50	19,427
Tredicimarzo S.p.A.	10.00	27,110	-	-
Banca Commerciale Italiana (**)	-	-	0.11	20,297
<b>Total</b>		<b>792,505</b>		<b>712,979</b>

\* owned also through the Italcementi Group

\*\* merged with IntesaBci

	30 June 2001		31 December 2000	
	%	Book value	%	Book value
<b>Industrial groups and holding companies for industrial shareholdings</b>				
Montedison	3.04	152,967	3.04	152,967
Hdp (*)	4.82	120,751	4.82	120,751
Gemina (*)	4.38	44,627	4.38	44,627
Sigesa	29.00	38,400	29.00	38,400
Dieci S.r.l.	10.00	30,000	10.00	30,000
Società Editrice Siciliana S.p.A.	33.00	29,951	33.00	29,951
Sesaab S.p.A.	10.00	18,055	10.00	18,055
Gim	4.33	14,088	4.16	13,546
Poligrafici Editoriale	4.77	8,537	4.77	8,537
<b>Total</b>		<b>484,486</b>		<b>456,834</b>

\* owned also through the Italcementi Group



## Human resources

The number of active employees at 30 June 2001 was 19,988, compared to 19,311 at 31 December 2000 and 19,972 at 30 June 2000.

Personnel structure by country was as follows:

	30.06.2001	%	31.12.2000	%	30.06.2000	%
Italy	6,659	33.3	6,528	33.8	6,623	33.2
France	4,487	22.4	4,385	22.6	4,399	22.0
Belgium	715	3.6	754	3.9	744	3.7
Spain	840	4.2	815	4.2	802	4.0
Greece	309	1.5	306	1.6	308	1.6
Other European countries	12	0.1	24	0.2	19	0.1
<b>Total Europe</b>	<b>13,022</b>	<b>65.1</b>	<b>12,812</b>	<b>66.3</b>	<b>12,895</b>	<b>64.6</b>
North America	1,544	7.7	1,557	8.1	1,653	8.2
Turkey	1,131	5.7	1,171	6.1	1,240	6.2
Morocco	1,042	5.2	1,066	5.5	1,080	5.4
Bulgaria	1,090	5.5	1,116	5.8	1,338	6.7
Thailand	1,552	7.8	1,589	8.2	1,766	8.9
India	607	3.0	-	-	-	-
<b>Total non-European countries</b>	<b>6,966</b>	<b>34.9</b>	<b>6,499</b>	<b>33.7</b>	<b>7,077</b>	<b>35.4</b>
<b>Total</b>	<b>19,988</b>	<b>100.0</b>	<b>19,311</b>	<b>100.0</b>	<b>19,972</b>	<b>100.0</b>

## Dealings with related parties

For the purposes of the consolidated 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 rationalise use of corporate divisions and financial resources.

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

Italmobiliare provides administration services for some associated companies.

All the dealings are conducted at normal market conditions.



It is worth pointing out, even if not strictly a matter of dealings with related parties, that ties with Mediobanca, which holds 9.50% of Italmobiliare common share capital, are as follows:

- a collaboration agreement between the Italmobiliare Group and Mediobanca in accordance with article 121 section 2 Legislative Decree 58/1998, subject to formal authorisation by the respective shareholders' meetings;
- financial dealings carried out at the market conditions prevailing at the moment of the related agreement.

### Company officers and conferred powers

In accordance with article 15 of the company By-Laws, the Board of Directors has full powers to manage the company's ordinary and extraordinary operations. It can, therefore, undertake all the actions and issue all the directives that it deems necessary to carry on the business of the company, with the exception of those acts that the law expressly reserves for the shareholders' meeting.

The legal representatives of the company, by statute, are, severally, the Chairman, the Deputy Chairman and, where nominated, the Chief Executive Officer.

The Board of Directors has appointed corporate officers and delegated the relevant powers. In particular, they have conferred:

- to the **Executive Committee**, made up of three members, all the powers of the Board of Directors, except those that may not be delegated pursuant to the Italian civil code or the company By-Laws;
- to the **Chairman-Chief Executive Officer** the powers to carry out all administrative and executive acts, excluding the granting of guarantees to parties that are not subsidiary or associated companies, and with a limit of lire 200 billion for each individual operation (a limit reduced to lire 50 billion for property transactions);
- to the **Chief Operating Officer** the powers to undertake all acts concerning the operational management of the company, excluding the granting of guarantees to parties that are not direct or indirect subsidiary companies, and with a limit of lire 100 billion for each individual operation (lire 150 billion with the joint signature of the Joint Chief Administrative and Financial Officer).

Other powers have been delegated to the Joint Chief Administrative and Financial Officer, the Joint Chief Strategy and Growth Officer and the Secretary to the Board, in their respective fields.

In order to carry on business, specific limited powers have been delegated to company employees by the Joint Chief Administrative and Financial Officer.





## Corporate governance

At its meeting of 9 February 2001 the company's Board of Directors adopted a Voluntary Code of Conduct, which follows on from and integrates the recommendations of the Corporate Governance for Listed Companies Committee set up at Borsa Italiana S.p.A.

The corporate governance structure, as set out in the binding regulations in the company By-Laws and in the voluntary measures of the Code, highlights Italmobiliare S.p.A.'s adherence to the generally approved rules of 'best practice'.

Among other measures, the Code states that the Board of Directors nominate from their own number the Internal Audit Committee and the Compensation Committee with the duty to consult and make proposals.

Nominations for the two committees were made by the Board of Directors on 9 February 2001 and 29 March 2000 respectively. The Internal Audit Committee has already started an evaluation of the adequacy of the internal audit system.

## Transition to the euro

In the course of the half year, group companies operating in the European Union continued to organise their IT systems in preparation for the forthcoming adoption of the euro.

The practical transition from the previous accounting currency to the euro was completed last August, except for a small unlisted company, for which a longer transition period has been planned.

Adoption of the euro as the accounting currency of the parent company Italmobiliare began on 1 July 2001; the various administrative procedures were completed over the following weeks without causing any particular problems.



## Significant events subsequent to the end of the half year

Significant events that occurred after the close of the accounting period have been included in the notes on the various sectors.

### Italmobiliare and its financial subsidiaries

In August this year, Italmobiliare took up the public tender offer for Montedison shares promoted by Itالenergia, an investment company of Fiat, EDF and others, tendering its stake of 3.04%.

The operation generated proceeds of lire 326.2 billion and a capital gain before tax of approximately lire 147 billion.

The company invested lire 71.4 billion in Banca Popolare di Bergamo-Credito Varesino, an institution that is among the most important regional banks.

The stake acquired is equivalent to 1.51% of the bank's share capital.

The subsidiary Société de Participation Financière Italmobiliare S.A. invested a further lire 24.2 billion in Dieci S.r.l. by exercising its pro-quota right of pre-emption on the stake put up for sale by Montedison. The equity investment in the company increased from 10 to 15.38%. Dieci S.r.l., which owns almost all the share capital of Burgo S.p.A., carried a resolution to merge with its subsidiary, an operation that should be finalised in the coming months.

Furthermore, it bought 0.9% of HdP at a cost of approximately lire 61.4 billion, thus bringing the Group stake in the company to 5.76%.

## Outlook

Subject to unforeseeable events, the Italcementi Group, Italmobiliare's core business, should improve its results in 2001, as should SAB Autoservizi, while Sirap Gema, despite improved operating results, will not manage to absorb the effects of the facility restructuring in Belgium.

The weakening global economy and the sharp decline of the financial markets make the situation very uncertain, especially with regard to the repayment of the Mediobanca-UniCredito loan which falls due in December 2001. In this light, the likely results for Italmobiliare, both consolidated and statutory, albeit very strong in view of the capital gains already made on the Montedison operation, could turn out lower than those for 2000, a period which saw the realisation of larger capital gains on the sale of equity investments.



## Results of the parent companies

The main financial and business highlights, as reflected in the financial statements drawn up by the respective Boards of Directors, are set out below.

	(in millions of euro)		(in billions of lire)	
	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	
<b>Italcementi S.p.A.</b>				
<b>Net sales</b>	<b>420.3</b>	<b>813,8</b>	<b>720,3</b>	
<b>Value added</b>	<b>188.0</b>	<b>364,0</b>	<b>322,9</b>	
<b>Gross operating profit</b>	<b>119.5</b>	<b>231.3</b>	<b>190.5</b>	
<i>as % of net sales</i>	<i>28.4</i>	<i>28.4</i>	<i>26.5</i>	
Amortisation and depreciation	(33.6)	(65.1)	(52.2)	
<b>Operating income</b>				
(difference between net sales and other operating income and operating costs)	85.8	166.2	138.3	
<i>as % of net sales</i>	<i>20.4</i>	<i>20.4</i>	<i>19.2</i>	
Financial income and charges, net	14.6	28.2	24.3	
Adjustments to the value of financial assets	(1.8)	(3.4)	(0.9)	
Non-recurring income and charges, net	4.5	8.8	17.3	
<b>Income before taxes</b>	<b>103.2</b>	<b>199.8</b>	<b>179.0</b>	
<b>Income for the period</b>	<b>63.5</b>	<b>123.0</b>	<b>108.0</b>	
Total capital expenditure	54.3	105.1	83.9	
<b>Cash flow (income+amortisation and depreciation)</b>	<b>97.1</b>	<b>188.1</b>	<b>160.2</b>	
	30.06.2001	30.06.2001	31.12.2000	
Shareholders' equity	1,707.9	3,307.0	3,289.9	
Net financial position (debt)	(371.8)	(719.9)	(630.4)	
<b>Sirap S.p.A.</b>				
	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	
<b>Net sales</b>	<b>28.5</b>	<b>55.1</b>	<b>51.6</b>	
<b>Operating income</b>	<b>2.9</b>	<b>5.7</b>	<b>5.9</b>	
<b>Profit (loss) for the period</b>	<b>(8.5)</b>	<b>(16.5)</b>	<b>3.3</b>	
<b>Cash flow (income+amortisation and depreciation)</b>	<b>(6.4)</b>	<b>(12.4)</b>	<b>6.3</b>	
	30.06.2001	30.06.2001	31.12.2000	
Shareholders' equity	11.2	21.7	38.2	
Net financial position (debt)	(20.7)	(40.1)	(26.3)	
<b>Sab Autoservizi S.p.A.</b>				
	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	
<b>Net sales and grants for operating expenses</b>	<b>16.1</b>	<b>31.1</b>	<b>31.5</b>	
<b>Operating income</b>	<b>0.4</b>	<b>0.7</b>	<b>3.0</b>	
<b>Profit (loss) for the period</b>	<b>1.3</b>	<b>2.6</b>	<b>3.7</b>	
<b>Cash flow</b>	<b>2.9</b>	<b>5.6</b>	<b>6.7</b>	
	30.06.2001	30.06.2001	31.12.2000	
Shareholders' equity	27.5	53.3	52.1	
Net financial position (debt)	6.2	11.9	11.9	

Consolidated financial statements

as at and for the period ended  
30 June 2001



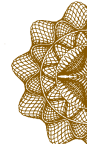
# Consolidated balance sheet

## ASSETS

(in millions of lire)	30.06.2001	31.12.2000	30.06.2000	Changes Jun 2001/Dec 2000
<b>A) Amounts due from shareholders</b>	283	-	-	283
<b>B) Fixed assets</b>				
I - Intangible assets	2,759,188	2,735,847	2,722,213	23,341
II - Tangible assets	5,855,020	5,583,142	5,467,286	271,878
III - Equity investments and other financial assets	2,776,771	2,659,188	2,571,626	117,583
<b>Total fixed assets (B)</b>	<b>11,390,979</b>	<b>10,978,177</b>	<b>10,761,125</b>	<b>412,802</b>
<b>C) Current assets</b>				
I - Inventories	877,896	860,390	792,909	17,506
II - Trade and other receivables	2,727,485	2,292,168	2,560,823	435,317
III - Financial assets not held as fixed assets	1,327,958	1,301,464	1,243,854	26,494
IV - Cash and cash equivalents	597,481	424,130	514,008	173,351
<b>Total current assets (C)</b>	<b>5,530,820</b>	<b>4,878,152</b>	<b>5,111,594</b>	<b>652,668</b>
<b>D) Prepayments and accrued income</b>	<b>181,090</b>	<b>154,448</b>	<b>175,288</b>	<b>26,642</b>
<b>Total assets</b>	<b>17,103,172</b>	<b>16,010,777</b>	<b>16,048,007</b>	<b>1,092,395</b>

## EQUITY AND LIABILITIES

<b>A) Shareholders' equity</b>				
I - Share capital	193,950	193,950	193,950	-
II - Share premium reserve	343,090	343,090	343,090	-
III - Revaluation reserves	167,991	167,991	167,991	-
IV - Legal reserve	38,790	38,526	38,526	264
V - Reserve for purchase of own shares	40,128	40,128	40,128	-
VI - Statutory reserves	-	-	-	-
VII - Other reserves	1,859,159	1,619,215	1,594,064	239,944
VIII - Retained earnings	82,782	10,227	10,227	72,555
IX - Net income (loss) for the period	119,350	361,350	230,839	(242,000)
<b>Total Group shareholders' equity</b>	<b>2,845,240</b>	<b>2,774,477</b>	<b>2,618,815</b>	<b>70,763</b>
X - Minority interests	4,227,248	4,003,006	3,882,445	224,242
<b>Total shareholders' equity</b>	<b>7,072,488</b>	<b>6,777,483</b>	<b>6,501,260</b>	<b>295,005</b>
<b>A bis) Floating rate subordinated securities</b>	<b>628,590</b>	<b>628,590</b>	<b>628,577</b>	<b>-</b>
<b>B) Provisions for contingencies and charges</b>	<b>1,326,932</b>	<b>1,309,615</b>	<b>1,292,936</b>	<b>17,317</b>
<b>C) Employees' leaving entitlements</b>	<b>197,503</b>	<b>195,166</b>	<b>192,122</b>	<b>2,337</b>
<b>D) Payables</b>	<b>7,829,726</b>	<b>7,070,826</b>	<b>7,387,815</b>	<b>758,900</b>
<b>E) Accrued expenses and deferred income</b>	<b>47,933</b>	<b>29,097</b>	<b>45,297</b>	<b>18,836</b>
<b>Total equity and liabilities</b>	<b>17,103,172</b>	<b>16,010,777</b>	<b>16,048,007</b>	<b>1,092,395</b>



