

ITALMOBILIARE

2003 Half year report



2003 Half year report

September 12, 2003

ITALMOBILIARE

Società per Azioni

Head office: via Borgonuovo, 20
20121 Milan, Italy

Share capital € 100.166.937
Milan Companies Register



■ BOARD OF DIRECTORS

(Term ends on approval of financial statements at 31 December 2004)

_____	Giampiero Pesenti	1	Chairman Chief Executive Officer
_____	Giovanni Giavazzi	1-2	Deputy Chairman
_____	Mauro Bini	3-4	
_____	Giorgio Bonomi	3	
_____	Italo Lucchini	1-3	
_____	Luca Minoli	2	
_____	Giorgio Perolari	2-3-4	
_____	Carlo Pesenti	1	Chief Operating Officer
_____	Livio Strazzerà	4	

_____	Graziano Molinari	5	Secretary to the Board

■ BOARD OF STATUTORY AUDITORS

(Term ends on approval of financial statements at 31 December 2004)

Acting Auditors

_____	Luigi Guatri	Chairman
_____	Claudio De Re	
_____	Paolo Marchi	

Substitute Auditors

_____	Dino Fumagalli	
_____	Eugenio Mercorio	
_____	Pietro Curcio	

_____	Reconta Ernst & Young S.p.A.	Independent Auditors
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- 1 Member of the Executive Committee
- 2 Member of the Remuneration Committee
- 3 Member of the Internal Control Committee
- 4 Independent Director
- 5 Secretary to the Executive Committee



Company position and conferred power

The Company by-laws envisage that the Board of Directors has the widest possible powers to manage the Company's ordinary and extraordinary operations. It may undertake all the acts and provisions that it considers opportune to pursue the Company's mission, excluding only those acts that the law and the by-laws expressly reserve for the shareholders' meeting.

Legal representation of the Company is granted in the by-laws to the Chairman, Deputy Chairman and, where nominated, the Chief Executive Officer, independently of the others.

The Board of Directors, nominated by the shareholders' meeting of 3 May 2002, made nominations for company positions and attributed their related powers.

In particular the following powers were delegated:

- to the **Executive Committee**, which has four members, all the powers of the Board of Directors, except those that the Italian Civil Code and the by-laws do not allow to be delegated. As specified on nomination, any resolutions of the Executive Committee must be referred to the Board of Directors at its next meeting;
- to the **Chairman - Chief Executive Officer**, the powers to undertake all the administrative acts and provisions, excluding offering guarantees in favor of bodies which are not subsidiary or associated companies, within a financial limit of 150 million euro for each operation (the limit is lowered to 75 million euro for real estate operations);
- to the **Chief Operating Officer**, the powers to undertake all the acts concerning the Company's operational management, excluding offering guarantees in favor of bodies which are not direct or indirect subsidiaries, within a financial limit of 75 million euro for each operation when signed only by the Chief Operating Officer and 100 million euro when signed jointly with the General Administration and Finance Joint Director.

Other delegated powers have been given to the General Administration and Finance Joint Director, the General Strategy and Development Joint Director and the Secretary to the Board, within their respective competencies.

The General Administration and Finance Joint Director has delegated specific and limited powers to Company employees for everyday operations.

Remuneration Committee and Internal Control Committee

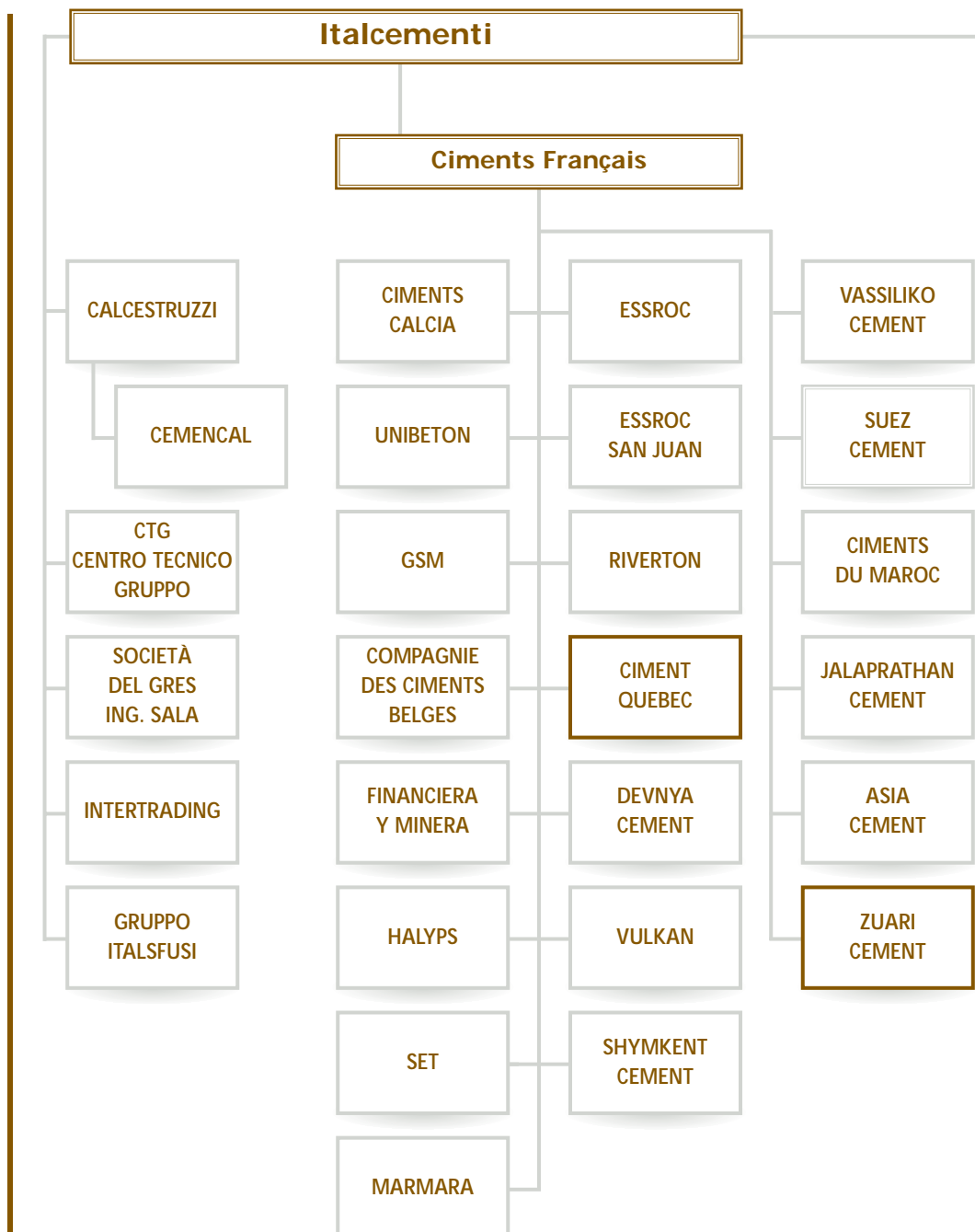
The corporate governance structure, as set out in the binding regulations in the by-laws and in the voluntary measures of the Code of Conduct (the "Code"), highlights Italmobiliare's compliance with 'best practice' rules that meet general approval.

Among other measures, the Code provides for the Board of Directors to nominate from their own number the Internal Control Committee and the Remuneration Committee with the duty to consult and make proposals.

The Remuneration Committee consists of three non-executive directors, one of whom is independent, while the Internal Control Committee consists of four directors, all of whom are non-executive and two are independent. The two Committees met and operated regularly during the half year.

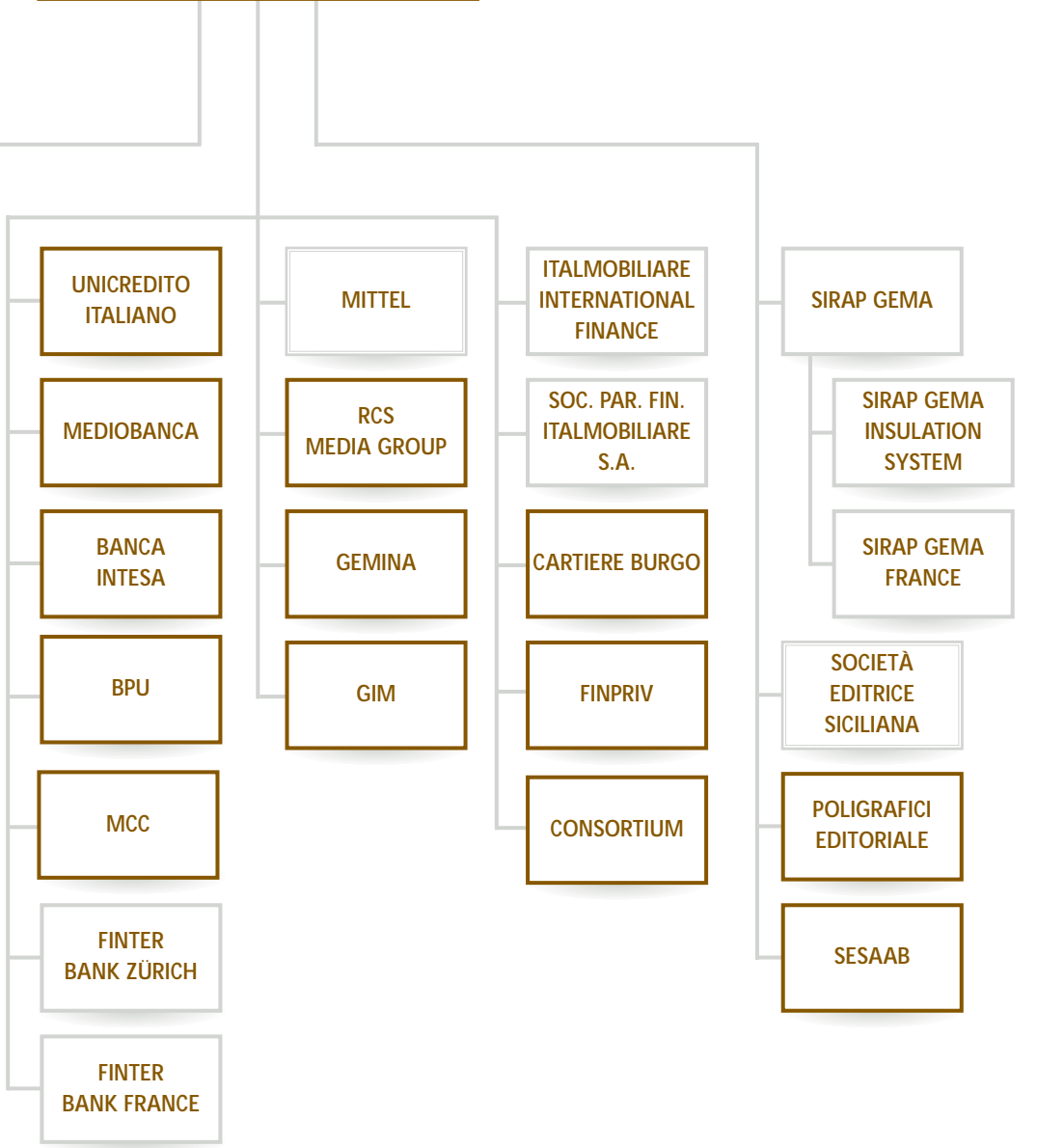


ITALMOBILIARE GROUP





ITALMOBILIARE



SUBSIDIARIES

ASSOCIATED COMPANIES

OTHERS



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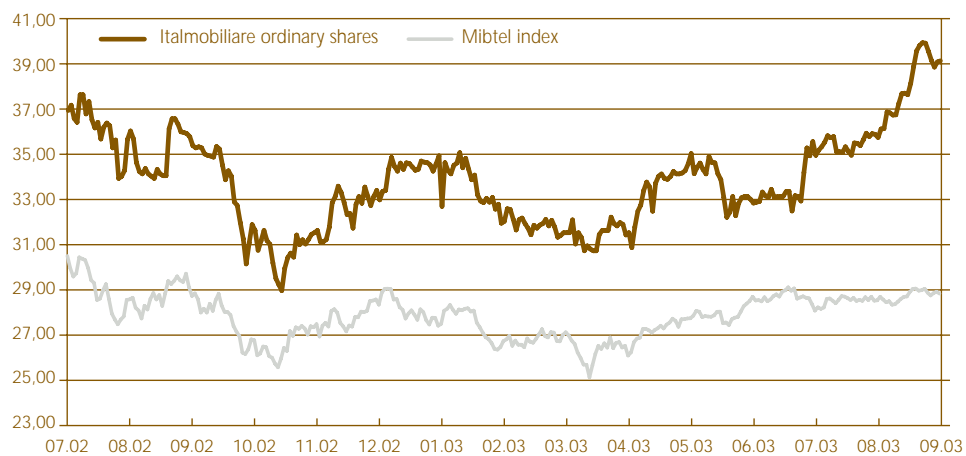
Share prices from 07.01.2002 to 08.29.2003