## ASSETS

(in thousands of euro)	30.06.2001	31.12.2000	30.06.2000	Changes Jun 2001/Dec 2000
<b>A) Amounts due from shareholders</b>	146	-	-	146
<b>B) Fixed assets</b>				
I - Intangible assets	1,425,001	1,412,947	1,405,906	12,054
II - Tangible assets	3,023,866	2,883,452	2,823,617	140,414
III - Equity investments and other financial assets	1,434,081	1,373,356	1,328,134	60,725
<b>Total fixed assets (B)</b>	<b>5,882,948</b>	<b>5,669,755</b>	<b>5,557,657</b>	<b>213,193</b>
<b>C) Current assets</b>				
I - Inventories	453,395	444,354	409,503	9,041
II - Trade and other receivables	1,408,630	1,183,806	1,322,555	224,824
III - Financial assets not held as fixed assets	685,834	672,150	642,397	13,684
IV - Cash and cash equivalents	308,573	219,045	265,463	89,528
<b>Total current assets (C)</b>	<b>2,856,432</b>	<b>2,519,355</b>	<b>2,639,918</b>	<b>337,077</b>
<b>D) Prepayments and accrued income</b>	<b>93,525</b>	<b>79,766</b>	<b>90,529</b>	<b>13,759</b>
<b>Total assets</b>	<b>8,833,051</b>	<b>8,268,876</b>	<b>8,288,104</b>	<b>564,175</b>

## EQUITY AND LIABILITIES

<b>A) Shareholders' equity</b>				
I - Share capital	100,167	100,167	100,167	-
II - Share premium reserve	177,191	177,191	177,191	-
III - Revaluation reserves	86,760	86,760	86,760	-
IV - Legal reserve	20,034	19,897	19,897	137
V - Reserve for purchase of own shares	20,724	20,724	20,724	-
VI - Statutory reserves	-	-	-	-
VII - Other reserves	960,176	836,255	823,265	123,921
VIII - Retained earnings	42,753	5,282	5,282	37,471
IX - Net income (loss) for the period	61,639	186,622	119,218	(124,983)
<b>Total Group shareholders' equity</b>	<b>1,469,444</b>	<b>1,432,898</b>	<b>1,352,504</b>	<b>36,546</b>
X - Minority interests	2,183,191	2,067,380	2,005,116	115,811
<b>Total shareholders' equity</b>	<b>3,652,635</b>	<b>3,500,278</b>	<b>3,357,620</b>	<b>152,357</b>
<b>A bis) Floating rate subordinated securities</b>	<b>324,640</b>	<b>324,640</b>	<b>324,633</b>	<b>-</b>
<b>B) Provisions for contingencies and charges</b>	<b>685,303</b>	<b>676,360</b>	<b>667,746</b>	<b>8,943</b>
<b>C) Employees' leaving entitlements</b>	<b>102,002</b>	<b>100,795</b>	<b>99,223</b>	<b>1,207</b>
<b>D) Payables</b>	<b>4,043,716</b>	<b>3,651,776</b>	<b>3,815,488</b>	<b>391,940</b>
<b>E) Accrued expenses and deferred income</b>	<b>24,755</b>	<b>15,027</b>	<b>23,394</b>	<b>9,728</b>
<b>Total equity and liabilities</b>	<b>8,833,051</b>	<b>8,268,876</b>	<b>8,288,104</b>	<b>564,175</b>



## MEMORANDUM AND CONTINGENCY ACCOUNTS

(in millions of lire)	30.06.2001	31.12.2000	30.06.2000	Changes Jun 2001/Dec 2000
<b>1) Personal loan guarantees:</b>				
a) Guarantees:				
in favour of associated companies	19,736	17,971	17,971	1,765
in favour of parent companies	15,553	15,553	15,553	
in favour of others	168,207	164,530	152,270	3,677
c) Other personal guarantees:				
in favour of subsidiaries		620	620	(620)
in favour of others	502	1,905	3,100	(1,403)
<b>Total personal loan guarantees</b>	<b>203,998</b>	<b>200,579</b>	<b>189,514</b>	<b>3,419</b>
<b>2) Guarantees on company assets:</b>				
a) for payables and other third party obligations	287,546	158,172	757,281	129,374
b) for debts included in balance sheet	984,280	944,625	752,906	39,655
<b>Total guarantees on company assets</b>	<b>1,271,826</b>	<b>1,102,797</b>	<b>1,510,187</b>	<b>169,029</b>
<b>3) Purchase commitments</b>	<b>1,076</b>	<b>16,049</b>	<b>26,688</b>	<b>(14,973)</b>
<b>4) Sales commitments</b>	<b>3,646</b>	<b>3,506</b>	<b>5,376</b>	<b>140</b>
<b>5) Guarantee deposits held by third parties</b>	<b>3,890,739</b>	<b>3,896,108</b>	<b>2,917,043</b>	<b>(5,369)</b>
<b>6) Third party guarantee deposits</b>	<b>163,034</b>	<b>162,412</b>	<b>161,365</b>	<b>622</b>
<b>7) Guarantees received from third parties</b>	<b>215,225</b>	<b>197,779</b>	<b>176,941</b>	<b>17,446</b>
<b>8) Other memorandum and contingency accounts</b>	<b>2,579,441</b>	<b>2,582,728</b>	<b>2,623,533</b>	<b>(3,287)</b>
<b>Total memorandum and contingency accounts</b>	<b>8,328,985</b>	<b>8,161,958</b>	<b>7,610,647</b>	<b>167,027</b>



## MEMORANDUM AND CONTINGENCY ACCOUNTS

(in thousands of euro)	30.06.2001	31.12.2000	30.06.2000	Changes Jun 2001/Dec 2000
<b>1) Personal loan guarantees:</b>				
a) Guarantees:				
in favour of associated companies	10,193	9,281	9,281	912
in favour of parent companies	8,032	8,032	8,032	
in favour of others	86,872	84,973	78,641	1,899
c) Other personal guarantees:				
in favour of subsidiaries		320	320	(320)
in favour of others	259	984	1,601	(725)
<b>Total personal loan guarantees</b>	<b>105,356</b>	<b>103,590</b>	<b>97,875</b>	<b>1,766</b>
<b>2) Guarantees on company assets:</b>				
a) for payables and other third party obligations	148,505	81,689	391,103	66,816
b) for debts included in balance sheet	508,338	487,858	388,843	20,480
<b>Total guarantees on company assets</b>	<b>656,843</b>	<b>569,547</b>	<b>779,946</b>	<b>87,296</b>
<b>3) Purchase commitments</b>	<b>556</b>	<b>8,289</b>	<b>13,783</b>	<b>(7,733)</b>
<b>4) Sales commitments</b>	<b>1,883</b>	<b>1,811</b>	<b>2,777</b>	<b>72</b>
<b>5) Guarantee deposits held by third parties</b>	<b>2,009,399</b>	<b>2,012,172</b>	<b>1,506,527</b>	<b>(2,773)</b>
<b>6) Third party guarantee deposits</b>	<b>84,200</b>	<b>83,879</b>	<b>83,338</b>	<b>321</b>
<b>7) Guarantees received from third parties</b>	<b>111,154</b>	<b>102,144</b>	<b>91,383</b>	<b>9,010</b>
<b>8) Other memorandum and contingency accounts</b>	<b>1,332,171</b>	<b>1,333,868</b>	<b>1,354,942</b>	<b>(1,697)</b>
<b>Total memorandum and contingency account</b>	<b>4,301,562</b>	<b>4,215,300</b>	<b>3,930,571</b>	<b>86,262</b>





# Consolidated income statement

(in millions of lire)	30.06.2001	30.06.2000	31.12.2000	Changes Jun 2001/Jun 2000
<b>A) Net sales and other operating income</b>				
1) Net sales	4,101,223	3,787,958	7,671,890	313,265
2) Variations in work-in-progress, semi-finished and finished goods	(33,373)	(16,333)	35,019	(17,040)
3) Variation in contract work-in-progress				
4) Capitalised production	15,093	16,300	30,598	(1,207)
5) Other operating income	83,148	105,633	203,409	(22,485)
<b>Total</b>	<b>4,166,091</b>	<b>3,893,558</b>	<b>7,940,916</b>	<b>272,533</b>
<b>B) Operating costs</b>				
6) Raw materials, consumables and supplies	1,079,481	975,811	2,053,361	103,670
7) Services	1,214,156	1,174,237	2,286,193	39,919
8) Use of third party assets	75,420	65,153	142,474	10,267
9) Personnel expenses	722,689	706,065	1,396,644	16,624
10) Amortisation, depreciation and writedowns	398,304	374,370	838,115	23,934
11) Variation in raw materials, consumables and supplies	(15,175)	(11,271)	(29,046)	(3,904)
12) Provision for contingencies	5,903	4,440	17,296	1,463
13) Other provisions	300	20	600	280
14) Other operating costs	104,779	111,771	215,376	(6,992)
<b>Total</b>	<b>3,585,857</b>	<b>3,400,596</b>	<b>6,921,013</b>	<b>185,261</b>
<b>Operating income (A-B)</b>	<b>580,234</b>	<b>492,962</b>	<b>1,019,903</b>	<b>87,272</b>
<b>C) Financial income and charges</b>				
15) Income from equity investments	60,276	199,376	283,616	(139,100)
16) Other financial income	174,254	125,573	230,693	48,681
17) Interest and other financial charges	(281,740)	(192,189)	(395,245)	(89,551)
<b>Total</b>	<b>(47,210)</b>	<b>132,760</b>	<b>119,064</b>	<b>(179,970)</b>
<b>D) Adjustments to the value of financial assets</b>				
18) Revaluations	1,735	5,733	7,435	(3,998)
19) Writedowns	(1,986)	(12,209)	(18,188)	10,223
<b>Total</b>	<b>(251)</b>	<b>(6,476)</b>	<b>(10,753)</b>	<b>6,225</b>
<b>E) Non-recurring income and charges</b>				
20) Income	65,515	111,363	168,543	(45,848)
21) Charges	(75,904)	(54,357)	(129,028)	(21,547)
<b>Total</b>	<b>(10,389)</b>	<b>57,006</b>	<b>39,515</b>	<b>(67,395)</b>
<b>Income before taxes (A-B+C+D+E)</b>	<b>522,384</b>	<b>676,252</b>	<b>1,167,729</b>	<b>(153,868)</b>
22) Taxes on income	(215,913)	(278,030)	(453,441)	62,117
<b>Income before minority interests</b>	<b>306,471</b>	<b>398,222</b>	<b>714,288</b>	<b>(91,751)</b>
23) Minority interests	187,121	167,383	352,938	19,738
<b>Net income of the Group</b>	<b>119,350</b>	<b>230,839</b>	<b>361,350</b>	<b>(111,489)</b>



(in thousands of euro)	30.06.2001	30.06.2000	31.12.2000	Changes Jun 2001/Jun 2000
<b>A) Net sales and other operating income</b>				
1) Net sales	2,118,105	1,956,317	3,962,201	161,788
2) Variations in work-in-progress, semi-finished and finished goods	(17,236)	(8,435)	18,086	(8,801)
3) Variation in contract work-in-progress				
4) Capitalised production	7,795	8,418	15,803	(623)
5) Other operating income	42,942	54,554	105,052	(11,612)
<b>Total</b>	<b>2,151,606</b>	<b>2,010,854</b>	<b>4,101,142</b>	<b>140,752</b>
<b>B) Operating costs</b>				
6) Raw materials, consumables and supplies	557,505	503,964	1,060,472	53,541
7) Services	627,059	606,443	1,180,720	20,616
8) Use of third party assets	38,951	33,649	73,582	5,302
9) Personnel expenses	373,238	364,652	721,307	8,586
10) Amortisation, depreciation and writedowns	205,706	193,346	432,850	12,360
11) Variation in raw materials, consumables and supplies	(7,837)	(5,821)	(15,001)	(2,016)
12) Provision for contingencies	3,049	2,293	8,933	756
13) Other provisions	155	10	310	145
14) Other operating costs	54,114	57,725	111,232	(3,611)
<b>Total</b>	<b>1,851,940</b>	<b>1,756,261</b>	<b>3,574,405</b>	<b>95,679</b>
<b>Operating income (A-B)</b>	<b>299,666</b>	<b>254,593</b>	<b>526,737</b>	<b>45,073</b>
<b>C) Financial income and charges</b>				
15) Income from equity investments	31,130	102,969	146,475	(71,839)
16) Other financial income	89,995	64,853	119,144	25,142
17) Interest and other financial charges	(145,507)	(99,257)	(204,127)	(46,250)
<b>Total</b>	<b>(24,382)</b>	<b>68,565</b>	<b>61,492</b>	<b>(92,947)</b>
<b>D) Adjustments to the value of financial assets</b>				
18) Revaluations	896	2,961	3,840	(2,065)
19) Writedowns	(1,026)	(6,305)	(9,394)	5,279
<b>Total</b>	<b>(130)</b>	<b>(3,344)</b>	<b>(5,554)</b>	<b>3,214</b>
<b>E) Non-recurring income and charges</b>				
20) Income	33,836	57,514	87,045	(23,678)
21) Charges	(39,201)	(28,073)	(66,638)	(11,128)
<b>Total</b>	<b>(5,365)</b>	<b>29,441</b>	<b>20,407</b>	<b>(34,806)</b>
<b>Income before taxes (A-B+C+D+E)</b>	<b>269,789</b>	<b>349,255</b>	<b>603,082</b>	<b>(79,466)</b>
22) Taxes on income	(111,510)	(143,591)	(234,183)	32,081
<b>Income before minority interests</b>	<b>158,279</b>	<b>205,664</b>	<b>368,899</b>	<b>(47,385)</b>
23) Minority interests	96,640	86,446	182,277	10,194
<b>Net income of the Group</b>	<b>61,639</b>	<b>119,218</b>	<b>186,622</b>	<b>(57,579)</b>



# Explanatory notes to the consolidated financial statements

## Presentation criteria

The consolidated financial statements have been drawn up on the basis of the accounts at 30 June 2001 of the consolidated companies, adjusted, where necessary, to ensure alignment with the Group's classification criteria and accounting policies by applying the valuation criteria and consolidation principles used during the preparation of the consolidated financial statements for the 2000 accounting period.