(in euro)

	maximum		minimum		07.01.02	08.29.03	performance
Ordinary shares	39.80	21.08.03	28.84	10.10.02	36.80	39.00	5.98%
Savings shares	23.75	22.08.03	18.06	07.10.02	20.49	23.50	14.69%
Mibtel index	20,489	01.07.02	15,125	12.03.03	20,489	18,821	-8.14%

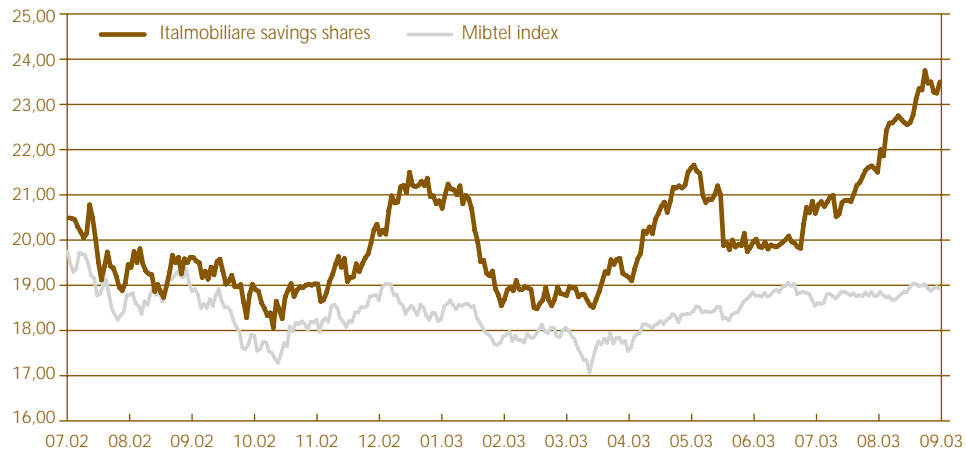
Italmobiliare's ordinary shares performance and Mibtel index

(base 07.02.2002 = 100)



Italmobiliare's savings shares performance and Mibtel index

(base 07.02.2002 = 100)





Group financial highlights

(in millions of euro)

	30 June 2003	30 June 2002	30 June 2001 pro forma*	31 December 2002
Net sales	2,179.2	2,159.7	2,098.0	4,365.3
Gross operating profit	498.2	514.6	492.2	1,117.0
Amortization and depreciation	196.1	193.6	196.4	408.7
Operating income (difference value/costs of production)	302.1	321.0	295.8	708.3
Financial income and charges	(22.4)	(27.0)	(30.0)	(62.6)
Non-recurring income and charges	11.3	(17.6)	(5.3)	(46.6)
Income before minority interest	190.5	166.3	157.0	376.2
Group net income	85.7	63.4	61.6	119.8
Cash flow (income + amortization and depreciation)	386.6	359.9	353.4	784.9
Investments in fixed assets	226.6	495.7	286.4	872.7
Total shareholders' equity	3,497.7	3,535.6	3,611.2	3,609.7
Group shareholders' equity	1,584.7	1,534.0	1,469.4	1,571.9
Net debt	(2,010.9)	(2,150.7)	(1,734.9)	(1,913.1)
Debt/equity ratio	57.5%	60.8%	48.0%	53.0%
Earnings per share (unit value)	2.23	1.65	1.60	3.11
Shareholders' equity per share (unit value)	41.13	39.82	38.14	40.80
Employees (heads)	18,157	18,769	19,562	18,489

* Zuari Cement Ltd (India) consolidated on a proportional basis (50%)



General overview

In the 1st half of 2003 the Italmobiliare Group recorded total net income of 190.5 million euro and Group net income of 85.7 million euro, up compared to the results for the same period in 2002 which saw total net income of 166.3 million euro and Group net income of 63.4 million euro.

The positive performance recorded in the first part of 2003 was due to:

- good operating results and income reported by Italcementi (the main industrial subsidiary);
- a marked improvement in operations at Sirap Gema;
- an increase in the overall contribution from the financial companies.

While market and business conditions varied from one country to another and the construction industry experienced a slowdown in the industrialized nations, the **Italcementi group** recorded total consolidated net income of 144 million euro (142 million euro in the 1st half of 2002) and group net income of 106 million euro (108 million euro in the 1st half of 2002), largely in line with the results posted in the same period of 2002.

Significant events in the period included:

- the increase in Italcementi's equity investment in Ciments Français that rose from 71.8% to 74.9% for an outlay of 54.6 million euro;
- the purchase by Italcementi of 880,000 of its own ordinary shares, as part of the stock option plan for directors and managers, for an overall outlay of 7.5 million euro;
- the purchase by the subsidiary Devnya Cement, for an outlay of approximately 0.8 million euro, of a 24.95% equity investment in Vulkan AD, 70% of which was already held by Ciments Français.

The **Sirap Gema group** (food packaging and thermal insulation) saw a marked improvement in operating results and performance, recording net income of 5.0 million euro compared to 2.0 million euro in the 1st half of 2002.

As part of its commercial development plan the Sirap group is finalizing the acquisition of Petruzalek G.m.b.H., a company with important commercial footholds in the markets of Eastern Europe.

The main financial companies recorded the following results:

- **Italmobiliare International Finance Ltd** which operates on the international capital markets, reported net income of 10.8 million euro, up compared to 7.7 million euro in the 1st half of 2002;
- **Société de Participation Financière Italmobiliare S.A.** a financial company which manages major equity investments, reported net income of 16.8 million euro compared to income of 1.9 million euro at 30 June 2002, owing to the recovery in value of some equity investments that had been written down in previous periods. However, the figures for the two halves are not completely comparable following the financial restructuring of the company that occurred in the final part of 2002 and which changed the structure of the financial assets, significantly reducing the bond and cash element;



- the **Fincomind group** which includes Finter Bank Zürich and Finter Bank France, was still affected by the stagnant performance of asset management, and ended the half year with a consolidated loss of 1.2 million Swiss francs, compared to a consolidated profit of 1.8 million Swiss francs in the 1st half of 2002. This result was largely due to the charges connected with the business restructuring process at Finter Bank France that was started during the half year.

Significant equity investment transactions of the parent company Italmobiliare and its financial subsidiary companies

Italmobiliare reached an agreement with Saur International S.A. concerning the settlement of the transfer price for the 29% equity investment in Sigesa. On the basis of the assessment methodology that was agreed at the time, the sale price was definitively set at 21.6 million euro, of which 19.0 million euro was collected in 2002: this produced a windfall gain of 1.8 million euro.

During the half year Intermobiliare S.p.A. purchased another 775,152 Italcementi ordinary shares on the open market for an aggregate outlay of 6.7 million euro. Thus Italmobiliare's direct and indirect equity investment, the latter through Intermobiliare, in the company's ordinary share capital rose to 58.73%.



Key consolidated figures at 30 June 2003

(in millions of euro)

	1 st half 2003	1 st half 2002	Full year 2002
Net sales	2,179.2	2,159.7	4,365.3
Added value	884.1	887.7	1,867.5
Gross operating profit	498.2	514.6	1,117.0
<i>% of net sales</i>	22.9	23.8	25.6
Amortization and depreciation	196.1	193.6	408.7
Operating income	302.1	321.0	708.3
(Difference value/costs of production)			
<i>% of net sales</i>	13.9	14.9	16.2
Financial income and charges	(22.4)	(27.0)	(62.6)
Adjustments to the value of assets and non-recurring items	24.7	(11.5)	(79.0)
Income before taxes	304.4	282.5	566.7
taxes	(113.9)	(116.2)	(190.5)
Income before minority interest	190.5	166.3	376.2
Minority interest	104.8	102.9	256.4
Group net income	85.7	63.4	119.8

	30 June 2003	30 June 2002	31 December 2002
Total shareholders' equity	3,497.7	3,535.6	3,609.7
Group shareholders' equity	1,584.7	1,534.0	1,571.9
Net debt	(2,010.9)	(2,150.7)	(1,913.1)
Investments in fixed assets	226.6	495.7	872.7
Cash flow (net income + amortization and depreciation)	386.6	359.9	784.9



Quarterly performance

(in millions of euro)

	1 st half 2003	2 nd quarter 2003	1 st quarter 2003
Net sales	2,179.2	1,205.3	973.9
<i>% change on 2002</i>	<i>0.9</i>	<i>0.5</i>	<i>1.4</i>
Gross operating profit	498.2	310.3	187.9
<i>% change on 2002</i>	<i>(3.2)</i>	<i>(7.6)</i>	<i>5.1</i>
<i>% of net sales</i>	<i>22.9</i>	<i>25.7</i>	<i>19.3</i>
Operating income	302.1	212.1	90.0
<i>% change on 2002</i>	<i>(5.9)</i>	<i>(10.7)</i>	<i>7.7</i>
<i>% of net sales</i>	<i>13.9</i>	<i>17.6</i>	<i>9.2</i>
Financial income and charges	(22.4)	5.4	(27.8)
<i>% of net sales</i>	<i>(1.0)</i>	<i>0.4</i>	<i>(2.9)</i>
Adjustments to the value of assets and non recurring items	24.7	28.9	(4.2)
<i>% of net sales</i>	<i>1.1</i>	<i>2.4</i>	<i>(0.4)</i>
Income before taxes	304.4	264.4	58.0
<i>% of net sales</i>	<i>14.0</i>	<i>20.4</i>	<i>6.0</i>
Income before minority interest	190.5	163.4	27.1
<i>% of net sales</i>	<i>8.7</i>	<i>13.6</i>	<i>2.8</i>
Group net income	85.7	75.0	10.7
<i>% of net sales</i>	<i>3.9</i>	<i>6.2</i>	<i>1.1</i>
Net debt	2,010.9	2,010.9	1,883.1

Net sales

The 0.9% increase in net sales compared to the 1st half of 2002 arose from:

- increased business volumes at constant size and exchange rates, for 3.5%;
- changes in the consolidation area, for 1%;
- the negative exchange rate effect, for 3.6%.



The breakdown of sales by geographical area and business segment* may be summarized as follows:

(in millions of euro)

	1 st half 2003	%	1 st half 2002	%	Change %
Geographical area					
European Union	1,617.3	74.2	1,564.5	72.4	3.4
<i>of which Italy</i>	740.9	34.0	699.9	32.4	5.9
North America	237.8	10.9	292.5	13.6	(18.7)
Other countries and trading	324.1	14.9	302.7	14.0	7.1
Total	2,179.2	100.0	2,159.7	100.0	0.9
Business segment					
Construction materials	2,123.2	97.4	2,106.8	97.5	0.8
Food packaging and insulation	54.8	2.5	51.6	2.4	6.2
Other	1.2	0.1	1.3	0.1	(7.7)
Total	2,179.2	100.0	2,159.7	100.0	0.9
Total on a constant exchange rate and consolidation area basis					3.5

* Net sales by country/segment are shown net of inter-company transactions

Gross operating profit and operating income

Performance in the 2nd quarter dipped owing to the construction material sector, which caused a decrease at consolidated level in gross operating profit and operating income of 3.2% and 5.9% respectively compared to the 1st half of 2002.

Gross operating profit at the Italcementi group was affected by the lower margins that were a feature in the 2nd quarter, while gross operating income was also affected by the increase in amortization and depreciation charges following the start-up of the new production line at Calusco (Bergamo - Italy).

Both indicators were negatively affected by the currency translation of results of some non-Italian companies.

Financial charges and income and other items

Financial charges/income recorded a negative balance of 22.4 million euro compared to a negative balance of 27.0 million euro previously, an improvement of 4.6 million euro.

Value adjustments saw a gain of 13.4 million euro compared to 6.1 million euro in the 1st half of 2002. The increase was mainly due to revaluations carried out by the financial subsidiary companies relating to Stock Exchange listed equity investments which had been written down in previous years.

Non-recurring items recorded a positive balance of 11.3 million euro compared to a negative one of 17.6 million euro previously. The 1st half of 2003 benefited from gains on the sale of fixed assets, insurance reimbursements, and from the reversal of provisions made previously for civil litigation which closed in the Group's favor and from the gain arising from the settlement of the sale price for the equity investment in Sigesa.



Net income

Income before taxes for the half year was 304.4 million euro, up by 7.8% compared to the same period in 2002 (282.5 million euro).

Following taxes of 113.9 million euro, total net income was 190.5 million euro, up by 14.5% compared to income of 166.3 million euro in the 1st half of 2002.

Group net income, after minority interest of 104.8 million euro (102.9 million euro in the 1st half of 2002), was 85.7 million euro, an increase of 35.2% compared to the first six months of 2002 (net income of 63.4 million euro).

Key financial data

(in millions of euro)

	30 June 2003	31 December 2002	30 June 2002
Net fixed assets	5,308.9	5,482.5	5,564.5
Working capital	973.3	837.0	986.9
Net invested capital	6,282.2	6,319.5	6,551.4
<i>Group shareholders' equity</i>	<i>1,584.7</i>	<i>1,571.9</i>	<i>1,534.0</i>
<i>Minority interest</i>	<i>1,913.0</i>	<i>2,037.8</i>	<i>2,001.5</i>
Floating rate subordinated securities (net)	64.3	77.0	88.5
Provisions	709.3	719.7	776.7
Net debt	2,010.9	1,913.1	2,150.7
Total financing	6,282.2	6,319.5	6,551.4

Investments in fixed assets

In the 1st half of 2003 overall expenditure on investments in fixed assets was 226.6 million euro, well down compared to the 1st half of 2002 (495.7 million euro) which featured significant equity purchases and capital expenditure.

Investments in tangible and intangible assets of 141.2 million euro (184.3 million euro in the 1st half of 2002), related in the main to Italy, the United States and France.

Investments in financial assets, 85.4 million euro (311.4 million euro in the 1st half of 2002), referred almost entirely to the purchase of Ciments Français shares and of Italcementi ordinary shares.

Net debt

At 30 June 2003 net debt, standing at 2,010.9 million euro, was 97.8 million euro higher compared to the end of the previous period. The increase arose largely from financial outflows for investments (226.6 million euro) and dividends (108.8 million euro), offset in part by inflows from operations (225.3 million euro, compared to 151.8 million euro in the 1st half of 2002).



The result reflected a positive exchange-rate effect of approximately 13.3 million euro, relating in the main to dollar-denominated debt.

The ratio of net debt (including the net value of floating rate subordinated securities) to shareholders' equity at 30 June 2003 was 59.3%, against 55.1% at 31 December 2002 and 63.3% at 30 June 2002; the ratio of net debt, as defined above, to gross operating profit for the last twelve months passed from 1.78 at the end of December 2002 to 1.89 at the end of the 1st half of 2003.

Net debt

	(in millions of euro)	
	30 June 2003	31 December 2002
Cash, cash equivalents and current financial assets	898.2	849.7
Short-term financing	(998.4)	(834.9)
Medium/long/term financial assets	0.4	8.4
Medium/long/term financing	(1,911.1)	(1,936.3)
Net debt	(2,010.9)	(1,913.1)
Change from 31 December 2002	(97.8)	-
Net floating rate subordinated securities	(64.3)	(77.0)

Cash flow summary

	1 st half 2003	1 st half 2002
Cash flow from operating activities	371.2	352.7
Change in working capital	(145.9)	(200.9)
Investments		
Intangible	(7.0)	(9.7)
Tangible	(122.1)	(160.7)
Financial (equity investments)	(78.3)	(375.7)
Change in payables for purchase of fixed assets	(19.2)	50.4
Total investments in fixed assets	(226.6)	(495.7)
Proceeds from sale of fixed assets	14.4	34.3
Change in other financial fixed assets	(4.9)	(20.3)
Change in other equity investments	(10.9)	0.8
Dividends paid	(108.8)	(126.0)
Change in consolidation area and translation gain/loss	13.1	3.3
Other	0.6	3.0
Change in net debt	(97.8)	(448.8)



Shareholders' equity

Total shareholders' equity amounted to 3,497.7 million euro, a decrease of 112.0 million euro compared to 31 December 2002. The change was largely caused by the depreciation against the euro of other currencies, notably the Egyptian lira, the Thai baht, the US dollar and the Swiss franc, and by lower minority interest as a result of the increase in the shareholding in Ciments Français S.A. and in Italcementi S.p.A. Currency depreciations against the euro led to a reduction of approximately 127.3 million euro in the equity reserve for translation differences; of this decrease, approximately 35.6 million euro related to Group shareholders' equity.



Performance by business and by country

Construction materials

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

Key consolidated figures for the half year

	(in millions of euro)		
	1 st half 2003	1 st half 2002	Full year 2002
Net sales	2,124.9	2,108.1	4,261.7
Added value	862.1	867.7	1,830.6
Gross operating profit	491.2	509.6	1,108.8
<i>% of net sales</i>	<i>23.1</i>	<i>24.2</i>	<i>26.0</i>
Amortization and depreciation	(190.2)	(188.3)	397.7
Operating income (Difference value/costs of production)	301.0	321.3	711.1
<i>% of net sales</i>	<i>8.0</i>	<i>(14.1)</i>	<i>(52.5)</i>
Financial income and charges	(59.7)	(60.0)	(127.6)
Adjustments to the value of assets and non-recurring items	(14.1)	2.1	(13.7)
Income before taxes	249.3	247.2	531.1
Taxes	(105.4)	(104.8)	(174.1)
Income before minority interest	143.8	142.3	356.9
Minority interest	(37.8)	(34.4)	82.9
Group net income	106.0	107.9	274.0
	30 Jun. 2003	30 Jun. 2002	31 Dec. 2002
Investments in fixed assets	213.5	462.5	812.3
Cash flow (income + amortization and depreciation)	334.0	330.6	754.6

Performance in the 1st half of 2003 varied from one country to another with an overall slowdown in the industrialized nations.

The construction sector experienced a marked fall in North America, in the regions where the group operates, a modest fall in France and Belgium, while there was a positive performance in the other European markets where the group is active. In emerging countries the generally positive trend was confirmed.

The fall recorded in operating results seems to a great extent caused by the depreciation of the dollar and other local currencies compared to the euro, as well as by the increase in operating costs. However, the positive trend in non-recurring items made a contribution in shaping the overall results.



Quarterly performance

(in millions of euro)

	1 st half 2003	2 nd quarter 2003	1 st quarter 2003
Net sales	2,124.9	1,177.0	947.9
<i>% change on 2002</i>	<i>0.8</i>	<i>0.6</i>	<i>1.1</i>
Gross operating profit	491.2	307.3	183.9
<i>% change on 2002</i>	<i>(3.6)</i>	<i>(7.7)</i>	<i>4.0</i>
Operating income	301.0	212.2	88.8
<i>% change on 2002</i>	<i>(6.3)</i>	<i>(10.6)</i>	<i>5.7</i>
Net debt (at period end)	2,182.3	2,182.3	2,057.0

As noted in previous reports, the sectors in which the group operates are subject to highly seasonal trends, with business levels and performance tending to be better in the 2nd quarter than in the 1st.

While this pattern emerged again in 2003, comparison with 2002 shows a weakening in 2003 second-quarter operating results, after a positive start in the 1st quarter, with a slowdown over the first six months as a whole.

Sales volumes and internal transfers*

	1 st half 2003	% change on 1 st half 2002	
		historic	constant size
Cement (millions of metric tons)	22.4	3.7	2.7
Aggregates** (millions of metric tons)	27.7	(0.9)	(2.3)
Ready mixed concrete (millions of m ³)	10.4	9.5	9.5

* values refer to companies consolidated on a line-by-line basis and, pro-quota, to companies consolidated on a proportional basis

** excluding outgoes on work-in-progress account

In the 1st half of 2003 the group saw an overall positive performance in sales volumes for the cement and ready mixed concrete businesses. It reported strong growth in the emerging countries area and a continuing favorable trend in the European Union thanks to Italy, Spain and Greece, while a significant downturn was recorded in North America, due in part to notably adverse meteorological conditions for much of the first six months.

The slowdown in the aggregates business was largely due to the French market.



Net sales, gross operating profit and capital expenditure by geographical area*

(in millions of euro)

	Net sales		Gross operating profit		Invested capital**	
	1 st half 2003	% change on 1 st half 2002	1 st half 2003	% change on 1 st half 2002	30 June 2003	31 Dec. 2002
European Union	1,594.2	3.7	361.4	(1.0)	2,894.2	2,826.9
North America	237.8	(18.7)	35.9	(38.9)	601.4	597.1
Asia	101.5	4.2	33.5	69.7	489.3	531.9
Other countries	197.3	4.0	56.1	(9.3)	642.8	677.2
Trading and other	97.7	(0.4)	4.3	3.1	72.9	65.0
Holdings	-	-	-	-	355.0	346.8
Elimination of infra-country trading	(103.6)	n.s.	-	-	-	-
Total	2,124.9	0.8	491.2	(3.6)	5,055.6	5,044.9

* Intercom S.r.l. has been reclassified from European Union to trading

** net tangible and intangible assets and working capital

n.s.: not significant

The 0.8% increase in net sales compared to the 1st half of 2002 arose from increased business volumes, at constant size and exchange rates, for 3.5%, changes in the consolidation area, mainly relating to the inclusion of Riverton Cement Corporation in North America, for 1%, and the negative exchange-rate effect, stemming largely from the depreciation of the US dollar and the Thai baht, for 3.7%.

It should be noted that, with regard to gross operating profit, the appreciation of the euro against the other currencies had a negative effect of 18.1 million euro on the translation of the results of the non-Italian companies.

Group operating income fell by 6.3%, more than the reduction in gross operating profit, mainly as a result of higher amortization and depreciation charges following the operational start-up of the new production line in Calusco in Italy.

Investments in fixed assets

In the 1st half of 2003, total expenditure for investments in fixed assets was 213.5 million euro, down compared to the 1st half of 2002 (461.5 million euro), which saw large equity purchases.

Capital expenditure on tangible and intangible assets totaled 136.9 million euro (177.9 million euro in the 1st half of 2002) and related in the main to Italy, the USA and France. Investments in financial assets amounted to 76.6 million euro (283.5 million euro in the 1st half of 2002) and referred almost entirely to the purchase of Ciments Français S.A. shares and ordinary share buy-backs.



European Union

In **Italy**, demand for cement, helped by favorable meteorological conditions, remained buoyant, although regional trends varied significantly: strong growth in the North; a more contained increase in the Center and Sardinia; slowdowns in the South and Sicily.

Although group hydraulic binder sales benefited from the positive general climate, overall growth was slower than market growth, due to the higher proportion of imports and to the fact that production capacity was unfavorably located in relation to the trend in sales. The increase in net sales, supported by higher sales volumes and the residual impact of the price increases introduced in June 2002, was not sufficient to offset completely the large increases in some production and logistic costs. As a result, gross operating profit decreased slightly.

The trend in demand for ready mixed concrete was positive, despite sharp differences in regional trends. Significant growth factors were the positive trend in orders for high-speed railway lines, while difficulties were accentuated by the close of investments in the industrial construction sector. Operating results were, therefore, down compared to the 1st half of 2002, penalized by the trend in variable and fixed costs.

In **France** production levels made good progress compared to the 1st half of 2002, which was affected by a long period of strikes in the 1st quarter.

Strong growth was reported in operating results, reflecting the satisfactory trend in sales prices and above all the containment of production costs, in particular of energy costs owing to an improved fuel mix.

Demand for ready mixed concrete and aggregates, hit in particular by the trend in public works, fell compared to the 1st half of 2002. Consequently, sales at GSM (aggregates) and Unibéton (ready mixed concrete) fell significantly with a negative impact on operating results.

During the 1st half, there was a sharp rise in cement imports from Germany. This affected sales volumes at Compagnie des Ciments Belges (CCB), which fell by 8.1% on the **Benelux** market.