Information relating to Group activities and to significant events after the end of the accounting period are illustrated in the Directors' report on operations.

## Consolidation area

The companies included in the consolidation area are listed in the table "Appendices A and B".

The consolidation does not include controlling shareholdings that are not significant in terms of the investment or results or that are recent acquisitions. Subsidiary companies that are not consolidated on a line-by-line basis (i.e. those with unrelated business) and associated companies, in which the Group holds from 20% to 50% of voting rights, or over which it exercises considerable influence, have been valued with the equity method if significant; the others have been stated at cost.

The subsidiary companies and the associated companies valued with the equity method are listed in table "Appendix C", the other subsidiary and associated companies stated at cost are listed in table "Appendix D". "Appendix E" lists the other equity investments of over 10%.

The changes in the consolidation area are as follows:

- compared to 30.06.2000 (with regard to operations):
  - *entered the consolidation area*: Newco.com S.p.A. and the subsidiaries BravoBuild España S.A. and BravoBuild France S.a.s., KM S.p.A., Saia Trasporti S.r.l. (Italy), Asia Cements Products Co. Ltd (Thailand), Industrie Sakia el Hambra "Indusha" S.A. (Morocco), Stinkal and SABA (ready mixed concrete and aggregates sector - France), Zuari Cement Ltd (India), Maquinaria y Proyectos and Rosa del Amuley (Spain);
  - *left the consolidation area*: Unibeton S.r.l. (Italy);
  - *change in consolidation method*: Progecal S.p.A. and Cassano Cave S.p.A. (from equity to line-by-line method)  
Fincomind Group (from line-by-line to equity method)
  - *merged companies*:
    - with Calcestruzzi S.p.A.: Nuova calcestruzzi S.r.l., Betoncar S.p.A., Cava San Biagio S.r.l., Italtportoro S.r.l., Salerno Beton S.r.l., Calcestruzzi Gallejana S.r.l., Frantoi Cementi Sardi S.r.l., Deltapo S.p.A. and COCEMAS S.r.l.
    - with Cemencal S.p.A.: ES.IN.TE. S.r.l.
    - with S.A. Pierre Larricq: Transport Moinet S.A.
    - with Ciment Français S.A.: Calixa S.A.



- compared to 31.12.2000 (with regard to assets):
  - *entered consolidation area*: BravoBuild España S.A. and BravoBuild France S.a.s., KM S.p.A., Saia Trasporti S.r.l. (Italy), SABA (ready mixed concrete and aggregates sector - France), Zuari Cement Ltd (India), Maquinaria y Proyectos and Rosa del Amuley (Spain);
  - *change in consolidation method*: Cassano Cave S.p.A. Betoncar Spa (from equity to line-by-line method)
  - *merged companies*:  
in Ciments Français: Calixa S.A.

#### Exchange rates used to translate the accounts of non-Italian companies

The foreign-currency balances of non-Italian subsidiaries consolidated on a line-by-line or proportional basis and those of non-Italian associated companies valued with the equity method were translated into the accounting currency using the exchange ruling at 30 June 2001 for balance sheet items and the average rate for the 1<sup>st</sup> half of 2001 for the income statement.

The following exchange rates were used:

Currency	Average rate			Period-end rate		
	June 2001	December 2000	June 2000	June 2001	December 2000	June 2000
Lira	1.00	1.00	1.00	1.00	1.00	1.00
US dollar	2,154.62	2,096.82	2,015.81	2,283.34	2,080.89	2,026.24
Canadian dollar	1,404.44	1,412.80	1,374.95	1,497.85	1,386.52	1,367.71
French franc	295.18	295.18	295.18	295.18	295.18	295.18
Belgian franc	48.00	48.00	48.00	48.00	48.00	48.00
Spanish peseta	11.64	11.64	11.64	11.64	11.64	11.64
Pound sterling	3,104.44	3,177.29	3,162.14	3,210.53	3,102.50	3,062.27
Cypriot pound	3,350.64	3,373.76	3,367.13	3,371.65	3,375.12	3,368.13
Moroccan dirham	194.88	197.98	194.84	191.20	196.26	194.55
Greek drachma	5.68	5.75	5.79	5.68	5.68	5.75
Turkish lira	0.002	0.003	0.003	0.002	0.003	0.003
Dutch guilder	878.64	878.64	878.64	878.64	878.64	878.64
Swiss franc	1,264.78	1,242.91	1,221.04	1,271.52	1,271.19	1,243.11
Thai baht	48.70	52.34	52.88	50.44	48.23	51.76
Bulgarian lev	990.00	990.34	990.68	990.00	990.00	990.00
Indian rupee	45.86			47.78		
Euro	1,936.27	1,936.27	1,936.27	1,936.27	1,936.27	1,936.27

The figures recorded in the Group consolidated financial statements and explanatory notes are in millions of Italian lire.



## Consolidated balance sheet

### Assets

A – Amounts due from shareholders Lire 283 million  
These totalled lire 283 million.

### B – Fixed assets

BI – Intangible fixed assets Lire 2,759,188 million  
(Lire 2.735.847 milioni al 31.12.2000)

These increased by lire 23,341 million compared to 2000, as follows:

	30.06.2001	31.12.2000	Change
Start-up and expansion costs	42,105	33,194	8,911
Research, development and advertising expenses	1,794	2,009	(215)
Industrial patents and similar rights	5,155	5,406	(251)
Licences, trademarks and similar rights	70,930	74,105	(3,175)
Goodwill	58,642	59,095	(453)
Assets under development	5,195	4,812	383
Consolidation differences	2,496,428	2,467,728	28,700
Other	78,939	89,498	(10,559)
<b>Total</b>	<b>2,759,188</b>	<b>2,735,847</b>	<b>23,341</b>

The variation is made up as follows:

Additions	31.170
Disposals	(83)
Amortisation and depreciation	(97.675)
Translation differences	14.289
Changes in consolidation area and reclassifications	75.640
<b>Total</b>	<b>23.341</b>

"Additions" includes goodwill capitalised following the purchase of Italcementi S.p.A. shares, while "changes in consolidation area" mainly refers to the entry into the consolidation area of Zuari Cement Ltd (India) at a value of lire 62,096 million.



**B II Tangible fixed assets**  
(lire 5,583,142 million at 31.12.2000)

Lire 5,855,020 million

These increased by lire 271,878 million compared to 2000, as follows:

(in millions of lire)

	June 2001			December 2000	Change
	Gross value	Depreciation	Net value	Net value	
Land and buildings	3,947,362	(1,735,577)	2,211,785	2,202,539	9,246
Plant and machinery	7,766,033	(5,016,282)	2,749,751	2,585,952	163,799
Industrial and commercial equipment	1,063,470	(813,044)	250,426	242,762	7,664
Freely transferable assets	70,644	(45,910)	24,734	25,153	(419)
Other fixed assets	698,960	(518,176)	180,784	175,213	5,571
Assets under construction & advances	437,540		437,540	351,523	86,017
<b>Total</b>	<b>13,984,009</b>	<b>(8,128,989)</b>	<b>5,855,020</b>	<b>5,583,142</b>	<b>271,878</b>

The increase occurred as follows:

Additions	271,387
Disposals	(18,141)
Amortisation, depreciation and writedowns	(285,983)
Translation differences	112,679
Changes in consolidation area	198,573
Reclassifications	(6,637)
<b>Total</b>	<b>271,878</b>

“Changes in consolidation area” are almost completely accounted for by the inclusion in the consolidation area of Zuari Cement Ltd (India). The translation differences arise mainly from fluctuations in the dollar and the Thai baht.



**B III Equity investments and other financial fixed assets**      Lire 2,776,771 million  
(lire 2,659,188 million at 31.12.2000)

These rose by lire 117,583 million, as follows

	(in millions of lire)		
	30.06.2001	31.12.2000	Change
Equity investments	1,479,149	1,399,477	79,672
Receivables	592,917	557,427	35,490
Other securities	664,577	662,156	2,421
Own shares	40,128	40,128	-
<b>Total</b>	<b>2,776,771</b>	<b>2,659,188</b>	<b>117,583</b>

Equity investments rose by lire 79,672 million because of the following changes:

	Opening value	Additions	Disposals	Writedowns	Revaluations	Translation diff.	Change in cons.	Closing value
Subsidiaries	175,837	163,171	(4,172)	(2,155)	6,211	7,435	(180,361)	165,966
Associated	396,527	9,949	(2,670)	(1,081)	12,776	(357)	11,833	426,977
Affiliates	1,290						(1,290)	
Other companies	825,823	61,588	(519)	(418)			(268)	886,206
<b>Total</b>	<b>1,399,477</b>	<b>234,708</b>	<b>(7,361)</b>	<b>(3,654)</b>	<b>18,987</b>	<b>7,078</b>	<b>(170,086)</b>	<b>1,479,149</b>

"Additions" and "Change in consolidation" relate mainly to the purchase of Zuari Cement Ltd (India) for lire 133.7 billion, Trieste Trasporti S.r.l. (Italy) for lire 9.5 billion, Saba (France) for lire 5.3 billion and the purchase of further shares in Ciments du Maroc (Morocco) for lire 6.4 billion and in Italcementi S.p.A. for lire 11.6 billion.

Additions also include investments in Consortium for lire 24.7 billion, in Tredicimarzo S.p.A. for lire 27.1 billion, and in Fin.Priv. for lire 8.4 billion.

"Receivables" includes lire 412.9 billion due after five years relating to principal and interest on interest-bearing deposits lodged at the time of the issue of "floating rate subordinated securities" which are described under liabilities.

"Other securities" includes mainly fixed rate government securities and bonds worth lire 515.9 billion (lire 514.4 billion at 31 December 2000) partly given as security for financing received, and "Italcementi Zero Coupon 1997-2002" bonds worth lire 116.2 billion (lire 113.7 billion at 31 December 2000).



## C – Current assets

### CI – Inventories

Lire 877,896 million

(lire 860,390 million at 31.12.2000)

This item rose by lire 17,506 million compared to 2000.

Stock on hand at the end of the period was as follows:

	(in millions of lire)		
	30.06.2001	31.12.2000	Change
Raw, ancillary and consumable goods	540,178	506,027	34,151
Work-in-progress and semi-finished products	136,114	141,564	(5,450)
Contract work in progress	665		665
Finished products	182,986	199,057	(16,071)
Payments on account	17,953	13,742	4,211
<b>Total</b>	<b>877,896</b>	<b>860,390</b>	<b>17,506</b>

### CII – Trade and other receivables

Lire 2,727,485 million

(lire 2,292,168 million at 31.12.2000)

This item rose by lire 435,317 million compared to 2000, as follows:

	30.06.2001	31.12.2000	Change
Trade receivables	2,208,979	1,798,436	410,543
due from subsidiary companies	8,639	9,182	(543)
due from associated companies	6,918	2,951	3,967
due from affiliated companies	2,294	161	2,133
Others	500,655	481,438	19,217
<b>Total</b>	<b>2,727,485</b>	<b>2,292,168</b>	<b>435,317</b>

“Trade receivables” is net of a writedown of lire 140,525 million (lire 130,647 million in 2000) for bad debts.

The increase in “trade receivables” is due to increased sales in the construction sector which is subject to seasonal trends, and to the inclusion in the consolidated area of Zuari Cement Ltd (India).

There are no receivables due after more than five years.





**CIII – Financial assets not held as fixed assets** Lire 1,327,958 million  
(lire 1,301,464 million at 31.12.2000)

This item increased by lire 26,494 million compared to 2000, as follows:

	(in millions of lire)		
	30.06.2001	31.12.2000	Change
Equity investments not held as fixed assets	153,871	142,046	11,825
Other securities	1,126,500	1,113,437	13,063
Financial receivables	47,587	45,981	1,606
<b>Total</b>	<b>1,327,958</b>	<b>1,301,464</b>	<b>26,494</b>

The increase in "equity investments not held as fixed assets" is essentially due to the purchase during the period of IntesaBci shares for lire 6.8 billion and of units in the Lazard "Global Opp." fund for lire 5.8 billion.

Increases in "other securities" relate mainly to Ciments du Maroc (lire 33,945 million) and Asia Cement (lire 40,455 million) as well as to the contribution of Zuari Cement Ltd of lire 93,182 million. Significant falls were recorded by Soci  t   de Participations Financi  res (lire 73,064 million) and Italcementi Europe Luxembourg (lire 94,760 million) with a consequential increase in "bank and postal accounts" shown under "cash and cash equivalents" below.

**CIV – Cash and cash equivalents** Lire 597,481 million  
(lire 424,130 million at 31.12.2000)

These rose by lire 173,351 million compared to 2000, as follows:

	30.06.2001	31.12.2000	Change
Bank and postal accounts	590,093	416,334	173,759
Cheques on hand	3,994	3,928	66
Cash and cash equivalents	3,394	3,868	(474)
<b>Total</b>	<b>597,481</b>	<b>424,130</b>	<b>173,351</b>

**D – Prepayments and accrued income** Lire 181,090 million  
(lire 154,448 million at 31.12.2000)

These increased by lire 26,642 million compared to 2000. The item comprises interest-related accrued income, prepaid expenses and advances and includes lire 78,607 million for advances paid for the use of quarries.



## Liabilities and shareholders' equity

### A – Shareholders' equity

**AI-AIX – Group shareholders' equity** Lire 2,845,240 million  
(lire 2,774,477 million at 31.12.2000)

Group shareholders' equity increased by lire 70,763 million.  
The changes in consolidated Group shareholders' equity are set out below:

	(in millions of lire)
Dividend paid and Board of Directors' emoluments	(72,373)
Adjustments in consolidation area, translation and other differences	23,786
Net income for the period	119,350
<b>Total</b>	<b>70,763</b>

The heading "Adjustments in consolidation area, translation and other differences" relates almost entirely to exchange rate differences for the dollar and the Thai baht.

**AX – Minority interests** Lire 4,227,248 million  
(lire 4,003,006 million at 31.12.2000)

This heading rose by lire 224,242 million.  
It represents the equity of consolidated companies owned by third party shareholders at 30 June 2001, as follows:

	30.06.2001	31.12.2000	Change
Portion of share capital and reserves	4,040,127	3,650,068	390,059
Portion of group net income for the year	187,121	352,938	(165,817)
<b>Total</b>	<b>4,227,248</b>	<b>4,003,006</b>	<b>224,242</b>

The increase is due to the acquisition of Zuari Cement Ltd (lire 72.4 billion), exchange rate gains (lire 82.7 billion), dividends paid (lire 118 billion), as well as to the net income for the period.



**B – Provisions for contingencies and charges**  
(lire 1,309,615 million at 31.12.2000)

Lire 1,326,932 million

This item increased by lire 17,317 million compared to 31 December 2000, as follows:

(in millions of lire)

	30.06.2001	31.12.2000	Change
Pension and similar provisions	129,809	122,747	7,062
Taxes	700,500	709,369	(8,869)
Other	496,623	477,499	19,124
<b>Total</b>	<b>1,326,932</b>	<b>1,309,615</b>	<b>17,317</b>

The change in "other" is mainly due to provisions for the risks on the equity investments made by the Sirap Gema Group, as follows:

	30.06.2001	31.12.2000	Change
Environment-related improvements	149,835	141,223	8,612
Restructuring and reorganisation	106,625	111,062	(4,437)
Disputes	43,467	50,037	(6,570)
Receivables and equity investments	65,540	48,010	17,530
Exchange	635	306	329
Other	130,521	126,861	3,660
<b>Total</b>	<b>496,623</b>	<b>477,499</b>	<b>19,124</b>

**C – Employees' leaving entitlements**  
(lire 195,166 million at 31.12.2000)

Lire 197,503 million

These increased by lire 2,337 million and represent the severance liabilities accrued in respect of the 6,659 employees of the Italian consolidated companies at 30 June 2001 (6,528 at 31 December 2000).



## D – Payables

Lire 7,829,726 million

(Lire 7.070.826 milioni al 31.12.2000)

These rose by lire 758,900 million compared to 31 December 2000.

Movements during the period were as follows:

	(in millions of lire)		
	30.06.2001	31.12.2000	Change
Bonds	1,247,254	1,226,572	20,682
Amounts due to banks	3,576,835	3,221,772	355,063
Amounts due to other financial institutions	1,007,160	769,071	238,089
Amounts due to subsidiaries	1,176	1,259	(83)
Amounts due to associated companies	4,380	3,895	485
	<b>5,836,805</b>	<b>5,222,569</b>	<b>614,236</b>
Payments on account	13,129	22,849	(9,720)
Amounts due to suppliers	1,066,978	1,016,593	50,385
Amounts due in respect of paper titles	145,966	145,757	209
Amounts due to subsidiary companies	1,561	3,470	(1,909)
Amounts due to associated companies	3,740	1,204	2,536
Amounts due to affiliated companies	678	300	378
	<b>1,232,052</b>	<b>1,190,173</b>	<b>41,879</b>
Amounts due to tax authorities	259,383	191,312	68,071
Amounts due to social security authorities	84,788	100,767	(15,979)
Other payables	416,698	366,005	50,693
	<b>760,869</b>	<b>658,084</b>	<b>102,785</b>
<b>Total</b>	<b>7,829,726</b>	<b>7,070,826</b>	<b>758,900</b>

The increase in “amounts due to banks” is in part due to the acquisition of Zuari Cement Ltd (lire 149.3 billion) and in part to new short-term financing taken out by the parent company, while the increase in “amounts due to other financial institutions” is almost totally due to Ciments Français S.A.



Medium/long-term debt at 30 June 2001 was lire 3,560 billion, as follows:

	(in millions of lire)	
	30.06.2001	31.12.2000
Euro	3,307	3,438
Indian rupee	122	
Thai baht	117	111
US and Canadian dollar	13	
Moroccan dirham		1
Other	1	
<b>Total</b>	<b>3,560</b>	<b>3,550</b>

Amounts payable after five years totalled lire 114 billion, of which lire 111 billion related to loans to non-Italian companies.

**E – Accrued expenses and deferred income** Lire 47,933 million  
(lire 29,097 million at 31.12.2000)

These increased by lire 18,836 million compared to 31 December 2000. The heading consists mainly of accrued interest expense and costs of lire 13,870 million and deferred income of lire 34,063 million.

## Financial position and hedging instruments

### 1) Net financial position

At 30 June 2001, the net financial position was negative and stood at lire 3,398.1 billion (lire 2,972.7 billion at 31 December 2000); this included gross financial debts of lire 5,836.8 billion and medium/long-term financial assets and cash, cash equivalents and current financial assets of lire 2,438.7 billion.

The Group also had "floating rate subordinated securities" ("F.R.S.S.") worth lire 215.6 billion (net), bringing net financial debt to lire 3,613.7 billion.



## 2) Interest rate hedges

The Group enters into hedging transactions in order to reduce its exposure to interest rate variations in its net financial position.

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

The situation at 30 June 2001 can be summarised as follows:

	(in millions of lire)		
	Net financial position* before hedging	Hedging transactions	Net financial position* after hedging
At variable cost	(3,394,170)	1,642,648	(5,036,818)
At fixed rate	(219,536)	(1,642,648)	1,423,112
<b>Total</b>	<b>(3,613,706)</b>	<b>-</b>	<b>(3,613,706)</b>

\* including "floating rate subordinated securities"

## 3) Exchange rate hedges

The construction sector is structurally exposed to the risk of fluctuating exchange rates in relation to purchases in US dollars of solid fuel, as well as to clinker and cement trading and exporting in areas outside the EU.

At 30 June 2001, these risks were covered by the following hedging agreements, valued at the official ECB rates of 29 June 2001:

	30.06.2001
Forward purchases	67,258
Forward sales	283,470
Options	88,321



## Memorandum and contingency accounts (Lire 8,161,958 million at 31.12.2000)

Lire 8,328,985 million

These increased by lire 167,027 million compared to 31 December 2000, as follows:

	(in millions of lire)	
	30.06.2001	31.12.2000
Guarantees	203,998	200,579
Guarantees on company assets	1,271,826	1,102,797
Guarantee deposits held by third parties	3,890,739	3,896,108
Third party guarantee depositis	163,034	162,412
Guarantees received from third parties	36,811	34,147
Leasing instalments due	6,363	8,202
Other memorandum and contingency accounts	2,756,214	2,757,713
<b>Total</b>	<b>8,328,985</b>	<b>8,161,958</b>

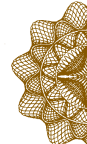
“ Guarantees on company assets” relates to payables recorded in the balance sheet and includes subsidiaries’ shares pledged as security by Italcementi S.p.A. for lire 556 billion and by the parent company for lire 389 billion, and lire 324 billion for mortgages and liens on tangible fixed assets.

“ Other memorandum and contingency accounts” includes:

- a) purchase/sale commitments for forward contracts to hedge exchange-rate risks on foreign-currency receivables and payables, worth a total of lire 403 billion;
- b) commitments in respect of interest-rate hedging contracts relating to a portion of borrowings and floating rate subordinated securities, worth a total of lire 2,085 billion. These commitments are recorded at the moment as agreed, for the nominal amount of the contract.

### Commitments in respect of new acquisitions

- Following the acquisition of Devnya Cement AD in 1998, the Group undertook to maintain the same number of employees for three years and to make investments totalling 100 million dollars in 10 years.
- Following the acquisition of the Vulkan company in 1999, the Group undertook to make investments totalling 10 million dollars in three years and to maintain the same number of employees for three years.



## Consolidated income statement

### A – Value of production

**1) Net sales** Lire 4,101,223 million  
(lire 3,787,958 million in the 1<sup>st</sup> half of 2000)

This item rose by lire 313,265 million compared to 30 June 2000, as follows:

	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	Change
Product sales	3,961,885	3,661,946	299,939
Services	131,138	117,906	13,232
Other net sales	8,200	8,106	94
<b>Total</b>	<b>4,101,223</b>	<b>3,787,958</b>	<b>313,265</b>

A breakdown of net sales by product category and by geographic area is provided in the Directors' report.

### B - Costs of production

**6) Raw, ancillary and consumable materials and supplies** Lire 1,079,481 million  
(lire 975,811 million in the 1<sup>st</sup> half of 2000)

These rose by lire 103,670 million compared to the 1<sup>st</sup> half of 2000, as follows:

	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	Change
Raw materials and semi-finished goods	421,106	437,382	(16,276)
Fuel	289,270	208,808	80,462
Packaging, materials and machinery	175,837	171,535	4,302
Finished goods	193,268	158,086	35,182
<b>Total</b>	<b>1,079,481</b>	<b>975,811</b>	<b>103,670</b>





## 7) Services

Lire 1,214,156 million

(lire 1,174,237 million in the 1<sup>st</sup> half of 2000)

Services costs increased by lire 39,919 million compared to the 1<sup>st</sup> half of 2000, as follows:

	(in millions of lire)		
	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	Change
Electricity, water, gas	245,855	233,965	11,890
Business services and maintenance	340,775	332,712	8,063
Transport	386,838	356,233	30,605
Legal fees and consultancy	65,987	67,563	(1,576)
Insurance	25,284	26,512	(1,228)
Other	149,417	157,252	(7,835)
<b>Total</b>	<b>1,214,156</b>	<b>1,174,237</b>	<b>39,919</b>

## 9) Personnel expenses

Lire 722,689 million

(lire 706,065 million in the 1<sup>st</sup> half of 2000)

Total personnel expenses rose by lire 16,624 million compared to 30 June 2000, as follows:

	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	Change
Wages and salaries	510,107	504,258	5,849
Social security contributions	183,387	172,108	11,279
Employees' leaving entitlements	18,862	18,032	830
Pensions and similar obligations	2,870	5,277	(2,407)
Other costs	7,463	6,390	1,073
<b>Total</b>	<b>722,689</b>	<b>706,065</b>	<b>16,624</b>
<b>Average number employees</b>	<b>19,985</b>	<b>19,857</b>	

## 14) Other operating costs

Lire 104,779 million

(lire 111,771 million in 1<sup>st</sup> half 2000)

These fell by lire 6,992 million compared to the 1<sup>st</sup> half of 2000, as follows:

	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	Change
Subscriptions	9,291	9,760	(469)
Other taxes	58,029	57,487	542
Other costs	37,459	44,524	(7,065)
<b>Total</b>	<b>104,779</b>	<b>111,771</b>	<b>(6,992)</b>



## C – Financial income and charges

**15) Income from equity investments** Lire 60,276 million  
(lire 199,376 million in the 1<sup>st</sup> half of 2000)

The heading on this item fell by lire 139,100 million compared to 30.06.2000. The difference was mainly due to the capital gains realised during the 1<sup>st</sup> half of 2000 on the full disposal of the equity investments in Crea S.p.A., Sabtilf S.r.l., Cartiere Burgo S.p.A. and from the partial disposal of Editoriale Poligrafici S.p.A. shares.

Restricted tax credits totalling lire 8,279 million are due on some dividends collected by the parent company. Recognition of these credits can only be determined during preparation of the tax return for the full year, and therefore, in accordance with prudent accounting policies, they have not been considered in the half-year results.

**16) Other financial income** Lire 174,254 million  
(lire 125,573 million in the 1<sup>st</sup> half of 2000)

Compared to the 1<sup>st</sup> half of 2000 this grew by lire 48,681 million.

(in millions of lire)

	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	Change
Financial income			
a) receivables classified as fixed assets:			
- subsidiaries	74	879	(805)
- associated companies	1,206	14	1,192
- other companies	204	542	(338)
- other	267	288	(21)
b) securities classified as fixed assets	17,271	20,020	(2,749)
c) securities held as current assets	37,090	27,008	10,082
d) other income:			
- subsidiaries	255	237	18
- associated companies	33	155	(122)
- affiliated companies	4	9	(5)
- other	98,552	52,818	45,734
<b>Total</b>	<b>154,956</b>	<b>101,970</b>	<b>52,986</b>
Income from equity investments stated with the equity method	19,298	23,603	(4,305)
<b>Total</b>	<b>174,254</b>	<b>125,573</b>	<b>48,681</b>



“ Other financial income ” includes:

(in millions of lire)

	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	Change
Bank interest income	9,770	8,424	1,346
Interest income from receivables	8,376	4,757	3,619
Translation gains	18,814	13,571	5,243
Translation gains due to inflation	37,661	5,292	32,369
Others	23,931	20,774	3,157
<b>Total</b>	<b>98,552</b>	<b>52,818</b>	<b>45,734</b>

17) Interest and other financial charges  
(lire 192,189 million in the 1<sup>st</sup> half of 2000)

Lire 281,740 million

This item rose by lire 89,551 million compared to 30 June 2000, as follows:

	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	Change
Interest and financial charges:			
- subsidiaries	8	478	(470)
- associated companies	17	38	(21)
- other charges	278,296	185,853	92,443
<b>Total</b>	<b>278,321</b>	<b>186,369</b>	<b>91,952</b>
Charges from equity investments stated with the equity method	3,419	5,820	(2,401)
<b>Total</b>	<b>281,740</b>	<b>192,189</b>	<b>89,551</b>

“ Other charges ” includes:

	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	Change
Bank interest charges	29,986	25,205	4,781
Interest on bond loans	39,823	26,658	13,165
Interest on floating rate sub. securities	28,744	22,950	5,794
Translation losses	78,490	20,213	58,277
Interest on mortgages and medium/long-term debts	87,338	75,879	11,459
Bank charges	6,802	4,791	2,011
Other charges	7,113	10,157	(3,044)
<b>Totale</b>	<b>278,296</b>	<b>185,853</b>	<b>92,443</b>



## D – Adjustments to financial asset values

**18) Revaluations** Lire 1,735 million  
(lire 5,733 million in the 1<sup>st</sup> half of 2000)

These fell by lire 3,998 million compared to 30 June 2000.  
The amount relates mainly to the revaluation of securities reclassified under current assets.