Slowdowns were also reported in exports and, above all, in infragroup sales to the French market, which were particularly strong in the previous year because of strikes at Ciments Calcia. Satisfactory growth was reported in aggregates and ready mixed concrete, which rose by 4.4% and 10.5% respectively to meet demand from a number of large construction sites. Total net sales decreased as a result of the slowdown in cement sales. The sharp fall in operating results was also due to higher operating costs, including maintenance, electricity, fuel (with decreased use of animal waste) and raw materials.

In **Spain**, group sales, which rose by 5.3% compared to the year-earlier 1st half, were helped by the lively state of the market.

Positive market conditions also assisted sales in the ready mixed concrete sector (+6.8%), while delays at several large construction sites limited sales volumes for aggregates (-4%). The good overall performances in sales volumes and sales prices in the three business areas, combined with containment of variable production costs, thanks to the growing use of alternative fuels, offset the rises in personnel and maintenance costs to give satisfactory growth in operating results.



In **Greece** Greece Halyps increased total cement sales volumes.

The Group reported a slight increase in sales of aggregates (+1.7%) and a strong rise in sales of ready mixed concrete (+33.3%), which continued to reflect the impact of the 2004 Olympic Games.

The strong overall performance in sales volumes and sales prices led to further improvements in operating results, despite higher operating costs for ready mixed concrete.

North America

In an uncertain economic climate, aggravated in the early months by the war in Iraq, the construction industry reported a slowdown in business in the areas where the group operates.

Essroc, which includes operations at Riverton Investment Corporation (included in 2002 1st half data from the end of May), saw an 8.8% decrease in cement sales volumes compared to the 1st half of 2002 at constant size, affected by adverse meteorological conditions in its main markets.

Against this background, sales prices held up well, but the sales downturn and the negative impact of variable costs led to a reduction in operating results despite the savings achieved in some fixed costs.

The sharp fall in net sales and operating results was also due to a negative exchange-rate effect: - 48.7 million euro on net sales and - 8.3 million euro on gross operating profit, at constant size.

Asia

In **Thailand**, after a particularly strong 2002, cement consumption continued to grow in the 1st half of 2003. The group's sales on the domestic market rose by 8.1%, while exports fell. Overall sales volumes for cement and clinker rose by 3.8%.

Despite a heavily negative exchange-rate effect, there was a marked improvement in operating results, due in particular to the rise in cement sales prices.

In **India** the market continued to expand, although performance slowed in the 2nd quarter due to strikes in the transport sector in April. Group sales volumes decreased by 3.2% in the 1st half of 2003.

Despite a negative exchange-rate effect, operating results improved thanks to the increase in sales prices compared to the end of the 1st quarter; the situation remained extremely volatile, however, due to the excess production capacity which is a feature of the sector.



Other emerging countries

In **Bulgaria**, overall sales volumes for cement and clinker made significant progress (+19.3%) as a result of clinker exports, which more than doubled compared to the 1st half of 2002 despite the reduction in infragroup cement exports to the USA.

The higher proportion of exports valued in dollars led to a reduction in average unit net sales. This produced a decrease in operating results, offset, nonetheless, by the containment of operating costs.

In **Morocco** the generally upbeat national economic climate continued in the 1st half of 2003.

Against this favorable background Ciments du Maroc reported a strong rise in domestic cement sales volumes (+16.3%) with a reduction in exports. Total sales volumes for cement and clinker rose by 9.6%.

Despite the depreciation of the local currency against the euro, operating results showed a significant improvement thanks to sales volumes, the rise in average unit net sales and good operating cost control.

In **Turkey**, general economic conditions improved, although the macroeconomic situation still does not appear sufficiently stable.

Positive trends in the construction sector contributed to the strong rise in the group's sales volumes in all business areas compared to the extremely modest levels reported in the 1st half of 2002.

Despite strong sales volumes performance and the marked containment of operating costs, overall net sales and, in particular, operating results were heavily affected by the drop in sales prices, caused not only by the depreciation of the Turkish lira, but also by intense competitive pressures. The very low price levels in the 1st quarter did, however, gradually improve in the final months of the period.

In **Egypt**, the war in Iraq had a heavy impact on the economy and negative repercussions on the cement market, which was already suffering from excess production capacity.

During the period, overall cement and clinker sales volumes for the Suez Cement group fell by 21.7%; this slowdown, combined with the negative exchange-rate effect, produced a sharp decrease in net sales and gross operating profit, despite the containment of operating costs and a good recovery in sales prices after the sharp reduction in the 1st quarter.



e-business initiatives

In the 1st half of 2003 BravoSolution reported aggregate net sales of more than 5.2 million euro, an improvement of approximately 2 million euro (+64%) on the year-earlier figure (3.1 million euro); gross operating profit and the operating result, although still negative, nevertheless showed a clear improvement.

In the current industry shakeout BravoSolution continues to be well ahead of its competitors on the Italian market.

Energy project

During the 1st half of 2003, the development of Italgem S.p.A.'s energy project continued and the company mainly concentrated on the upgrading of its sites in order to obtain authorization for new combined cycle thermoelectric plants and the enhancement of its hydroelectric plants.

During the first six months, 98% of the net energy generated (276 GWh) was sold to group companies in Italy, which allowed Italcementi S.p.A. to meet about 30% of its annual requirement. Italgem S.p.A. closed the 1st half with net sales of 17.4 million euro (14.8 million euro in the 1st half of 2002) and net income of 1.2 million euro (0.9 million euro in the 1st half of 2002).

Disputes

The majority of current disputes are proceedings initiated by competition Authorities, in respect of which the companies concerned have made provisions for the years in question.

In Italy, on 3 April 2003 the Competition & Market Authority began an investigation of ten companies on the ready mixed concrete market and one company on the cement market, regarding concrete supplies in Lombardy. The Authority must complete its investigation by 30 July 2004.

Significant events after 30 June 2003

As part of the re-organization of the group's operations in southern Spain, in July, Hormigones y Minas, a subsidiary of Financiera y Minera, concluded an agreement for the sale of seven ready mixed concrete plants, for an estimated capital gain, net of taxes, of more than 7.0 million euro.



Operating outlook

The instability in exchange rates and the uncertain short-term outlook for the international economy make it difficult to formulate projections.

However, it is believed that the first-half trends in the countries in which the group operates are likely to continue during the 2nd half of the year.

In the European Union, the group expects a slowdown, albeit moderate, in France and Belgium, and lower growth rates in Italy and Spain.

In the USA, the recovery that has already emerged in the areas in which the group operates after the sharp decline of the early months of the year, caused above all by unfavorable meteorological conditions, should continue.

Continued growth is expected in construction work in most of the emerging countries, especially Thailand and Morocco, where the current expansion should be consolidated; on the Turkish and Southern Indian markets, high excess capacity may continue to fuel significant price instability.

In this scenario, based on the half-year results and taking account of the difficulty of fully offsetting cost increases, a moderate decrease in operating results is expected. On the other hand, it is expected to report a significant positive balance on non-recurring items, which were a major negative factor in 2002.

Given also that the significant tax benefits of 2002 will not be present this year, a lower full-year result is expected.



Food packaging and thermal insulation sector

The Group is present in the food packaging and thermal insulation sector through Sirap Gema S.p.A. and its subsidiary companies.

Key consolidated figures for the half year

	(in millions of euro)		
	1 st half 2003	1 st half 2002	Full year 2002
Net sales	54.8	51.7	104.9
Added value	23.3	21.6	43.3
Gross operating profit	11.7	9.8	20.2
<i>% of net sales</i>	<i>21.4</i>	<i>19.0</i>	<i>19.3</i>
Amortization and depreciation	(3.9)	(3.3)	(7.1)
Operating income	7.8	6.5	13.1
<i>% of net sales</i>	<i>14.2</i>	<i>12.6</i>	<i>12.5</i>
Financial income and charges	(0.6)	(1.0)	(2.1)
Non-recurring income and charges	-	0.1	(0.2)
Income taxes for the period	(2.2)	(3.6)	(6.7)
Net income	5.0	2.0	4.1
Cash flow	8.9	5.3	11.2
Capital expenditure	4.0	5.1	9.6
	30 June 2003	30 June 2002	31 Dec. 2002
Group shareholders' equity	24.6	21.7	23.6
Net debt	(47.1)	(40.4)	(36.5)

Performance in the 1st half of 2003 improved compared to the same period in 2002, which had in part suffered from the process of restructuring the thermal insulation sector; gross operating profit (11.7 million euro) rose by 19.4% and net income was 5.0 million euro, thanks to lower financial charges and reduced tax charge owing to the use of previous losses.

The period was once again characterized by extremely volatile polymer costs with a steep rise in prices in the 1st quarter and a similarly marked fall at the end of June; the continued negative trend in sales prices for most of the period did not, however, have a significant impact on profits, thanks to a prudent inventory policy and the efficiency gains that were achieved.

In June a purchase contract was signed with Teich (a subsidiary of the Austrian group Costantia) for the entire shareholding in the Petruzalek group. The implementation of this agreement depends on the approval of the local competition authorities and will entail an outlay of approximately 9.4 million euro, as well as taking over financial debts of approximately 4.5 million euro.



The Petruzalek group markets a wide range of food packaging products, including packaging machines, in Austria and in the main countries of Eastern Europe, and in its key markets it is always among the leading companies in the sector. Its customer base mainly consists of supermarket chains and poultry processing companies, serviced by means of an extensive distribution network which includes 30 warehouses.

Thus Petruzalek presents itself as a "system supplier" that can meet all fresh food packaging needs.

In 2002 it had sales of approximately 36.4 million euro and gross operating profit of approximately 2.8 million euro. In the 1st half of 2003 sales stood at 18.4 million euro compared to 15.6 million euro in the same period of 2002.

With this acquisition Sirap is continuing to pursue its strategy of geographical diversification towards markets that are still maturing, some of which are already growing rapidly (the Czech Republic, Slovakia, Hungary, Croatia, Slovenia), while others will grow over the medium term (Rumania, Bulgaria, Bosnia, Ukraine).

Quarterly trend

	(in millions of euro)		
	1 st half 2003	2 nd quarter 2003	1 st quarter 2003
Net sales	54.8	28.9	25.9
<i>% change on 2002</i>	<i>6.0</i>	<i>3.2</i>	<i>9.3</i>
Gross operating profit	11.7	9.8	5.9
<i>% change on 2002</i>	<i>19.4</i>	<i>11.5</i>	<i>28.3</i>
Operating income	7.8	3.8	4.0
<i>% change on 2002</i>	<i>20.0</i>	<i>8.6</i>	<i>33.3</i>
Net debt	47.1	47.1	33.6

Performance in the 2nd quarter was affected by mild seasonal variations and by the trend in raw material costs which reached their peak in April and May.

Performance by business segment and geographical area

	Net sales		Gross oper. profit		Asset investments		Capital invested		Personnel	
	1 st half 2003	% change 1 st half 02	1 st half 2003	% change 1 st half 02	1 st half 2003	1 st half 2002	06.30.03	12.31.02	06.30.03	06.30.03
Food packaging	36.1	7.4	8.7	8.7	3.5	3.7	62.1	53.7	432	399
- Italy	22.7	7.6	6.2	10.7	1.2	2.6	38.8	41.2	317	280
- France	13.4	7.2	2.5	4.2	2.3	1.1	13.7	12.5	115	119
- Eastern Europe	-	-	-	-	-	-	9.6	-	-	-
Thermal insulation	18.7	3.3	3.0	66.7	0.5	1.4	18.9	15.6	142	200
Total	54.8	6.0	11.7	19.4	4.0	5.1	81.0	69.3	574	599



Food packaging

Italy

While the market was largely stable, net sales rose thanks to increased volumes and the increasingly marked change in demand towards technologically friendly trays instead of standard ones. These factors had an impact on gross operating profit which improved significantly.

France

The French market saw a fairly positive trend in sales, despite an increasingly competitive market.

Against this background, Sirap saw an improvement in its sales caused by a rise in volumes: this offset the fall in prices compared to the 1st half of 2002.

Gross operating profit improved thanks to the efficiency of the production process which enabled higher raw material costs to be absorbed.

Thermal insulation

Sirap saw an improvement compared to the 1st half of 2002: this performance was largely due to achieving normal production activity levels and improving the production cost structure.

Significant events after the end of the half year

In July Sirap Gema S.p.A.'s extraordinary shareholders' meeting passed a resolution for a share capital increase of 4,999,782 euro mainly aimed at financing the acquisition of Petruzalek.