**19) Writedowns** Lire 1,986 million  
(lire 12,209 million in the 1<sup>st</sup> half of 2000)

Compared to the 1<sup>st</sup> half of 2000 these fell by lire 10,223 million. They consist of writedowns of equity investments held as fixed assets for lire 989 million and securities for lire 997 million.

## E – Non-recurring income and charges

**20) Income** Lire 65,515 million  
(lire 111,363 million in the 1<sup>st</sup> half of 2000)

This item fell by lire 45,848 million compared to 30 June 2000, as follows:

	(in millions of lire)		
	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	Change
Capital gains on disposal	28,701	27,164	1,537
Other income	36,814	84,199	(47,385)
<b>Total</b>	<b>65,515</b>	<b>111,363</b>	<b>(45,848)</b>

“Capital gains on disposal” includes lire 26.3 billion from the sale of tangible fixed assets and lire 2.4 billion for capital gains on the sale of equity investments.



## 21) Charges

Lire 75.,904 million

(lire 54,357 million in the 1<sup>st</sup> half of 2000)

These rose by lire 21,547 million compared to 30 June 2000, as follows:

	(in millions of lire)		
	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	Change
Capital losses on disposal	2,015	1,563	452
Taxes in respect of previous years	10,272	467	9,805
Other charges	63,617	52,327	11,290
<b>Total</b>	<b>75,904</b>	<b>54,357</b>	<b>21,547</b>

“Other charges” refers to writedowns of plant and machinery of lire 9,651 million, provisions in respect of personnel of lire 3,791 million and other charges and contingent liabilities of lire 50,175 million.

## 22) Income taxes

Lire 215.913 milioni

(lire 278,030 million in the 1<sup>st</sup> half of 2000)

They fell by lire 62,117 million compared to 30 June 2000, as follows:

	1 <sup>st</sup> half 2001	1 <sup>st</sup> half 2000	Change
Current taxes	218,380	250,799	(32,419)
Deferred taxes	(2,467)	27,231	(29,698)
<b>Total</b>	<b>215,913</b>	<b>278,030</b>	<b>(62,117)</b>

## Annexes

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The attached tables are provided in application of Legislative Decree no. 127 of 9 April 1991 – as indicated in greater detail in each individual appendix – and in application of Consob Resolution no. 11971, article 126, of 14 May 1999, which requires listed companies to disclose the equity investments they hold in unlisted companies when such investments represent more than 10% of voting stock.

Unless otherwise stated, the equity investments included in appendices 'A', 'B', 'C', 'D' and 'E' all refer to shareholdings held with possessory title.

## Appendix A

### LIST OF COMPANIES INCLUDED IN THE CONSOLIDATION 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:
<b>EUROPEAN COMMUNITY</b>						
<b>Italy</b>						
Axim Italia S.p.A.	Sorisole (BG)	€ 104,000	-	100.00	100.00	Nuova Sacelit S.r.l.
Azienda Vendite Acquisti S.p.A.	Milan	€ 2,550,000	100.00	-	100.00	Italmobiliare S.p.A.
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)	€ 6,240,000	-	100.00	100.00	Italcementi S.p.A.
Calcestruzzi S.p.A.	Bergamo	€ 150,000,000	-	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.	Milan	€ 127,500	-	100.00	100.00	Intermobiliare S.p.A.
Gruppo Italfusi S.r.l.	Savignano s/P. (MO)	€ 156,000	-	100.00	99.50	Italcementi S.p.A.
					0.50	SICIL.FIN. S.r.l.
Immobiliare il Platano S.r.l.	Bergamo	€ 98,800	-	100.00	51.00	Italcementi S.p.A.
					49.00	Azienda Vendite Acquisti A.V.A. S.p.A.
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 S.p.A.
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	35.47	-	35.47	(56.59 voting right) Italmobiliare S.p.A.
Italmobiliare Servizi S.r.l.	Milan	€ 260,000	100.00	-	100.00	Italmobiliare S.p.A.
Newco.com S.p.A.	Bergamo	€ 18,479,400	9.62	82.73	82.73	Italcementi S.p.A.
					9.62	Italmobiliare S.p.A.
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 S.p.A.
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	€ Approved 2,575,000 Underwritten 1,300,000	99.48	0.52	99.48	Italmobiliare S.p.A.
					0.52	Sicilfin
S.A.B. Autoservizi S.r.l.	Bergamo	€ 22,500,000	99.99	0.01	99.99	Italmobiliare S.p.A.
					0.01	Intermobiliare S.p.A.
S.A.L. Servizi Automobilistici Lecchesi S.r.l.	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 S.p.A.
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.
Silos Granari della Sicilia S.r.l.	Ravenna	€ 5,980,000	-	100.00	100.00	Intertrading S.r.l.
Sirap Gema S.p.A.	Verolanuova	€ 12,021,123	100.00	-	100.00	Italmobiliare S.p.A.
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	SIA S.p.A. 8.00 SAIA BUS S.r.l
<b>France</b>						
Arena S.A.	Guerville	€ 180,000,000	-	99.99	99.99	Ciments Français S.A.
Axim S.A.	Guerville	FF 3,250,000	-	99.98	99.98	Ciments Calcia S.A.
Béton Contrôle de l'Adour	Bayonne	€ 150,000	-	59.96	59.96	Béton Contrôle du Pays Basque
Béton Contrôle du Pays Basque	Bayonne	€ 120,000	-	59.93	59.93	Unibéton S.A.
Bonafini	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	Salon de Provence	€ 80,000	-	100.00	100.00	Société Rey-Bellemere
Chatelet S.A.	Cayeux s/M.	€ 118,680	-	99.93	99.93	GSM S.A.
Ciberval	Le Teil	FF 400,000	-	99.98	99.98	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	€ 151,930,748	-	65.76	65.76	Société Int. Italcementi France S.A. 79.13 (voting rights: Société Int. Italcementi France S.A.)
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	Les Crottoy	€ 1,520,000	-	64.99	64.99	GSM S.A.
Granulats et Sables de la Moselle	Heillecourt	€ 3,838,000	-	99.99	99.99	GSM S.A.
Granulats et Sables de Mediterranée	St. Jean de Vedas	€ 12,198,000	-	99.99	99.99	GSM S.A.
Granulats et Sables Marins	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	Guerville	FF 64,165,200	-	99.99	59.99	Ciments Français S.A. 40.00 Ciments Calcia S.A.
Investcim S.A.	Puteaux	€ 124,874,000	-	99.99	99.99	Ciments Français S.A.
Johar	Luxemont et Villotte	€ 1,056,000	-	99.97	99.97	Tratel S.A.
Larricq	Airvault	€ 508,000	-	99.98	99.98	Tratel S.A.
Les Mesanges	Bouguenais	€ 40,000	-	98.80	98.80	GSM S.A.
Rainguard Carrières Bétons et Compagnie R.C.B.	Bouguenais	€ 705,000	-	100.00	50.00	GSM S.A. 50.00 Les Mesanges
S.N.C. Arena Services	Guerville	€ 10,000	-	99.80	99.80	Arena S.A.
SA SOPREFIM	Nice	FF 6,500,000	-	99.92	99.91	Soc.d'Etudes de Participations et de Courtages 0.01 SCI SCIF
Sables d'Armor	Plerin	€ 56,480	-	50.99	50.99	GSM S.A.
Sables et Gravier 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.





## Appendix A (continued)

Company	Registered office		Share capital	% direct	% indirect	Held by %	Group companies held by:
Sax S.A.	Guerville	€	482,800	-	99.99	99.99	Ciments Français S.A.
SC Immobilail	Nice	FF	620,000	-	99.84	99.84	Soc.d'Etudes de Participations et de Courtages
SCI Le Manet	Cagnes sur Mer	FF	10,000	-	100.00	99.00 1.00	SCI SCIP SCI SCIF
SCI Résidence Nice le Paillon	Nice	FF	1,090,900	-	100.00	91.67 8.33	SCI SCIF Soc.d'Etudes de Participations et de Courtages
SCI SCIF	Nice	FF	100,000	-	100.00	99.00 1.00	Soc.d'Etudes de Participations et de Courtages SCI SCIF
SCI SCIP	Nice	FF	100,000	-	100.00	99.00 1.00	Soc.d'Etudes de Participations et de Courtages SCI SCIF
Sirap Gema France S.A.	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 d'exploitation des carrières Langlois S.A.	Mousseaux s/S.	€	96,000	-	99.92	99.92	GSM S.A.
Société Internationale Italcementi France S.A.	Paris	€	1,409,627,939.75	-	99.99	82.07 17.92	Italcementi S.p.A. Société Int. Italcementi (Lux.) S.A.
Société Rey-Bellemere	Salon de Provence	FF	50,000	-	100.00	100.00	GSM S.A.
Socli S.A.	Izaourt	€	144,960	-	99.94	99.94	Calcia S.A.
Sodecim	Puteaux	€	228,788,125	-	99.99	99.99	Ciments Français S.A.
Technodes S.A.	Guerville	FF	20,000,000	-	99.99	99.99	Ciments Français S.A.
Tercim S.A.	Puteaux	€	1,500,000	-	99.99	99.99	Ciments Français S.A.
Tragor	Pessac	€	640,000	-	99.99	99.99	Tratrel S.A.
Tratrel S.A.	L'île S. Denis	€	6,025,580	-	99.99	99.99	Ciments Calcia S.A.
Unibéton - Saba	Tours	€	48,000	-	99.60	99.60	Unibéton S.A.
Unibéton Atlantique	Saint Michel Chef Chef	€	40,000	-	98.80	98.80	Unibéton S.A.
Unibéton Méditerranée	Lambesc	€	50,000	-	99.96	99.96	Unibéton S.A.
Unibéton Ouest Pays de Loire	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	Pessac	€	50,000	-	99.96	99.96	Unibéton S.A.
Unibéton Var	Lambesc	€	40,000	-	99.96	99.96	Unibéton S.A.
Univrac	L'île S. Denis	€	302,000	-	99.84	99.84	Tratrel S.A.
Uniwébéton	Gambsheim	€	160,000	-	70.00	70.00	Unibéton S.A.
<b>Belgium</b>							
Ath Béton	Ghilblingren	€	125,000	-	99.60	75.00 24.60	Compagnie des Ciments Belges ORCQ Béton
Compagnie des Ciments Belges	Tournai	€	300,000,000	-	99.91	36.94 29.11 25.28 8.58	Ciments Français Europe N.V. Ciments Français S.A. Ciments Calcia S.A. Compagnie Financière des Ciments
Compagnie Financière des Ciments	Tournai	€	5,580,000	-	99.99	99.99	Ciments Français S.A.
De Paepe Béton N.V.	Gent	€	500,000	-	99.98	75.00 24.98	Compagnie des Ciments Belges ORCQ Béton
ORCQ Béton	Gaurain	€	161,500	-	100.00	100.00	Compagnie des Ciments Belges
Sirap Gema International S.A.	Manage	€	2,500,000	-	100.00	99.60 0.40	Sirap Gema Finance S.A. Société de Participation Financière Italmobiliare S.A.
Trabel Transports	Gaurain	€	744,000	-	100.00	91.00 9.00	Tratrel S.A. Compagnie des Ciments Belges
<b>Spain</b>							
BravoBuild España S.A.	Madrid	€	60,200	-	99.99	99.99	Newco.com S.p.A.
Centro Administrativo y de Servicios de Malaga S.A.	Malaga	€	60,200	-	99.99	99.99	Sociedad Financiera y Minera S.A.
Companie General de Canteras S.A.	Malaga	€	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.A.	Madrid	€	738,230	-	100.00	100.00	Sax S.A.
Rosa del Amulej S.A.	Almeria	€	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 39.87 3.02 0.26	Ciments Français S.A. Ciments Français Europe N.V. Hormigones y Minas S.A. Sociedad Financiera y Minera S.A.



Company	Registered office		Share capital	% direct	% indirect	Held by %	Group companies held by:
Ventore S.L.	Malaga	€	6,000	-	99.90	99.90	Sociedad Financiera y Minera S.A.
<b>Greece</b>							
Ammos Quarries of East Attica S.A.	Mandra	GRD	6,372,410,000	-	100.00	100.00	Ciments Français S.A.
Domiki Beton S.A.	Iraklion	GRD	788,199,000	-	98.59	98.59	Calcestruzzi S.p.A.
ET Beton	Aspropyrgos	GRD	1,769,050,000	-	100.00	100.00	Ammos Quarries of East Attica S.A.
Halyps Building Material S.A.	Aspropyrgos	GRD	9,272,690,280	-	93.89	53.81	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.)
<b>Germany</b>							
Sirap Gema GMBH	Aalen	€	26,000	-	100.00	100.00	Sirap Gema Finance S.p.A.
<b>Ireland</b>							
Italmobiliare International Finance Ltd	Dublino	IR	€ 1,300,000	99.99	0.01	99.99	Italmobiliare S.p.A. Intermobiliare S.p.A.
<b>Luxembourg</b>							
Ciments Français International S.A.	Lussemburgo	LUF	357,140,000	-	99.99	50.99	Ciments Français S.A. 49.00 Ciments Français Europe N.V.
Italcementi Europe (Luxembourg) S.A.	Lussemburgo	€	82,632,500	-	100.00	99.52	Italcementi S.p.A. 0.48 SICIL.FIN. S.r.l.
Sirap Gema Finance S.A.	Lussemburgo	€	6,198,000	-	100.00	0.04	Intermobiliare S.p.A. 99.96 Sirap Gema S.p.A.
Société de Participation Financière Italmobiliare S.A.	Lussemburgo	€	223,424,344	99.94	0.06	99.94	Italmobiliare S.A. 0.06 Intermobiliare S.p.A.
Société Internationale Italcementi (Luxembourg) S.A.	Lussemburgo	€	180,908,000	-	99.99	99.99	Italcementi S.p.A.
<b>Holland</b>							
Cimate Finance B.V.	Amsterdam	NLG	40,000	-	100.00	100.00	Ciments Français Europe N.V.
Ciments Français Europe N.V.	Amsterdam	NLG	1,066,206,000	-	100.00	66.80	Sodecim S.A. 33.20 Ciments Français S.A.
Italmobiliare International BV	Amsterdam	€	Approved 75,000 Underwritten 19,500	100.00	-	100.00	Italmobiliare S.p.A..
<b>NORTH AMERICA</b>							
<b>USA</b>							
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	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.
<b>Canada</b>							
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
<b>OTHER COUNTRIES</b>							
<b>Bulgaria</b>							
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.
<b>Cyprus</b>							
Italmed Cement Company Ltd	Limassol	CYP	12,318,000	-	99.99	99.99	Ciments Français S.A.
<b>Grand Cayman (British Antilles)</b>							
Essroc Offshore Ltd	George Town	USD	3	-	100.00	100.00	GSM S.A.