At the end of July the Austrian competition authority gave its approval to the acquisition of Petruzalek. Permission from the equivalent authority in Slovakia is still awaited.

Outlook

In the 2nd half of the year net income should continue its positive trend, albeit at a slower rate than in the first part of the year. Subject to unforeseen events, the consolidated result for 2003 should be clearly better than that for 2002 owing to the lower tax burden and lower non-recurring charges.



Financial sector

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

Italmobiliare International Finance Limited (Dublin)

The main financial figures for the 1st half of 2003 and 2002 were as follows:

	(in millions of euro)		
	1 st half 2003	1 st half 2002	Full year 2002
Financial income and charges	12.2	9.0	19.0
Value adjustments	0.1	(0.1)	(0.1)
Operating costs, amortization and depreciation and value adjustments	(0.4)	(0.3)	(0.8)
Net income	10.8	7.7	16.2

	30 June 2003	30 June 2002	31 Dec. 2002
Shareholders' equity	571.7	462.4	560.9
Net financial position	563.1	457.2	556.1

Net income was 10.8 million euro compared to 7.7 million euro in the 1st half of 2002. The improved results arose from the increase in financial assets and from the favorable market conditions (a simultaneous narrowing of credit spreads and a reduction in long-term interest rates), which led to rising share prices and allowed some capital gains to be recorded. These positive factors more than offset the reduction in variable rate bond yields following the reduction in short-term rates.

The net financial position at 30 June 2003 stood at 563.1 million euro compared to 556.1 million euro at 31 December 2002.

2003 should end with a better result than 2002, although there is still doubt over the movement in rates in the 2nd half of the year.

Fincomind S.A. group (Zürich)

The key consolidated financial figures for the Fincomind group in the 1st half of 2002 and 2003 were as follows:

	(in millions of Swiss francs)		
	1 st half 2003	1 st half 2002	Full year 2002
Net interest income	4.6	6.0	11.2
Commissions	18.7	19.5	38.8
Trading and other income	4.8	4.5	8.0
Gross operating profit	2.7	3.9	3.9
Net income	(1.2)	1.8	(4.2)



The uncertainty of the international financial markets which was a feature throughout 2002, also continued in the 1st half of 2003, limiting the business of the institutions that operate in the private banking sector.

This situation also involved the operations of Finter Bank Zürich, the main subsidiary of Fincomind: income from its everyday operations was affected and fell compared to 2002. The amount of interest income was also down owing to the reduction in interest rates.

The introduction of new professional capabilities and the redefining of the roles and functions of management enabled a development program to be launched which has seen satisfying early results. Asset management grew above all in the 2nd quarter of the year thanks to the improved performance of the share markets and rose in value by over 10% compared to the start of the year, to stand at 4,670 million Swiss francs.

The net income in the period for Finter Bank Zürich, which includes a non-recurring provision for potential equity investment charges, was 2,687 thousand Swiss francs compared to 5,182 thousand Swiss francs in the 1st half of 2002.

The subsidiary Finter Bank France, that is engaged in redefining its core business towards private banking, initiated targeted procedures to redefine its operational and organizational structure in keeping with its new mission.

It was also decided to give up any activity that was not compatible with this new strategy. It is felt that the whole process, for which the possibility of involving partners from outside the group is being examined, can be concluded in a reasonable period of time.

The bank's half year result shows a loss both because of the difficult operational situation and also because of the charges connected to the aforementioned restructuring process. For these reasons the Fincomind group ended the half year with a consolidated loss of 1.2 million Swiss francs, compared to a profit of 1.8 million Swiss francs in the 1st half of 2002.

The net debt of Fincomind S.A. at 30 June 2003 was 29.2 million Swiss francs, down compared to 31 December 2002 when it was 32.9 million Swiss francs.



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

The key financial figures for the 1st half of 2003 and 2002 were as follows:

	(in millions of euro)		
	1 st half 2003	1 st half 2002	Full year 2002
Financial income and charges	0.7	3.9	10.0
Value adjustments and provisions for charges	16.2	(1.8)	(22.0)
Operating costs, amortization and depreciation	(0.1)	(0.2)	(0.6)
Net income	16.8	1.9	(12.7)

	30 June 2003	30 June 2002	31 Dec. 2002
Equity investments	150.5	158.0	136.2
Shareholders' equity	158.0	243.9	141.2
Net financial position	8.3	90.1	8.3

Following the financial reorganization process undertaken during 2002 and the reduction of the share capital that followed from it, the financial structure of the company is very different from the one it had for most of last year.

The company, as set out in the Directors' report for 2002, is now dedicated solely to managing equity investments and the income statement, therefore, contains almost exclusively the results of these investments.

Consequently, the results at 30 June 2003, with net income of 16.8 million euro, are not completely comparable with those for the same period in 2002, which recorded net income of 1.9 million euro.

The increase is attributable to the revaluations applied to equity investments, which had been written down in the past, to adjust their values to market prices in June; income from financial operations, on the other hand, was sharply down owing to the reduced flow of dividends and the lower net financial position, affected by the reduction in share capital carried out at the end of 2002, as mentioned above.

The net financial position at 30 June 2003 of 8.3 million euro was practically unchanged compared to that at 31 December 2002.

As for the results for 2003 as a whole these seem to depend largely on the trend in share prices given their impact on some sizeable shareholdings. Subject to major variations, the results should see an improvement on 2002.



Other equity investments

At a consolidated level this heading includes:

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

(in thousands of euro)

	30 June 2003		31 December 2002	
	%	Book value	%	Book value
Banking-finance sector				
Mediobanca	2.65	137,831	2.65	137,831
Unicredito Italiano	1.36	98,296	1.36	98,296
Banca Popolare di Bergamo-Credito Varesino*	1.99	50,194	1.95	49,867
Banca Intesa	0.29	48,184	0.29	35,024
Mittel	12.91	22,359	12.91	21,518
Consortium S.r.l.	2.27	15,092	2.27	15,092
Fin.Priv. S.r.l	14.28	14,354	14.28	14,354
MCC S.p.A.	1.00	12,006	1.00	12,006
Total		398,316		383,988
Industrial groups and holding companies for industrial equity investments				
RCS Media Group (formerly Hdp)	5.77	77,426	5.77	77,680
Gemina	4.38	17,002	4.38	17,002
Gim	4.33	7,154	4.33	7,276
Poligrafici Editoriale	4.77	4,409	4.77	4,409
Cartiere Burgo S.p.A.	15.36	28,030	15.36	28,030
Società Editrice Siciliana S.p.A.	33.00	15,468	33.00	15,468
Total		149,489		149,865

* now Banche Popolari Unite (BPU): equity investment share 1.29%

Dividends received in the half year from these equity investments totaled 29.1 million euro.



Human resources

The number of employees at 30 June 2003 was 18,157 heads, compared to 18,489 at 31 December 2002 and 18,769 at 30 June 2002.

A breakdown of personnel by country is as follows*:

	30 June 2003	%	31 Dec. 2002	%	30 June 2002	%
Italy	5,378	29.6	5,391	29.2	5,399	28.8
France	4,346	24.0	4,344	23.5	4,452	23.7
Belgium	580	3.2	577	3.1	586	3.1
Spain	872	4.8	842	4.6	853	4.5
Greece	330	1.8	331	1.8	329	1.8
Other European countries	7	-	6	-	7	-
Total Europe	11,513	63.4	11,491	62.2	11,626	61.9
North America	1,762	9.7	1,856	10.0	1,854	9.9
Turkey	953	5.2	1,011	5.4	1,041	5.5
Morocco	1,013	5.6	1,015	5.5	1,031	5.5
Bulgaria	761	4.2	864	4.7	927	4.9
Thailand	1,342	7.4	1,446	7.8	1,483	7.9
India**	525	2.9	530	2.9	544	3.0
Other countries	288	1.6	276	1.5	263	1.4
Total countries outside Europe	6,644	36.6	6,998	37.8	7,143	38.1
Total	18,157	100.0	18,489	100.0	18,769	100.0

* employees of companies consolidated on a line-by-line or proportional basis

** the number of heads is half the actual number, since the Indian companies are consolidated on a proportional basis

Dealings with related parties

For the purposes of the consolidated financial statements dealings with related parties regarded those with:

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

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

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

Italmobiliare also provides an administrative service for some associated companies which is regulated on the basis of the costs attributable to carrying out the service.

All the dealings described above are conducted at normal market conditions.

The summarized figures at 30 June 2003 for dealings with related parties are shown in the following table, while for information on dealings with related parties of the parent company Italmobiliare and the respective values of its services, reference should be made to the specific sections contained in the explanatory notes of Italmobiliare.



	Net sales (purchases) goods and services	Trade receivables (payables)	Financial receivables (payables)	Interest received (paid)	Other income (charges)
Subsidiary and associated companies*	8,290 (17,391)	7,353 (3,758)	26,519 (3,566)	189 (12)	776 (4)
Other related parties	- (232)	- (186)	- -	- -	- -

* companies consolidated with the proportional, equity and cost methods

Significant events after the end of the half year

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

In July Italmobiliare, with an outlay of 4,999 thousand euro, took part in the share capital increase in the subsidiary Sirap Gema S.p.A. that was decided on to support the group's international development plan.

Outlook

For the 2nd half of the year the economic and currency situation remains uncertain.

Forecasts of the performance of some subsidiary companies have been provided in earlier pages.

The construction materials sector is expected to report a moderate reduction in operating results: while against this a significant favorable impact from non-recurring items, which had penalized the 2002 results, is forecast. The final result should be down due to the absence of the significant tax benefits recorded in 2002.

Consolidated results for the food packaging and thermal insulation business will be significantly higher than those for 2002.

If no significant decreases occur in the current share price of some equity investments, the contribution from the wholly owned financial subsidiaries should be higher than in 2002. Therefore, in the absence of currently unforeseeable events, consolidated results should be up compared to the previous year.

As far as the parent company, Italmobiliare S.p.A., is concerned, the fact that the significant capital gains posted in 2002 will not be repeated in 2003 means that income is expected to be slightly down on the 2002 figure.

Consolidated financial statements



Consolidated balance sheet

ASSETS

(in thousands of euro)	06.30.2003	12.31.2002	Changes Jun 2003/Dec 2002	06.30.2002
A) Amounts due from shareholders	-	-	-	-
B) Fixed assets				
I - Intangible assets	1,389,432	1,406,708	(17,276)	1,469,900
II - Tangible assets	2,919,915	3,010,559	(90,644)	2,948,673
III - Investments and other financial assets	1,330,789	1,385,379	(54,590)	1,454,439
Total fixed assets (B)	5,640,136	5,802,646	(162,510)	5,873,012
C) Current assets				
I - Inventories	451,996	461,540	(9,544)	436,864
II - Trade and other receivables	1,453,303	1,279,675	173,628	1,451,151
III - Financial assets not held as fixed assets	671,279	610,221	61,058	617,114
IV - Cash and cash equivalents	236,315	244,344	(8,029)	287,998
Total current assets (C)	2,812,893	2,595,780	217,113	2,793,127
D) Prepayments and accrued income	64,883	69,973	(5,090)	88,816
Total assets	8,517,912	8,468,399	49,513	8,754,955

EQUITY AND LIABILITIES

	06.30.2003	12.31.2002	Changes Jun 2003/Dec 2002	06.30.2002
A) Shareholders' equity				
I - Share capital	100,167	100,167	-	100,167
II - Share premium reserve	177,191	177,191	-	177,191
III - Revaluation reserve	86,760	86,760	-	86,760
IV - Legal reserve	20,033	20,033	-	20,033
V - Reserve for purchase of own shares	21,120	21,120	-	21,120
VI - Statutory reserves	-	-	-	-
VII - Other reserves	1,013,737	974,515	39,222	993,052
VIII - Retained earnings	80,000	72,315	7,685	72,315
IX - Net income for the period	85,736	119,758	(34,022)	63,405
Total Group shareholders' equity	1,584,744	1,571,859	12,885	1,534,043
X - Minority interest	1,912,945	2,037,860	(124,915)	2,001,528
Total consolidated shareholders' equity	3,497,689	3,609,719	(112,030)	3,535,571
A Bis) Floating rate subordinated securities	324,640	324,640	-	324,640
B) Provisions for contingencies and charges	623,899	634,327	(10,428)	692,896
C) Employees' leaving entitlements	85,447	85,357	90	83,774
D) Payables	3,966,720	3,797,641	169,079	4,095,182
E) Accruals and deferred income	19,517	16,715	2,802	22,892
Total equity and liabilities	8,517,912	8,468,399	49,513	8,754,955
Memorandum and contingency accounts	3,754,226	3,764,460	(10,234)	3,946,731

Consolidated income statement



(in thousands of euro)	06.30.2003	06.30.2002	Changes June 2003/June 2002	12.31.2002
A) Value of production				
1) Net sales	2,179,218	2,159,741	19,477	4,365,279
2) Change of inventories of work in progress, semi-finished and finished goods	(15,671)	(14,377)	(1,294)	13,591
3) Variation in contract work in progress	7,623	-	7,623	3,403
4) Increase in internal work cap.under fixed assets	8,027	8,475	(448)	18,210
5) Other operating income	17,526	19,884	(2,358)	39,721
Total	2,196,723	2,173,723	23,000	4,440,204
B) Operating costs				
6) Raw, ancillary and consumable materials and supplies	566,447	548,993	17,454	1,089,049
7) Services	652,449	639,252	13,197	1,292,180
8) Use of third-party assets	41,420	37,830	3,590	77,659
9) Personnel expenses	372,924	359,911	13,013	722,751
10) Amortization, depreciation and write-downs	204,822	201,615	3,207	425,465
11) Variation in raw, ancillary and consumable materials and supplies	(6,470)	(556)	(5,914)	5,242
12) Provisions for contingencies	4,199	4,960	(761)	10,625
13) Other provisions	-	155	(155)	310
14) Other operating costs	58,793	60,541	(1,748)	108,619
Total	1,894,584	1,852,701	41,883	3,731,900
Operating income (A-B)	302,139	321,022	(18,883)	708,304
C) Financial income and charges				
15) Income from equity investments	33,824	35,076	(1,252)	61,412
16) Other financial income	52,073	59,639	(7,566)	115,058
17) Interest and other financial charges	(108,347)	(121,754)	13,407	(239,027)
Total	(22,450)	(27,039)	4,589	(62,557)
D) Adjustments to financial asset values				
18) Revaluations	22,123	21,255	868	19,490
19) Write-downs	(8,756)	(15,178)	6,422	(51,954)
Total	13,367	6,077	7,290	(32,464)
E) Non-recurring income and charges				
20) Income	28,891	26,282	2,609	74,011
21) Charges	(17,559)	(43,853)	26,294	(120,584)
Total	11,332	(17,571)	28,903	(46,573)
Income before taxes (A-B+C+D+E)	304,388	282,489	21,899	566,710
22) Income taxes	(113,910)	(116,157)	2,247	(190,489)
Income before minority interest	190,478	166,332	24,146	376,221
23) Minority interest	104,742	102,927	1,815	256,463
Group net income	85,736	63,405	22,331	119,758



Foreword

The consolidated accounting schedules have been drawn up pursuant to art. 81 of the regulation approved by CONSOB with resolution no. 11971 of 14 May 1999.

The amounts shown in the accounting schedules, tables and explanatory notes in this half-year report are presented in thousands of euros, unless otherwise specified.

Under additional information the statement of cash flows sets out the changes in liquid assets in accordance with the scheme adopted in the annual financial statements.

Information on the Group's activities and significant events after the end of the half year is provided in the Directors' report.

Basis of presentation

The consolidated accounting schedules have been prepared using the accounts at and for the half year to 30 June 2003 of the consolidated companies, adjusted, where necessary, to ensure alignment with the Group's classification criteria and accounting policies. Valuation criteria and consolidation principles are those adopted in drawing up the 2002 consolidated financial statements.



Consolidation area

The companies included in the consolidation area are listed in "Annexes A and B". The consolidation area does not include controlling shareholdings that are not significant in terms of investment or results; recent acquisitions are also not consolidated. Subsidiary companies that are not consolidated and associated companies in which the Group holds from 20% to 50% of voting rights, or exercises considerable influence, have been valued with the equity method if significant; the others have been stated at cost.

The subsidiaries and associated companies valued with the equity method are set out in the table in "Annex C", the other subsidiaries and associated companies stated at cost are listed in "Annex D". "Annex E" lists the other equity investments greater than 10%.

The consolidation area had the following changes:

- Companies that entered the consolidation area:
 - *line-by-line method*: E.S.A. Monviso S.p.A., Bravo bus S.rl. (Italy), IPTP Corporation (U.S.A.);
 - *proportional method*: Société Calcaires Lorrains (50%)* (France), Société Carrières du Tournais (65%) (Belgium);
 - *equity method*: 2003897 Ontario Inc., IM Scott Holdings Limited, 3092-0631 Quebec Inc., ST-Basile Transport Inc., Beton du Cap Inc., To Ready Mix Ltd, 1475544 Ontario Inc. (Canada).

- Companies that left the consolidation area:
 - *equity method*: Cave Comand S.r.l.*, Betonsud S.r.l. – in liquidation*, Prati Fioriti S.r.l., Sab Autoservizi S.r.l. and its subsidiaries* (Italy).

- Merged companies:
 - *in Compagnie General de Canterai S.A. (Spain)*: Maquinaria y Proyectos Inmobiliarios S.L. (Spain)*;
 - *in Essroc Cement Corp. (USA)*: Essroc Puerto Rico Holdings (USA);
 - *in Unibéton S.A. (France)*: Unibéton Sud-Ouest S.a.s.*, Unibéton Méditerranée S.a.s.*, Unibéton Ouest Pays de Loire S.a.s.*, Unibéton Saba S.A.* (France).

* only compared to 30 June 2002



Exchange rates used to translate the accounts of non-italian companies

The accounts 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 have been translated into the accounting currency using the exchange rate ruling at 30 June 2003 for balance-sheet items and the average rate over the 1st half of 2003 for the income statement.

The following exchange rates were used:

(in euro)

Currency	Average rate			Period-end rate		
	June 2003	December 2002	June 2002	June 2003	December 2002	June 2002
US dollar	1,10493	0,94557	0,89787	1,14270	1,04870	0,99750
Canadian dollar	1,60472	1,48381	1,41275	1,55060	1,65500	1,50050
Pound sterling	0,68552	0,62883	0,62167	0,69320	0,65050	0,64980
Cypriot pound	0,58325	0,57530	0,57701	0,58637	0,57316	0,57974
Moroccan dirham	10,76135	10,38230	10,25610	10,83750	10,65100	10,59320
Turkish lira	1.738.538,60	1.429.836,00	1.241.035,00	1.623.601,00	1.703.477,00	1.577.410,00
Swiss franc	1,49192	1,46703	1,46902	1,55440	1,45240	1,47210
Thai baht	46,94098	40,61510	38,81650	48,00810	45,20940	41,42240
Indian rupee	53,20913	47,11580	45,09980	53,09700	50,50710	50,87760
Mauritanian ouguiya	291,86098	254,65200	238,97900	304,11000	285,22200	275,81800
Albanian lek	139,21010	131,68300	127,34500	134,34300	139,53800	138,45500
Sri Lankan rupee	109,70662	89,63800	83,16620	114,76200	102,85700	93,53800
Bulgarian lev	1,95583	1,95583	1,95583	1,95583	1,95583	1,95583
Egyptian lira	6,17052	4,36766	4,14322	6,82200	4,84821	4,61151



Balance sheet

Assets

B - Assets

BI - Intangible assets 1,389,432 thousand euro
(1,406,708 thousand euro at 12.31.2002)

Compared to 2002 these fell by 17,276 thousand, as follows:

	(in thousands of euro)		
	30 Jun. 2003	31 Dec .2002	Change
Start-up and expansion costs	33,484	15,634	17,850
Research, development and advertising expenses	320	418	(98)
Industrial patents and intellectual property rights	2,210	2,414	(204)
Concessions, licenses, trademarks and similar rights	26,291	29,419	(3,128)
Goodwill	18,174	20,786	(2,612)
Assets in process of formation and advance payments	8,070	6,601	1,469
Consolidation differences	1,256,989	1,284,924	(27,935)
Other	43,894	46,512	(2,618)
Total	1,389,432	1,406,708	(17,276)

The movements on the heading were as follows:

Additions	8,266
Disposals	(35)
Amortization in the period	(48,144)
Translation differences	(16,179)
Change in consolidation area and reclassifications	38,816
Total	(17,276)

"Additions" includes, among other things, goodwill arising from the purchase of Italcementi S.p.A. shares.

"Change in consolidation area and re-classifications" includes 19 million euro of long-term prepayments relating to use of quarries, which have been re-classified from "Prepayments and accrued income" to "Start-up and expansion costs", and 10.2 million euro of goodwill on the acquisition of the Riverton group (USA), which has been re-classified from "Tangible assets" to "Consolidation differences".



B II Tangible asset

2,919,915 thousand euro

(3,010,559 thousand euro at 12.31.2002)

Compared to 2002 these fell by 90,644 thousand euro, as follows:

(in thousands of euro)

	June 2003			December 2002	Change
	Gross value	Acc. Deprec.	Net value	Net value	
Land and buildings	2,066,667	(991,897)	1,074,770	1,115,731	(40,961)
Plant and machinery	4,220,870	(2,786,400)	1,434,470	1,378,299	46,171
Industrial and commercial equipment	573,206	(424,249)	148,957	166,549	(17,592)
Freely transferable assets	38,634	(28,487)	10,147	10,547	9,600
Other	267,859	(216,111)	51,748	59,592	(7,844)
Assets under construction and advance payments	199,823	-	199,823	279,841	(80,018)
Total	7,367,059	(4,447,144)	2,919,915	3,010,559	(90,644)

The movements on the heading were as follows:

Additions	122,060
Disposals	(5,870)
Depreciation and write-downs	(147,837)
Translation differences	(43,489)
Change in consolidation area and reclassifications	(15,508)
Total	(90,644)

"Additions" of 122.1 million euro refers to investments concentrated mainly in Europe for 84.7 million euro, of which 41.3 million euro was in Italy and 28.1 million euro in France, and in North America for 26.6 million euro.

The most significant investments related to the restructuring and modernization of production units and plants for 68.7 million euro and to environmental protection and worker safety measures for 14.7 million euro.

"Change in consolidation area and re-classifications" refers chiefly to the re-classification under "Consolidation differences" of goodwill on the 2002 first-half acquisition of the Riverton group (USA). Translation differences refer in the main to fluctuations in the dollar, the Thai baht and the Indian rupee against the euro.



B III Investments and other financial asset 1,330,789 thousand euro
(1,385,379 thousand euro at 12.31.2002)

Compared to 2002 these fell by 54,590 thousand euro, as follows:

	(in thousands of euro)		
	30 Jun.2003	31 Dec. 2002	Change
Equity investments	873,824	940,941	(67,117)
Receivables	381,375	368,849	12,526
Other securities	54,470	54,469	1
Own shares	21,120	21,120	-
Total	1,330,789	1,385,379	(54,590)

Equity investments fell by 67,117 thousand euro owing to the following changes:

	Opening balance	Additions	Disposals	Write-downs	Revaluations	Translation differences	Change in consolidation	Closing balance
Subsidiary companies	77,114	76,250	(467)	(1,395)	257	(3,659)	(68,778)	79,322
Associated companies	429,389	231		(3,754)	6,238	(68,312)	(3,869)	359,923
Other companies	434,438	1,819	(190)	(1,375)	35	(150)	2	434,579
Total	940,941	78,300	(657)	(6,524)	6,530	(72,121)	(72,645)	873,824

"Additions" refer largely to the purchase of additional shares in Ciments Français S.A. for 54.6 million euro, the purchase of shares in Italcementi S.p.A. for 14.7 million euro, the purchase of the non-consolidated subsidiary company Calcestruzzi Emilia S.r.l. for 2.0 million euro and the purchase of additional shares in Vulkan AD (Bulgaria) for 0.8 million euro. The same amounts are included as a charge under "Change in consolidation".

The negative balance of 72.1 million euro on translation differences refers mainly to the associated companies of the Suez Cement Group for 69.5 million euro as a result of the depreciation of the Egyptian lira against the euro.

"Revaluations" refers to the positive results of companies valued with the equity method.

"Receivables" includes 260.3 million euro representing the principal and interest accrued on deposits lodged at the time of the issue of the "Floating rate subordinated securities", which are described under liabilities. The receivables are due after five years.