## Appendix A (continued)

Company	Registered office		Share capital	% direct	% indirect	Held by %	Group companies held by:
<b>Morocco</b>							
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 3.18	Ciments Français S.A. 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.
<b>Monte Carlo</b>							
Société d'Etudes de Participations et de Courtages	Montecarlo	€	1,290,000	-	99.84	99.84	Société de Participation Financière Italmobiliare S.A.
<b>Porto Rico</b>							
Essroc San Juan Inc.	Espinosa	USD	10,000	-	100.00	100.00	Essroc Cement Corp.
<b>Switzerland</b>							
Interbulk Trading S.A.	Meyrin	CHF	7,470,600	-	99.99	66.75 15.00 18.24	Ciments Français International S.A. Intertrading S.r.l. Ciments Français Europe N.V.
<b>Thailand</b>							
Asia Cement Products Co., Ltd	Bangkok	BT	10,000,000	-	39.03	39.03	Asia Cement Public Co., Ltd <sup>1</sup>
Asia Cement Public Co., Ltd	Bangkok	BT	7,800,000,000	-	39.03	24.96 14.07	Ciments Français S.A. Vaniyuth Co. Ltd <sup>1</sup>
Jalaprathan Cement Public Co, Ltd	Bangkok	BT	1,200,000,000	-	46.54	37.00 9.54	Ciments Français S.A. Vesprapat Holding Co, Ltd <sup>1</sup>
Jalaprathan Concrete Co, Ltd	Bangkok	BT	100,000,000	-	46.54	46.54	Jalaprathan Cement Public Co, Ltd <sup>1</sup>
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.
<b>Turkey</b>							
Afyon Cimento Sanayi Tas	Istanbul	TRL	120,000,000,000	-	78.49	76.51 1.02 0.96	Ciments Français S.A. Set Group Holding Set Cimento Sanayi ve Tas
Anadolu Cimentolari Tas	Istanbul	TRL	4,147,250,000,000	-	99.74	89.73 10.01	Set Group Holding Set Cimento Sanayi ve Tas
Set Beton Madencilik Sanayi ve Tas	Istanbul	TRL	7,412,000,000,000	-	99.99	54.51 43.98 1.50	Set Group Holding Set Cimento Sanayi ve Tas Anadolu Cimentolari Tas
Set Betoya Prefabrik Yapi Elemanlari Sanayi ve Ticaret A.S.	Istanbul	TRL	303,400,000,000	-	99.95	78.22 21.73	Set Group Holding 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.
<b>India</b>							
Zuari Cement Ltd	Goa	Rup	1,519,614,000	-	50.00	50.00	Ciments Français S.A.

<sup>1</sup> percentage of interest



## Appendix B

### LIST OF COMPANIES INCLUDED IN THE CONSOLIDATION ON A PROPORTIONAL BASIS

(In accordance with article 37 Legislative Decree 9 April 1991, no. 127)

Company	Registered office	Share capital	% direct	% indirect	Held by %	Group companies held by:
<b>EUROPEAN COMMUNITY</b>						
<b>Italy</b>						
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.
<b>France</b>						
Béton Contrôle de Montceau le Creusot	Montceau Les M.	€ 588,000	-	49.99	49.99	Unibéton S.A.
Carrières Bresse Bourgogne	St. Marcel	€ 387,189	-	66.48	66.48	Dragages et Carrières
Dragages et Carrières	St. Marcel	€ 1,000,000	-	49.99	49.99	GSM S.A.
Les Graves de l'Estuaire S.A.	Le Havre	FF 1,860,000	-	33.33	33.33	GSM S.A.
Société des Calcaires de Château Landon	Souppes sur Loing	€ 2,288,000	-	50.00	50.00	GSM S.A.
Société Parisienne des Sablières	Pont de L'Arche	€ 320,000	-	49.99	49.99	GSM S.A.

## Appendix C

### LIST OF COMPANIES VALUED ON THE EQUITY METHOD

(in accordance with article 36 1<sup>st</sup> and 3<sup>rd</sup> section Legislative Decree 9 April 1991, no. 127)

Company	Registered office	Share capital	% direct	% indirect	Held by %	Group companies held by:
<b>EUROPEAN COMMUNITY</b>						
<b>Italy</b>						
Aliserio S.p.A.	Bergamo	€ 2,270,000	10.00	90.00	90.00	Italcementi S.p.A. 10.00 Italmobiliare S.p.A.
Betonsud S.r.l. - in liquidazione	Foggia	ITL 2,122,000,000	-	49.99	49.99	Calcestruzzi S.p.A.
Cave Comand S.r.l.	Ravenna	€ 520,000	-	50.00	50.00	Calcestruzzi S.p.A.
Cementi della Lucania S.p.A.	Potenza	ITL 1,200,000,000	-	30.00	30.00	Italcementi S.p.A.
E.C.I.T. S.r.l.	Ravenna	ITL 200,400,000	-	50.00	50.00	Calcestruzzi S.p.A.
General Cave S.r.l.	Fiumicino (RM)	ITL 60,000,000	-	50.00	50.00	Speedybeton S.p.A.
GESVIM S.r.l.	Milan	€ 11,000	-	50.00	50.00	Azienda Vendite Acquisti A.V.A. S.p.A.
GIST S.r.l. Gamma Iniziative Sport. Tur.	Firenze	ITL 1,200,000,000	-	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	ITL 10,393,660,000	-	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 S.p.A.
Prati Fioriti S.r.l.	Rome	ITL 170,000,000	-	62.50	37.50	Cemencal S.p.A. 25.00 Calcestruzzi S.p.A.
S.A.F.R.A. S.r.l.	Bologna	ITL 99,000,000	-	33.33	33.33	Calcestruzzi S.p.A.
Silicalcite S.p.A.	Bergamo	€ 4,000,000	-	100.00	100.00	Nuova Sacelit S.r.l.
Trieste Trasporti S.p.A.	Trieste	€ 17,000,000	-	29.90	10.90	S.A.B. Autoservizi 9.00 SAIA BUS S.r.l. 10.00 S.I.A. Società Italiana Autoservizi
<b>France</b>						
Armement Secam	Paris	€ 306,000	-	34.95	34.95	Tratel S.A.
Béton Contrôle des Abers	Lannilis	€ 104,000	-	34.00	34.00	Unibéton S.A.
Béton Saone	Macon	€ 40,000	-	35.00	35.00	Unibéton S.A.
Dragages Transports & Travaux Maritimes	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 Zürich 1.61 Fincomind S.A. 0.40 Soc. d'Etudes de Participations et de Courtages
Finter Gestion S.A.	Paris	FF 950,000	-	99.37	99.37	Finter Bank France
S.A. Dijon Béton	Dijon	€ 184,000	-	15.00	15.00	GSM S.A.
Stinkal	Ferques	€ 1,120,000	-	35.00	35.00	GSM S.A.



## Appendix C (continued)

Company	Registered office		Share capital	% direct	% indirect	Held by %	Group companies held by:
<b>Ireland</b>							
Kayward Limited	Dublin 2	ILST	1,000	-	99.90	99.90	Finter Holding S.A.
<b>Luxembourg</b>							
Finter Holding S.A.	Lussemburgo	CHF	12,700,000	-	100.00	97.01 2.99	Fincomind S.A. Société de Participation Financière Italmobiliare S.A.
<b>NORTH AMERICA</b>							
<b>USA</b>							
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.
<b>OTHER COUNTRIES</b>							
<b>Bahamas</b>							
Finter Bank & Trust (Bahamas) Ltd	Nassau	USD	2,000,000	-	100.00	100.00	Finter Bank Zürich
<b>Cyprus</b>							
Vassiliko Cement Works Ltd	Nicosia	CYP	13,434,018.75	-	33.00	20.00 13.00	Italmed Cement Company Ltd Comp. Financière et de Participations S.A.
<b>Principality of Monaco</b>							
Credit Mobilier de Monaco	Monaco	€	5,355,000	-	99.91	99.91	Société de Participation Financière Italmobiliare S.A.
<b>Switzerland</b>							
Delphinia Soc.di Navigazione Marittima S.A.	Coira	CHF	1,000,000	-	100.00	100.00	Finter Bank Zürich
Finconsult AG	Zurigo	CHF	500,000	-	100.00	100.00	Finter Bank Zürich
Fincomind S.A.	Zollikon	CHF	10,010,000	69.93	30.07	69.93 30.07	Italmobiliare S.p.A. Société de Participation Financière Italmobiliare S.A.
Finter Bank Zürich	Zurigo	CHF	45,000,000	-	100.00	100.00	Fincomind S.A.



## Appendix D

# LIST OF OTHER SHAREHOLDINGS IN SUBSIDIARY AND ASSOCIATED COMPANIES VALUED AT COST

(in accordance with article 36 Legislative Decree 9 April 1991, no. 127)

Company	Registered office		Share capital	% direct	% indirect	Held by %	Group companies held by:
<b>EUROPEAN COMMUNITY</b>							
<b>Italy</b>							
Azienda Agricola Lodoletta S.r.l.	Bergamo	ITL	20,000,000	-	75.00	75.00	Italcementi S.p.A.
Beton Quattro S.c.a r.l.	Napoli	ITL	20,000,000	-	50.00	50.00	Calcestruzzi S.p.A.
Betongenova S.r.l. (in liquidazione)	Genova	ITL	20,000,000	-	36.12	22.68 13.44	Calcestruzzi S.p.A. 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 liquidazione	Milan	€	516,000	-	100.00	100.00	Punta Ala Promozione e Sviluppo Immobiliare S.r.l.
Cava delle Capannelle S.r.l.	Bergamo	ITL	60,000,000	-	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)	ITL	1,400,000,000	-	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	ITL	5,000,000,000	-	20.00	20.00	S.A.B. Autoservizi S.r.l.
Gres Dalmine Resine Wavin S.c.a r.l.	Sorisoletto (BG)	ITL	180,000,000	-	35.00	35.00	Società del Gres ing. Sala S.p.A.
Immobiliare Lido di Classe S.p.A. in liq.	Rome	ITL	5,000,000,000	18.04	-	18.04	Italmobiliare S.p.A.
Immobiliare Liguria S.r.l.	Bergamo	ITL	5,000,000,000	-	100.00	99.00 1.00	Italcementi S.p.A. S.A.M.A. S.p.A.
Immobiliare Salesiane S.r.l.	Bergamo	ITL	700,000,000	-	61.32	61.32	Italcementi S.p.A.
Industrie Grafiche Cattaneo S.p.A. - in liquidazione	Bergamo	ITL	250,000,000	-	30.16	30.16	Italcementi S.p.A.
Italcementi Ingegneria S.r.l.	Bergamo	€	266,220	-	100.00	100.00	Italcementi S.p.A.
La Ghiaia S.r.l. - in liquidazione	S. Egidio alla Vibrata (TE)	ITL	50,000,000	-	100.00	100.00	Cemencal S.p.A.
Q.T.S. S.r.l.	Rome	ITL	20,000,000	-	60.00	60.00	Cemencal S.p.A.
<b>Sigesa S.p.A.</b>							
Soc. Italiana Gestione Servizi Ambientali	Cinisello B.(MI)	€	40,578,554	29.00	-	29.00	Italmobiliare S.p.A.
Sipac S.p.A. - in liquidazione	Milan	ITL	2,000,000,000	-	27.00	27.00	Calcestruzzi S.p.A.
Soc. Editrice Siciliana S.E.S. S.p.A.	Messina	ITL	9,900,000,000	33.00	-	33.00	Italmobiliare S.p.A.
Universal Imballaggi S.r.l.	Palermo	ITL	2,193,000,000	-	24.90	24.90	Sirap Gema S.p.A.
<b>France</b>							
Agregats & Béetons du Languedoc	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	Soorts Hossegor	€	40,000	-	37.00	37.00	Béton Contrôle du Pays Basque
Béton Distribution	Ronchin	€	65,156	-	99.76	99.76	Unibéton S.A.
Béton du Bocage	Tours	€	247,500	-	100.00	100.00	Unibéton S.A.
Beton Service Artesien	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 20.00	Comp. Financière et de Participations S.A. Arena S.A.
Carrières de Mazaugues	Maubec	FF	500,000	-	50.00	50.00	Société Rey-Bellemere
Cimcal	Puteaux	€	45,000	-	99.90	79.90 20.00	Ciments Français S.A. Tercim S.A.
Ciments Français Participations	Puteaux	€	1,500	-	100.00	50.00 50.00	Ciments Français S.A. Comp. Financière et de Participations S.A.
Dunkerque Ajouts Snc	Paris	FF	40,000	-	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	Heillecourt	€	10,000	-	100.00	100.00	GSM S.A.
Frambois Granulats	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 1.00	GSM S.A. Sables et Gravier de la Garonne GIE
GIE GM	Reims	-	-	-	63.00	63.00	GSM S.A.
GIE Les Sables	Mehun sur Yevre	€	1,500	-	50.00	50.00	GSM S.A.
Gitec - GIE	Paris	-	-	-	49.00	49.00	Ciments Français S.A.
Graves de l'Estuaire de la Gironde L.G.E.G. St. Jean de Blaignac	-	-	-	-	50.00	50.00	GSM S.A.
Les Calcaires Girondins	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	Rebenacq	FF	100,000	-	33.30	33.30	GSM S.A.