"Own shares" totaled 21,120 thousand euro, unchanged compared to 31 December 2002, and represents the purchase value of 890,300 ordinary shares and 28,500 savings shares.



C - Current assets

CI - Inventories 451,996 thousand euro
(461,540 thousand euro at 12.31.2002)

Compared to 2002 these fell by 9,544 thousand euro. Inventories at the end of the period were as follows:

	(in thousands of euro)		
	30 Jun. 2003	31 Dec. 2002	Change
Raw, ancillary and consumable materials	263,555	259,291	4,264
Work-in-progress and semi-finished goods	70,312	77,077	(6,765)
Contract work-in-progress	11,440	3,817	7,623
Finished goods	89,941	107,447	(17,506)
Payments on account	16,748	13,908	2,840
Total	451,996	461,540	(9,544)

Inventories are carried net of write-down provisions totaling 59.8 million euro (62.1 million euro in 2002), mainly against the risk of slow-moving ancillary and consumable materials.

CII - Trade and other receivable 1,453,303 thousand euro
(1,279,675 thousand euro at 12.31.2002)

Compared to 2002 these rose by 173,628 thousand euro, as follows:

	30 Jun. 2003	31 Dec. 2002	Change
Trade receivables	1,185,134	987,470	197,664
Subsidiary companies	5,839	3,976	1,863
Associated companies	1,184	1,274	(90)
Related companies	330	325	5
Other receivables	260,816	286,630	(25,814)
Total	1,453,303	1,279,675	173,628

"Trade receivables" is shown net of 72,536 thousand euro (77,407 thousand euro in 2002) for bad debts.

The increase in "Trade receivables" reflects the combined effect of higher turnover and the seasonal nature of sales.

There are no trade receivables due after five years.



CIII - Financial assets not held as fixed asset 671,279 thousand euro
(610,221 thousand euro at 12.31.2002)

Compared to 2002 these rose by 61,058 thousand euro, as follows:

	(in thousands of euro)		
	30 Jun. 2003	31 Dec. 2002	Change
Equity investments not held as fixed assets	76,827	65,929	10,898
Other securities	589,891	535,914	53,977
Financial receivables	4,561	8,378	(3,817)
Total	671,279	610,221	61,058

The increase in "Equity investments not held as fixed assets" mainly refers to the revaluation made by Société de Participation Financière Italmobiliare S.A. to the investment in Bancalntesa S.p.A.

Significant increases in "Other securities" were recorded at Ciments du Maroc for 33,200 thousand euro, S.I.I.F. S.A. (France) for 20,177 thousand euro, and Italmobiliare International Finance (Ireland) for 40,345 thousand euro, set against significant decreases at Asia Cement Ltd. (Thailand) for 18,041 thousand euro and Italmobiliare for 20,290 thousand euro.

CIV - Cash and cash equivalent 236,315 thousand euro
(244,344 thousand euro at 12.31.2002)

Compared to 2002 these fell by 8,029 thousand euro, as follows:

	30 Jun. 2003	31 Dec. 2002	Change
Bank and postal accounts	230,550	240,368	(9,818)
Checks	4,623	3,094	1,529
Cash in hand and cash equivalents	1,142	882	260
Total	236,315	244,344	(8,029)

Significant increases in "Bank and postal accounts" were recorded at S.I.I.L. S.A. (France) for 27,554 thousand euro and Asia Cement Ltd. (Thailand) for 26,819 thousand euro. A significant decrease was recorded at Set Group Holding (Turkey) for 22,539 thousand euro and at Italmobiliare International Finance (Ireland) for 34,578 thousand euro.

D - Prepayments and accrued income 64,883 thousand euro
(69,973 thousand euro at 12.31.2002)

Compared to 2002 these fell by 5,090 thousand euro, and represent interest-related accrued income, prepaid expenses and advances, including 23,906 thousand euro of prepaid expenses for the use of quarries



Equity and liabilities

A - Shareholders' equity

AI-AIX – Group shareholders' equity 1,584,744 thousand euro
(1,571,859 thousand euro at 12.31.2002)

Group shareholders' equity rose by 12,885 thousand euro.

The following table sets out the changes in Group shareholders' equity:

	(in thousands of euro)
Dividends paid out and Board of Directors' compensation	(37,227)
Consolidation adjustments, translation differences and other changes	(35,624)
Income for the period	85,736
Total	12,885

The change of 35.6 million euro in "Consolidation adjustments and translation differences" refers to the decrease in the reserve for translation differences due to the depreciation of the dollar, the Egyptian lira, the Thai baht, the Moroccan dirham, the Indian rupee and the Swiss franc against the euro.

AX - Minority interes 1,912,945 thousand euro
(2,037,860 thousand euro at 12.31.2002)

Minority interest fell by 124,915 thousand euro.

It represents the equity of the consolidated companies held by third-party shareholders at 30 June 2003, as follows:

	30 Jun. 2003	31 Dec. 2002	Change
Portion of share capital and reserves	1,808,203	1,781,397	26,806
Portion of the result for the period	104,742	256,463	(151,721)
Total	1,912,945	2,037,860	(124,915)

The decrease of 124.9 million euro was mainly due to the exchange rate effect (91.7 million euro), dividend pay-outs (71.6 million euro), and additional share purchases in Ciments Français S.A. and Italcementi S.p.A. (64.5 million euro), net of income for the period of 104.7 million euro.



B - Provisions for contingencies and charges
(634,327 thousand euro at 12.31.2002)

623,899 thousand euro

These fell by 10,428 thousand euro compared to 31 December 2002, as follows:

	(in thousands of euro)					
	Opening balance	Additions	Decreases	Translation differences	Other changes	Final balance
Employee pensions and similar obligations	84,625	2,312	(1,616)	(5,625)	1,191	80,887
Provisions for taxes and charges	27,604	820	(189)			28,235
Provisions for deferred taxes	280,473	14,035	(3,391)	(64)	(2,066)	288,987
Other provisions	241,625	9,146	(20,955)	(2,377)	(1,649)	225,790
Total	634,327	26,313	(26,151)	(8,066)	(2,524)	623,899

“Other provisions” includes provisions for potential liabilities as follows:

	30 Jun. 2003	31 Dec. 2002	Change
Environmental restoration	75,501	76,026	(525)
Restructuring and reorganization	28,852	33,338	(4,486)
Disputes	13,396	19,250	(5,854)
Receivables and equity investments	34,431	39,560	(5,129)
Exchange rates	328	286	42
Other	73,282	73,165	117
Total	225,790	241,625	(15,835)

The heading “Receivables and equity investments” also includes provisions for risks on equity investments made by the financial companies.

C - Employees' leaving entitlements
(85,357 thousand euro at 12.31.2002)

85,447 thousand euro

These rose by 90 thousand euro and represent the severance liabilities accrued in respect of the 5,378 employees of the Italian consolidated companies at 30 June 2003 (5,391 at 31 December 2002).

	Opening balance	Entitlements accrued during the first half	Entitlements and advances paid	Other	Closing balance
Leaving entitlements	85,357	8,725	(8,664)	29	85,447



D - Payable

3,996,720 thousand euro

(3,797,641 thousand euro at 12.31.2002)

These rose by 169,079 thousand euro compared to 31 December 2002, as follows:

(in thousands of euro)

	30 Jun. 2003	31 Dec. 2002	Change
Debentures	500,933	500,933	-
Due to banks	1,878,983	1,731,259	147,724
Due to other providers of finance	526,013	535,292	(9,279)
Financial payables due to:			
- subsidiaries companies	678	709	(31)
- associated companies	2,903	3,004	(101)
	2,909,510	2,771,197	138,313
Payments on account	26,759	19,982	6,777
Due to suppliers	571,673	591,902	(20,229)
Due on bills accepted and drawn	75,648	74,674	974
Due to subsidiaries companies	1,565	1,932	(367)
Due to associated companies	2,193	2,244	(51)
	677,838	690,734	(12,896)
Due to tax authorities	128,000	87,076	40,924
Due to social security authorities	46,971	45,950	1,021
Other amounts due	204,401	202,684	1,717
	379,372	335,710	43,662
Total	3,966,720	3,797,641	169,079

Payables due to tax authorities totaled 128,000 thousand euro, up by 40,924 thousand euro compared to 31 December 2002; the increase was due to payables for sales tax to be settled and other indirect taxes for 25,298 thousand euro and income tax payables for 15,626 thousand euro.

Medium/long-term debt at 30 June 2003 totaled 1,911 million euro, as set out below:

(in millions of euro)

	30 Jun. 2003	31 Dec. 2002
Euro	1.680	1.684
Indian Rupee	17	24
Thai Baht	31	33
US and Canadian dollar	183	195
Total	1.911	1.936

Payables due after more than five years totaled 546 million euro.



Debentures

The balance of 500,933 thousand euro (500,933 thousand euro at 31 December 2002) refers to two bond loans issued by Ciments Français S.A.:

- on 23 October 1997 with the participation of Société Générale and Lehman Brothers, a seven-year bond for 150.9 million euro at a fixed rate of 5.90%;
- on 26 June 2002, as part of the Euro Medium Term Notes (EMTN) program, with the participation of BNP Paribas and Lehman Brothers, a seven-year bond for 350 million euro at a fixed rate of 5.875%.

Due to banks

Amounts due to banks totaled 1,878,983 thousand euro (1,731,259 thousand euro at 31 December 2002), up by 147,724 thousand euro compared to the end of 2002.

Amounts due after one year totaled 895,931 thousand euro and referred to the following main borrowings:

- a Mediobanca floating rate loan for 51.6 million euro due in 2004;
- a floating rate loan for 61 million euro due in 2004;
- a 76 million euro loan due in 2005, of which 46 million euro at a fixed rate of 5.99%, and the remaining 30 million euro at a fixed rate of 5.955%;
- 375 million euro for use of credit lines worth 750 million euro overall obtained by Italcementi S.p.A. in 1999, due in 2006;
- a five-year floating rate loan obtained in 2001 for 125 million euro;
- a floating rate six-year loan obtained in 2002 for 109.5 million euro.

Due to other providers of finance

These amounted to 526,013 thousand euro (535,292 thousand euro at 31 December 2002) and mainly include for 265 million euro (255 million euro at 31 December 2002) third-party loans (commercial paper) granted to Ciments Français S.A. in connection with credit lines totaling 440 million euro opened by an international bank syndicate and due in 2004, and 182 million euro for a loan issued in November 2002 by private investors on the American market. This loan, whose original value was 200 million dollars, is in two tranches: a ten-year tranche of 180 million dollars at a fixed rate of 5.63% and a 12-year tranche of 20 million dollars at a fixed rate of 5.73%; of the total amount of 200 million dollars, 150 million has been used to provide a loan to an American company in the Essroc group; a cross currency swap has been arranged on the remaining 50 million dollars to hedge exchange risks.



E - Accruals and deferred income
(16,715 thousand euro at 12.31.2002)

19,517 thousand euro

Compared to 31 December 2002, these increased by 2,802 thousand euro and mainly relate to accrued interest expense and costs for 7,690 thousand euro and deferred income of 11,827 thousand euro.

Net financial position (NFP)

At 30 June 2003, net debt was 2,010,880 thousand euro (1,913,061 thousand euro at 31 December 2002); it consisted of gross financial payables of 2,909,510 thousand euro and medium/long-term financial assets and cash, cash equivalents and current financial assets worth 898,630 thousand euro.

"Gross financial payables" of 2,909,510 thousand euro (2,771,197 thousand euro at 31 December 2002) include short-term payables for 998,372 thousand euro (834,861 thousand euro at 31 December 2002) and medium/long-term payables for 1,911,138 thousand euro (1,936,336 thousand euro at 31 December 2002).

"Floating rate subordinated securities" ("F.R.S.S.") are also recorded on the balance sheet at a net value of 64,307 thousand euro (77,010 thousand euro at 31 December 2002), bringing total net financial payables to 2,075,187 thousand euro (1,990,071 thousand euro at 31 December 2002).



Financial hedging instruments

Interest rate hedging

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

These operations consist of interest rate swaps that transform the original floating rates of financial transactions into fixed rates and vice versa or into different floating rate structures; they also consist of derivative operations in the form of interest rate collars combining cap purchases and floor sales.