## Appendix D (continued)

Company	Registered office		Share capital	% direct	% indirect	Held by %	Group companies held by:
Neyrtec Industrie S.A.	Le Pont de Claix	FF	10,000,000	100.00	-	100.00	Italmobiliare S.p.A.
Port St. Louis Amenagement	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 Amenagement	Port Frejus	€	480,000	-	35.00	35.00	Arena S.A.
Saint Remy Aggregats	Salon de Provence	FF	50,000	-	100.00	99.20 0.80	Société Rey-Bellemere 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., 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 de Poissy	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	FF	50,000	-	60.00	60.00	Ciments Calcia S.A.
Société Civile Bachant le Grand Bonval	Carrières s/P.	FF	10,000	-	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 Agr. de l'Avesnois	Reims	FF	20,000	-	90.00	50.00 40.00	Société Civile Bachant le Grand Bonval GSM S.A.
Société Civile d'Exploitation de la Grange d'Etaule	Gray	FF	150,000	-	99.60	99.60	Ciments Calcia S.A.
Société Foncière de la petite Seine	St. Sauveur les Bray	€	50,000	-	40.00	40.00	GSM S.A.
Unibéton Region Express	Guerville	FF	250,000	-	99.96	99.96	Unibéton S.A.
<b>Belgium</b>							
Société des Carrières du Tournais S.C.T.	Tournai	BEF	2,500,000	-	65.00	65.00	Compagnie des Ciments Belges
<b>Spain</b>							
Almacenes y Silos Pasaja S.A.	S. Sebastian	ESP	10,000,000	-	49.99	49.99	Sociedad Financiera y Minera S.A.
Asociacion 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	ESP	151,000,000	-	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.
Conglomerates Hidraulicos Especiales	Madrid	ESP	20,000,000	-	51.00	51.00	Sociedad Financiera y Minera S.A.
Euroasfaltos y Construccion S.A.	Malaga	€	60,500	-	100.00	99.00 1.00	Sociedad Financiera y Minera S.A. 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	Vizcaya	ESP	49.897.500	-	50.00	50.00	Sociedad Financiera y Minera S.A.
Maquinaria para Hormigones A.I.E. S.A.	Bilbao	ESP	43.000.000	-	37,50	37,50	Sociedad Financiera y Minera S.A.
Neuciclaje S.A.	Bilbao	ESP	10,000,000	-	30.00	30.00	Sociedad Financiera y Minera S.A.
Novhorvi S.A.	Vitoria	ESP	30,000,000	-	25.00	25.00	Hormigones y Minas S.A.
Nugra S.A.	Madrid	ESP	10,000,000	-	100.00	100.00	Sociedad Financiera y Minera S.A.
Transagrox Pasajes S.A.	Guipuzcoa	ESP	275,000,000	-	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.
<b>Greece</b>							
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.
<b>Germany</b>							
Saarlandische Zementgesellschaft	Saarbrücken	DEM	100,000	-	80.00	80.00	Ciments Français International S.A.
<b>United Kingdom</b>							
Gecocem Limited	London	GBP	50,000	-	100.00	100.00	Ciments Français S.A.
<b>Luxembourg</b>							
Omiun des Arts et Techniques S.A.	Lussemburgo	LUF	54,000,000	-	99.99	99.99	Ciments Français International S.A.
Unibéton Luxembourg	Lussemburgo	€	35,000	-	99.71	99.71	Unibéton S.A.
<b>holland</b>							
H.C. Plasier Beheer B.V.	Vlaardingen	NLG	40,000	-	100.00	100.00	Rular Trading
R.G. Aggregates B.V.	Vlaardingen	NLG	40,000	-	100.00	100.00	Ruler International
Rular Trading	Vlaardingen	NLG	40,000	-	100.00	100.00	Ruler International



Company	Registered office	Share capital	% direct	% indirect	Held by %	Group companies held by:
<b>NORTH AMERICA</b>						
<b>USA</b>						
Miron USA Ltd	Nazareth	USD	200	-	100.00	100.00 Essroc Cement Corp.
<b>Canada</b>						
Concrete Systems International Ltd	Kitchener	CAD	1,000	-	50.00	50.00 Essroc Canada Inc.
<b>OTHER COUNTRIES</b>						
<b>Albania</b>						
Eurotech Cement S.h.p.k.	Durres	LEK	27,000,000	-	84.99	84.99 Halyps Building Material S.A.
<b>Dutch Antilles</b>						
Ruler International	Curaçao	USD	6,000	-	100.00	100.00 Compagnie des Ciments Belges
<b>Bulgaria</b>						
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.
Lulyaka A.D.	Devnya	LEV	759,372,000	-	80.00	80.00 Devnya Cement AD
<b>Gambia</b>						
Gacem Company Limited	Serrekunda	GMD	4,500,000	-	80.00	80.00 Tercim S.A.
<b>Kazakhstan</b>						
Shymkent Cement	Shymkent	TEN	10,969,300	-	88.15	88.15 Ciments Français S.A.
<b>Morocco</b>						
Asment (Ciments de Temara)	Temara	MAD	171,875,000	-	37.01	19.99 Ciments Français S.A. 17.02 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
<b>Mauritania</b>						
Mauritano-Française des Ciments	Nouakchott	OUG	1,111,310,000	-	66.05	66.05 Ciments Français S.A.
<b>Turkey</b>						
Met Teknik Servis ve Maden Sanayi Ticaret A.S.	Istanbul	TRL	5,000,000,000	-	99.99	99.99 Set Group Holding





## Appendix E

### LIST OF OTHER SHAREHOLDINGS OVER 10%

(in accordance with article 126 of Consob resolution no. 11971/14 May 1999)

Company	Registered office	Share capital	% direct	% indirect	Held by %	Group companies held by:
<b>EUROPEAN COMMUNITY</b>						
<b>Italy</b>						
Compagnia Fiduciaria Nazionale S.p.A.	Milan	€ 312,000	16.67	-	16.67	Italmobiliare S.p.A.
Ecoserio S.r.l.	Bergamo	ITL 96,000,000	-	12.50	12.50	Calcestruzzi S.p.A.
Fin.Priv. S.r.l.	Milan	ITL 20,000,000	14.28	-	14.28	Italmobiliare S.p.A.
I.GE.PO. - Impresa Gestione Porti S.r.l.	Vibo Valentia	ITL 50,000,000	-	18.00	18.00	Italcementi S.p.A.
LUXVIDE S.p.A.	Rome	ITL 8,000,000,000	10.81	-	10.81	Italmobiliare S.p.A.
MUSONE S.r.l. <sup>(2)</sup>	Civitanova Marche	ITL 198,000,000	-	-	100.00	Calcestruzzi S.p.A.
Polistone S.p.A. <sup>(3)</sup>	Villesse (GO)	ITL 10,000,000,000	-	-	100.00	Società del Gres ing. Sala S.p.A.
Procalmi S.r.l. in liquidazione	Milan	ITL 100,000,000	-	11.52	11.52	Cemencal S.p.A.
Stone Italiana S.r.l. <sup>(3)</sup>	San Martino B.A. (VR)	ITL 2,160,000,000	-	-	50.00	Società del Gres ing. Sala S.p.A.
<b>France</b>						
Granulats Marins de Normandie - GIE	Le Havre	-	-	11.05	11.05	GSM S.A.
Scori	Plaisir	FF 6,830,000	-	13.95	13.95	Ciments Calcia S.A.
<b>United Kingdom</b>						
Sirio Vide Ltd	London	GBP 100	11.00	-	11.00	Italmobiliare S.p.A.
<b>OTHER COUNTRIES</b>						
<b>Turkey</b>						
Altas Ambarlı Liman Tesisleri Tas	Istanbul	TRL 100,000,000,000	-	12.25	12.25	Anadolu Cimentolari Tas

<sup>2</sup> stake held in usufruct

<sup>3</sup> stake held as a guarantee

■ Additional  
information

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## Annex F

### VARIATIONS IN SHAREHOLDERS' EQUITY

(in millions of lire)

	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	Shareholders' equity of the Group
<b>Balance at 31.12.2000</b>	<b>193,950</b>	<b>38,526</b>	<b>167,991</b>	<b>343,090</b>	<b>40,128</b>	<b>809,197</b>	<b>820,245</b>	<b>361,350</b>	<b>2,774,477</b>
Allocation of income at 31.12.2000									
Board of Directors								(1,408)	(1,408)
Dividends								(70,969)	(70,969)
Legal reserve		264						(264)	
Extraordinary reserve									
Carried forward						72,555		(72,555)	
Transfer of reserves							216,154	(216,154)	
Prescribed dividends/waiver of dividends						4			4
Consolidation adjustments							(482)		(482)
Exchange rate differences							24,268		24,268
Net income for the year								119,350	119,350
<b>Balance at 30.06.2001</b>	<b>193,950</b>	<b>38,790</b>	<b>167,991</b>	<b>343,090</b>	<b>40,128</b>	<b>881,756</b>	<b>1,060,185</b>	<b>119,350</b>	<b>2,845,240</b>



## Annex G

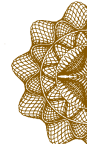
### RECONCILIATION BETWEEN SHAREHOLDERS' EQUITY AND RESULT FOR THE YEAR OF THE HOLDING COMPANY AND CONSOLIDATED SHAREHOLDERS' EQUITY AND CONSOLIDATED RESULT FOR THE YEAR

	(in millions of lire)	
	30.06.2001	31.12.2000
<b>A) Net income for the year of Italmobiliare Società per Azioni</b>	<b>50,687</b>	<b>145,196</b>
Consolidation adjustments:		
Net results of consolidated companies (Group portion)	95,455	230,204
Adjustment to group accounting policies (Group portion)	(1,208)	(4,473)
Adjustment to value of investments stated using the net equity method	11,816	18,027
Write-down of capital gains on investments sold	4,295	39,885
Elimination of dividends received during the year	(57,516)	(35,812)
Elimination of write downs of consolidated investments	18,760	(943)
Elimination of intercompany income or losses and other variations	(2,939)	(30,734)
<b>Net income for the year of the Group</b>	<b>119,350</b>	<b>361,350</b>
<b>B) Shareholders' equity of Italmobiliare Società per Azioni</b>	<b>1,716,392</b>	<b>1,738,078</b>
Adjustment to group accounting policies	(13,722)	(13,201)
Difference between shareholders' equities of subsidiaries due to the Group and the book value of the consolidated investments	1,142,570	1,049,600
<b>Shareholders' equity of the Group</b>	<b>2,845,240</b>	<b>2,774,477</b>



# Analysis of asset structure

(in millions of lire)	30.06.2001	%	31.12.2000	%	Change 2001/2000
<b>Net fixed assets</b>					
Intangible	2,759,188		2,735,847		23,341
Tangible	5,855,020		5,583,142		271,878
Equity investments and other financial assets	1,696,642		1,600,050		96,592
Total	10,310,850	84.4	9,919,039	86.3	391,811
<b>Working capital</b>					
Inventories	877,896		860,390		17,506
Trade receivables	2,226,830		1,810,730		416,100
Trade payables	(1,232,052)		(1,190,173)		(41,879)
Other assets	835,905		777,932		57,973
Other liabilities	(808,800)		(687,181)		(121,619)
Total	1,899,779	15.6	1,571,698	13.7	328,081
<b>Net invested capital</b>	<b>12,210,629</b>	<b>100.0</b>	<b>11,490,737</b>	<b>100.0</b>	<b>719,892</b>
<b>Shareholders' equity</b>					
Group share	2,845,240		2,774,477		70,763
Minority interests	4,227,248		4,003,006		224,242
Total	7,072,488	57.9	6,777,483	59.0	295,005
Floating rate subordinated securities (net)	215,645	1.8	235,795	2.0	(20,150)
<b>Reserves</b>					
Employees' leaving entitlements	197,503		195,166		2,337
Other provisions	1,326,932		1,309,615		17,317
Total	1,524,435	12.5	1,504,781	13.1	19,654
<b>Net financial position</b>					
Cash, cash equivalents and current financial assets	(1,921,067)		(1,616,633)		(304,434)
Short-term financing	2,277,124		1,672,566		604,558
Short-term net financial position	356,057	2.9	55,933	0.5	300,124
Medium/long-term financial assets	(517,676)		(633,258)		115,582
Medium/long-term financial liabilities	3,559,680		3,550,003		9,677
Medium/long-term net financial position	3,042,004	24.9	2,916,745	25.4	125,259
Net financial position	3,398,061	27.8	2,972,678	25.9	425,383
<b>Total financing</b>	<b>12,210,629</b>	<b>100.0</b>	<b>11,490,737</b>	<b>100.0</b>	<b>719,892</b>

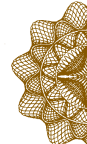


(in thousands of euro)	30.06.2001	%	31.12.2000	%	Change 2001/2000
Net fixed assets					
Intangible	1,425,002		1,412,947		12,055
Tangible	3,023,865		2,883,452		140,413
Equity investments and other financial assets	876,242		826,357		49,885
Total	5,325,109	84.4	5,122,756	86.3	202,353
Working capital					
Inventories	453,395		444,354		9,041
Trade receivables	1,150,062		935,164		214,898
Trade payables	(636,302)		(614,673)		(21,629)
Other assets	431,709		401,768		29,941
Other liabilities	(417,710)		(354,899)		(62,811)
Total	981,154	15.6	811,714	13.7	169,440
<b>Net invested capital</b>	<b>6,306,263</b>	<b>100.0</b>	<b>5,934,470</b>	<b>100.0</b>	<b>371,793</b>
Shareholders' equity					
Group share	1,469,444		1,432,898		36,546
Minority interests	2,183,191		2,067,380		115,811
Total	3,652,635	57.9	3,500,278	59.0	152,357
Floating rate subordinated securities (net)	111,371	1.8	121,778	2.0	(10,407)
Reserves					
Employees' leaving entitlements	102,002		100,795		1,207
Other provisions	685,303		676,360		8,943
Total	787,305	12.5	777,155	13.1	10,150
Net financial position					
Cash, cash equivalents and current financial assets	(992,148)		(834,921)		(157,227)
Short-term financing	1,176,036		863,808		312,228
Short-term net financial position	183,888	2.9	28,887	0.5	155,001
Medium/long-term financial assets	(267,357)		(327,051)		59,694
Medium/long-term financial liabilities	1,838,421		1,833,423		4,998
Medium/long-term net financial position	1,571,064	24.9	1,506,372	25.4	64,692
Net financial position	1,754,952	27.8	1,535,259	25.9	219,693
<b>Total financing</b>	<b>6,306,263</b>	<b>100.0</b>	<b>5,934,470</b>	<b>100.0</b>	<b>371,793</b>



# Condensed income statement

(in millions of lire)	<b>30.06.2001</b>	%	<b>30.06.2000</b>	%	<b>Change 2001/2000</b>
Net sales	4,101,223	100.0	3,787,958	100.0	313,265
Change in inventory	(33,373)	-0.8	(16,333)	-0.4	(17,040)
Capitalised production	15,093	0.4	16,300	0.4	(1,207)
	4,082,943	99.6	3,787,925	100.0	295,018
Other operating income	83,148	2.0	105,633	2.8	(22,485)
<b>Total sales</b>	<b>4,166,091</b>	<b>101.6</b>	<b>3,893,558</b>	<b>102.8</b>	<b>272,533</b>
Raw materials, fuels and supplies	1,064,306	26.0	964,540	25.5	99,766
Services	1,289,576	31.4	1,239,390	32.7	50,186
Other operating costs	104,779	2.6	111,771	3.0	(6,992)
<b>Value added</b>	<b>1,707,430</b>	<b>41.6</b>	<b>1,577,857</b>	<b>41.7</b>	<b>129,573</b>
Personnel expenses	722,689	17.6	706,065	18.6	16,624
Provisions and write downs	20,848	0.5	18,907	0.5	1,941
<b>Gross operating profit</b>	<b>963,893</b>	<b>23.5</b>	<b>852,885</b>	<b>22.5</b>	<b>111,008</b>
Amortisation and depreciation	383,659	9.4	359,923	9.5	23,736
<b>Operating income</b> (Difference in total sales and operating costs)	<b>580,234</b>	<b>14.1</b>	<b>492,962</b>	<b>13.0</b>	<b>87,272</b>
Financial income and charges	(47,210)	-1.2	132,760	3.5	(179,970)
Adjustments to value of financial assets	(251)	-0.0	(6,476)	-0.2	6,225
Non-recurring income and charges	(10,389)	-0.3	57,006	1.5	(67,395)
<b>Income before taxes</b>	<b>522,384</b>	<b>12.7</b>	<b>676,252</b>	<b>17.9</b>	<b>(153,868)</b>
Income taxes	(215,913)	-5.3	(278,030)	-7.3	62,117
<b>Total income (loss)</b>	<b>306,471</b>	<b>7.5</b>	<b>398,222</b>	<b>10.5</b>	<b>(91,751)</b>
Minority interests	187,121	4.6	167,383	4.4	19,738
<b>Group income (loss)</b>	<b>119,350</b>	<b>2.9</b>	<b>230,839</b>	<b>6.1</b>	<b>(111,489)</b>
Cash flow	690,130		758,145		(68,015)



(in thousands of euro)	30.06.2001	%	30.06.2000	%	Change 2001/2000
Net sales	2,118,105	100.0	1,956,317	100.0	161,788
Change in inventory	(17,236)	-0.8	(8,435)	-0.4	(8,801)
Capitalised production	7,795	0.4	8,418	0.4	(623)
	<b>2,108,664</b>	<b>99.6</b>	<b>1,956,300</b>	<b>100.0</b>	<b>152,364</b>
Other operating income	42,942	2.0	54,555	2.8	(11,613)
<b>Total sales</b>	<b>2,151,606</b>	<b>101.6</b>	<b>2,010,855</b>	<b>102.8</b>	<b>140,751</b>
Raw materials, fuels and supplies	549,668	26.0	498,143	25.5	51,525
Services	666,010	31.4	640,092	32.7	25,918
Other operating costs	54,114	2.6	57,725	3.0	(3,611)
<b>Value added</b>	<b>881,814</b>	<b>41.6</b>	<b>814,895</b>	<b>41.7</b>	<b>66,919</b>
Personnel expenses	373,238	17.6	364,652	18.6	8,586
Provisions and write downs	10,767	0.5	9,765	0.5	1,002
<b>Gross operating profit</b>	<b>497,809</b>	<b>23.5</b>	<b>440,478</b>	<b>22.5</b>	<b>57,331</b>
Amortisation and depreciation	198,143	9.4	185,885	9.5	12,258
<b>Operating income</b> (Difference in total sales and operating costs)	<b>299,666</b>	<b>14.1</b>	<b>254,593</b>	<b>13.0</b>	<b>45,073</b>
Financial income and charges	(24,382)	-1.2	68,564	3.5	(92,946)
Adjustments to value of financial assets	(130)	-0.0	(3,346)	-0.2	3,216
Non-recurring income and charges	(5,365)	-0.3	29,442	1.5	(34,807)
<b>Income before taxes</b>	<b>269,789</b>	<b>12.7</b>	<b>349,253</b>	<b>17.9</b>	<b>(79,464)</b>
Income taxes	(111,510)	-5.3	(143,591)	-7.3	32,081
<b>Total income (loss)</b>	<b>158,279</b>	<b>7.5</b>	<b>205,662</b>	<b>10.5</b>	<b>(47,383)</b>
Minority interests	96,640	4.6	86,446	4.4	10,194
<b>Group income (loss)</b>	<b>61,639</b>	<b>2.9</b>	<b>119,216</b>	<b>6.1</b>	<b>(57,577)</b>
Cash flow	356,422		391,547		(35,125)





# Statement of cash flows

(in millions of lire)	30.06.2001	31.12.2000
<b>A) (Debt)/liquidity at start of year</b>	<b>(2,972,678)</b>	<b>(3,387,653)</b>
<b>B) Cash flow from operations</b>		
Group income	119,350	361,350
Minority interests	187,121	352,938
Amortisation and depreciation	383,659	814,589
Write-off result shareholdings valued at equity	(12,530)	(23,858)
Dividends from companies valued at equity	(1,433)	1,596
Writedowns/revaluations of fixed assets	1,183	20,460
(Gain)/loss on sale of fixed assets	(33,560)	(230,065)
Interest on debenture loan	19,187	36,643
Interest income on floating rate subord. securities	(20,151)	(37,313)
Change in employee leaving entitlements	2,336	(15,128)
Change in other provisions	3,171	4,994
	<b>648,333</b>	<b>1,286,206</b>
<b>Changes in working capital</b>		
Inventories	17,595	(53,294)
Trade receivables	(372,019)	43,922
Payables	26,018	(40,903)
Other payables/receivables, prepaid and accrued	52,993	(69,042)
Equity investments not held as fixed assets	(12,587)	146,373
	<b>(288,000)</b>	<b>27,056</b>
<b>Total B)</b>	<b>360,333</b>	<b>1,313,262</b>
<b>C) Cash flow from financial activities:</b>		
Investments in fixed assets:		
Intangible	(29,836)	(61,512)
Tangible	(271,387)	(612,281)
Financial (equity investments)	(234,708)	(516,006)
Own shares	-	(7,657)
	<b>(535,931)</b>	<b>(1,197,456)</b>
Income from fixed asset disposals	53,361	382,0503
<b>Total C)</b>	<b>(482,570)</b>	<b>(815,406)</b>
<b>D) Variations in other financial non-equity assets</b>		
<b>Total D)</b>	<b>(28,424)</b>	<b>(4,762)</b>
<b>E) Cash flow from changes in shareholders' equity</b>		
Share capital increases	5,722	4,443
Capital grants	97	938
Dividend paid	(193,138)	(160,515)
<b>Total E)</b>	<b>(187,319)</b>	<b>(155,134)</b>
<b>F) Consolidation area &amp; conversion adj. changes</b>	<b>(87,403)</b>	<b>77,015</b>
<b>G) Net cash flow in the period (B+C+D+E+F)</b>	<b>(425,383)</b>	<b>414,975</b>
<b>H) (Debt)/liquidity at period end (A+G)</b>	<b>(3,398,061)</b>	<b>(2,972,678)</b>



(in thousands of euro)	30.06.2001	31.12.2000
<b>A) (Debt)/liquidity at start of year</b>	<b>(1,535,260)</b>	<b>(1,749,577)</b>
<b>B) Cash flow from operations</b>		
Group income	61,639	186,622
Minority interests	96,640	182,277
Amortisation and depreciation	198,143	420,700
Write-off result shareholdings valued at equity	(6,471)	(12,322)
Dividends from companies valued at equity	(740)	824
Writedowns/revaluations of fixed assets	611	10,567
(Gain)/loss on sale of fixed assets	(17,332)	(118,819)
Interest on debenture loan	9,909	18,925
Interest income on floating rate subord. securities	(10,407)	(19,271)
Change in employee leaving entitlements	1,206	(7,813)
Change in other provisions	1,638	2,579
	<b>334,836</b>	<b>664,269</b>
<b>Changes in working capital</b>		
Inventories	9,087	(27,524)
Trade receivables	(192,132)	22,684
Payables	13,437	(21,125)
Other payables/receivables, prepaid and accrued	27,369	(35,657)
Equity investments not held as fixed assets	(6,501)	75,595
	<b>(148,740)</b>	<b>13,973</b>
<b>Total B)</b>	<b>186,096</b>	<b>678,242</b>
<b>C) Cash flow from financial activities:</b>		
Investments in fixed assets:		
Intangible	(15,409)	(31,768)
Tangible	(140,160)	(316,217)
Financial (equity investments)	(121,217)	(266,495)
Own shares		(3,955)
	<b>(276,786)</b>	<b>(618,435)</b>
Income from fixed asset disposals	27,559	197,312
<b>Total C)</b>	<b>(249,227)</b>	<b>(421,123)</b>
<b>D) Variations in other financial non-equity assets</b>		
<b>Total D)</b>	<b>(14,680)</b>	<b>(2,459)</b>
<b>E) Cash flow from changes in shareholders' equity</b>		
Share capital increases	2,955	2,295
Capital grants	50	484
Dividend paid	(99,747)	(82,899)
<b>Total E)</b>	<b>(96,742)</b>	<b>(80,120)</b>
<b>F) Consolidation area &amp; conversion adj. changes</b>	<b>(45,139)</b>	<b>39,777</b>
<b>G) Net cash flow in the period (B+C+D+E+F)</b>	<b>(219,692)</b>	<b>214,317</b>
<b>H) (Debt)/liquidity at period end (A+G)</b>	<b>(1,754,952)</b>	<b>(1,535,260)</b>

**AUDITORS' REPORT ON THE REVIEW  
OF THE MANAGEMENT REPORT  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2001 OF  
ITALMOBILIARE S.p.A.**  
(Translation from the original Italian version)

To the Shareholders of  
Italmobiliare S.p.A.

1. We have performed the review of the Management Report of Italmobiliare S.p.A. as of and for the six months period ended June 30, 2001, represented by the individual and consolidated statements of Interim Balance Sheet and individual and consolidated Interim Statement of Income and related Notes. We have also reviewed that part of the financial information presented by the Board of Directors in the Management Report with respect of their discussions and analyses of the consolidated operations of Italmobiliare S.p.A., solely for the purpose of evaluating its consistency with the above mentioned statements and related Notes.
  
2. Our review was conducted in accordance with auditing standards governing review of interim financial statements recommended by CONSOB (the Italian Stock Exchange Regulatory Agency) in its resolution No. 10867 of July 31, 1997. The review of the data related to the six months period ended June 30, 2001 of certain subsidiary which represents approximately 28% of the consolidated assets and 31% of the consolidated net sales was performed by other auditors who supplied us with their review reports. A review consists mainly of obtaining relevant information with respect to the data included in the statements identified in paragraph 1 of this report and on evaluating the consistency of the accounting principles applied through discussions with appropriate members of management, and performing analytical reviews of the financial data presented in such statements. A review does not include performing auditing procedures such as tests of compliance of internal controls and substantive procedures for the verification tests of account balances of assets and liabilities. Consequently, the scope of work for a review engagement provides significantly less assurance than a full scope audit performed in accordance with generally accepted auditing standards. We do not, therefore, express an audit opinion on the statements identified in paragraph 1 of this report and related Notes of Italmobiliare S.p.A. as of and for the six months period ended June 30, 2001 as we do in connection with reporting on our full scope audit of the annual individual and consolidated financial statements of Italmobiliare S.p.A.

3. Concerning the individual and consolidated comparative data as of and for the year ended December 31, 2000 and for the six months period ended June 30, 2000 that have been presented for comparative purposes in the accompanying Management Report, reference should be made to the audit and review reports issued by other auditors on April 13, 2001 and on September 22, 2000, respectively.
4. As a result of our review, we did not become aware of any significant modifications that should be made to the statements and related Notes identified in paragraph 1 of this report, in order for them to be in conformity with the criteria for the presentation of the semi-annual interim Management Report, stated by art. 81 of CONSOB regulations as approved in its resolution No. 11971 of May 14, 1999 and subsequent modifications.

Milan, September 20, 2001

Reconta Ernst & Young S.p.A.  
Signed by: Alberto Caglia  
(Partner)