Interest rate hedging operations at 30 June 2003 and at 31 December 2002 were valued at 971.1 million euro and 1,092.8 million euro respectively, computed as the average value on a one-year horizon as from 31 December 2002.

Net debt sensitivity to interest rate fluctuations is illustrated below:

(in millions of euro)

	30 june 2003			31 december 2002		
	Net debt + F.R.S.S.* before hedging	Hedging operations	Net debt + F.R.S.S.* after hedging	Net debt + F.R.S.S.* before hedging	Hedging operations**	Net debt + F.R.S.S.* after hedging
Variable rate	(1,676.5)	971.1	(705.4)	(1,489.9)	1,092.8	(397.1)
Fixed rate	(398.7)	(971.1)	(1,369.8)	(500.2)	(1,092.8)	(1,593.0)
Total	(2,075.2)		(2,075.2)	(1,990.1)		(1,990.1)

* Floating rate subordinated securities

** The hedge computation method was changed at 30.06.2003; the value at 31.12.2002 has been re-stated accordingly

Exchange rate hedging

The construction sector is structurally exposed to the risk of exchange rate fluctuations on solid fuel purchases in US dollars; in addition, Ciments Français S.A. normally transacts hedging operations on certain infragroup loans provided to its subsidiaries.

The following hedging operations on exchange rate risks were in place at 30 June 2003, valued at the official ECB rates of 30 June 2003:

	30 june 2003		
	US dollar	Other currencies	Total
Forward purchases	30.1	20.8	50.9
Forward sales	13.3	21.7	35.0
Options	24.8	-	24.8
Cross Currency Swap	50.0	-	50.0



Memorandum and contingency accounts

3,754,226 thousand euro

(3,764,460 thousand euro at 12.31.2002)

These fell by 10,234 thousand euro compared to 31 December 2002, as follows:

(in thousands of euro)

	30 Jun. 2003	31 Dec. 2002
Guarantees	83,328	88,096
Guarantees on company assets	166,065	173,270
Group assets lodged with third parties	1,815,995	1,843,423
Third-party assets lodged with the Group	70,704	90,581
Guarantees received from third parties	4,627	4,627
Leasing installments to be paid	3,326	3,433
Other memorandum and contingency accounts	1,610,181	1,561,030
Total	3,754,226	3,764,460

“Guarantees on company assets” refers to balance-sheet payables and includes mortgages and liens on tangible assets.

“Other memorandum and contingency accounts” includes currency purchase and sale commitments on forward contracts transacted to hedge exchange rate risks on foreign-currency receivables and payables, and commitments on interest rate hedging contracts relating to a portion of borrowings and floating rate subordinated securities, as illustrated in the comment on financial hedging instruments. In connection with the possible exercise of stock options assigned to directors and employees, the heading at 30 June 2003 also includes commitments for the sale of Italcementi S.p.A. shares for 19.7 million euro and commitments for future increases in the share capital of Ciments Français S.A. for 36 million euro. This heading also includes sale commitments for the allocation to Italmobiliare S.p.A. employees of 49,283 company share purchase options in relation to the stock option plans.

Other commitments and obligations

Other commitments and obligations besides the memorandum and contingency accounts are as follows:

- Following the acquisition of Devnya Cement AD (Bulgaria) in 1998, the Group undertook to make investments totaling 100 million US dollars in 10 years; its outstanding commitment at 30 June 2003 was 22.6 million US dollars.
- In February 2001, Essroc Cement Corp. agreed with the Department for Environmental Protection of Pennsylvania to make investments to modernize filter equipment at the Nazareth III cement plant within five years, or risk closure of the plant. In December 2001, the company filed an application to expand and restructure the Nazareth I site; the application was approved in February 2003 and therefore the kilns at Nazareth III will be closed, releasing Essroc Cement Corp. from the aforementioned investments. The restructuring project for Nazareth I involves investments for more than 100 million dollars through 2005.



Income statement

A - Value of production

1) Net sales and other operating income 2,179,218 thousand euro
(2,159,741 thousand euro in the 1st half of 2002)

These rose by 19,477 thousand euro compared to 30 June 2002, as follows:

	(in thousands of euro)		
	1 st half 2003	1 st half 2002	Change
Sales	2,126,643	2,109,649	16,994
Services	48,180	46,480	1,700
Other net sales	4,395	3,612	783
Total	2,179,218	2,159,741	19,477

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

B - Costs of production

6) Raw, ancillary and consumable materials and supplies 566,447 thousand euro
(548,993 thousand euro in the 1st half of 2002)

These increased by 17,454 thousand euro compared to the 1st half of 2002, as follows:

	1 st half 2003	1 st half 2002	Change
Raw materials and semi-finished goods	267,845	242,256	25,589
Fuel	114,775	112,110	2,665
Packaging, materials and machinery	126,833	120,052	6,781
Finished goods	56,994	74,575	(17,581)
Total	566,447	548,993	17,454

In the table the 2002 figures for fuel purchases and electricity costs have been re-stated to permit comparison with 2003.



7) Services 652,449 thousand euro
(639,252 thousand euro in the 1st half of 2002)

These increased by 13,197 thousand euro compared to the 1st half of 2002, as follows:

(in thousands of euro)

	1 st half 2003	1 st half 2002	Change
Electricity, water, gas	136,197	132,758	3,439
External services and maintenance	191,335	189,155	2,180
Transport	209,047	200,963	8,084
Legal fees and consultancy	27,991	29,661	(1,670)
Insurance	18,518	15,532	2,986
Other	69,361	71,183	(1,822)
Total	652,449	639,252	13,197

8) Use of third party asset 41,420 thousand euro
(37,830 thousand euro in the 1st half of 2002)

These increased by 3,590 thousand euro compared to the 1st half of 2002 and mainly concerned rents.

9) Personnel expenses 372,924 thousand euro
(359,911 thousand euro in the 1st half of 2002)

Total personnel expenses rose by 13,013 thousand euro compared to 30 June 2002, as follows:

	1 st half 2003	1 st half 2002	Change
Wages and salary	258,454	257,200	1,254
Social security contributions	98,156	91,288	6,868
Employees' leaving entitlements	8,768	7,772	996
Pensions and similar obligations	3,068	188	2,880
Other costs	4,478	3,463	1,015
Total	372,924	359,911	13,013
Average number of employees	18,324	18,099	225



14) Other operating cost 58,793 thousand euro
(60,541 thousand euro in the 1st half of 2002)

These fell by 1,748 thousand euro compared to the 1st half of 2002, as follows:

	(in thousands of euro)		
	1 st half 2003	1 st half 2002	Change
Subscriptions	4,850	4,941	(91)
Other taxes	29,864	32,353	(2,489)
Other costs	24,079	23,247	832
Total	58,793	60,541	(1,748)

C - Financial income and charges

15) Income from equity investment 33,824 thousand euro
(35,076 thousand euro in the 1st half of 2002)

This fell by 1,252 thousand euro compared to 30 June 2002 and mainly refers to dividends and related tax credits earned by the parent company, by Italcementi S.p.A. and by its subsidiary companies.



16) Other financial income 52,073 thousand euro
(59,639 thousand euro in the 1st half of 2002)

Compared to the 1st half of 2002 this fell by 7,566 thousand euro.

(in thousands of euro)

	1 st half 2003	1 st half 2002	Change
Financial income			
a) receivables included as fixed assets:			
- subsidiaries	2	6	(4)
- associated companies	99	186	(87)
- other companies	705	777	(72)
- other	84	119	(35)
b) securities included as fixed assets	2,087	4,070	(1,983)
c) securities included as current assets	13,439	12,576	863
d) other income:			
- subsidiaries	65	107	(42)
- associated companies	22	8	14
- related companies	-	1	(1)
- other	35,570	41,789	(6,219)
Total	52,073	59,639	(7,566)

The sub-heading "Other income: other" includes:

	1 st half 2003	1 st half 2002	Change
Bank interest income	1,196	1,617	(421)
Interest income on trade and other receivables	1,880	2,276	(396)
Translation gains	18,672	24,941	(6,269)
Other income	13,822	12,955	867
Total	35,570	41,789	(6,219)

Other income includes interest income of 12,703 thousand euro on deposits relating to floating rate subordinated securities (12,035 thousand euro in the first half of 2002).



17) Interest and other financial charge 108,347 thousand euro
(121,754 thousand euro in the 1st half of 2002)

These fell by 13,407 thousand euro compared to 30 June 2002, as follows:

	(in thousands of euro)		
	1 st half 2003	1 st half 2002	Change
Interest and financial charges:			
- subsidiaries	4	4	-
- associated companies	3	3	-
- other charges	108,340	121,747	(13,407)
Total	108,347	121,754	(13,407)

“Other charges” includes:

	1 st half 2003	1 st half 2002	Change
Bank interest expense	17,873	14,711	3,162
Interest on debentures	13,586	14,223	(637)
Interest on floating rate sub. securities	14,256	14,598	(342)
Translation losses	22,629	31,574	(8,945)
Interest on secured payables and medium/long-term payables	27,728	37,640	(9,912)
Bank charges	3,630	4,256	(626)
Other charges	8,638	4,745	3,893
Total	108,340	121,747	(13,407)

There was a positive net change in “Translation losses” of 2.7 million euro, of which 5.6 million euro reflected the positive impact of the slight revaluation of the Turkish lira.



D - Adjustments to financial asset values

18) Revaluations 22,123 thousand euro
(21,255 thousand euro in the 1st half of 2002)

These rose by 868 thousand euro compared to 30 June 2002, as follows:

	1 st half 2003	1 st half 2002	Change
Revaluations			
- of investments	7,019	12,446	(5,427)
- of which equity investments	6,566	12,423	(5,857)
- of other financial assets	64	563	(499)
- of securities held as current assets	15,040	8,246	6,794
Total	22,123	21,255	868

Among revaluations of companies valued with the equity method are Ciment Quebec for 2,362 thousand euro, Vassiliko Cement Works Ltd. for 1,499 thousand euro and Mittel for 1,348 thousand euro.

19) Write-downs 8,756 thousand euro
(15,178 thousand euro in the 1st half of 2002)

Compared to the 1st half of 2002 these fell by 6,422 thousand euro, as follows:

	1 st half 2003	1 st half 2002	Change
Write-downs			
- of investments	7,220	14,269	(7,049)
- of which equity investments	4,476	1,847	2,629
- of other financial assets	1,160	150	1,010
- of securities held as current assets	376	759	(383)
Total	8,756	15,178	(6,422)



E - Non-recurring income and charges

20) Income 28,891 thousand euro
(26,282 thousand euro in the 1st half of 2002)

This fell by 2,609 thousand euro compared to 30 June 2002, as follows:

	1 st half 2003	1 st half 2002	Change
Capital gains on disposal	8,407	5,836	2,571
Other income	20,484	20,446	38
Total	28,891	26,282	2,609

“Capital gains on disposals” includes 6.2 million euro from the sale of tangible assets and 2.2 million euro from the sale of intangible assets.

“Other income” includes 2 million euro of insurance compensation, 4.4 million euro for windfall gains on the settlement of legal disputes and 14.1 million euro of windfall gains and other income.

21) Charges 17,559 thousand euro
(43,853 thousand euro in the 1st half of 2002)

These fell by 26,294 thousand euro compared to 30 June 2002, as follows:

	1 st half 2003	1 st half 2002	Change
Capital losses on disposal	327	441	(114)
Taxes in respect of prior years	3.292	1.429	1.863
Other charges	13.940	41.983	(28.043)
Total	17.559	43.853	(26.294)

“Taxes in respect of prior years” refers to higher taxes and provisions for tax disputes in a number of Group companies relating to prior years.

“Other charges” includes write-downs on buildings, plant and other assets for 1.3 million euro, non-recurring provisions for business restructurings and re-organization for 1.7 million euro and other charges and windfall losses for 10.9 million euro.



22) Income taxes 113,910 thousand euro
(116,157 thousand euro in the 1st half of 2002)

These fell by 2,247 thousand euro compared to 30 June 2002, as follows:

	(in thousands of euro)		
	1 st half 2003	1 st half 2002	Change
Current taxes	104,339	119,609	(15,270)
Deferred taxes	9,571	(3,452)	13,023
Total	113,910	116,157	(2,247)

Annexes



The following annexes have been prepared in accordance with Legislative Decree no. 127 of 9 April 1991 – as specified in detail in each single table – and with CONSOB communication no. 11971, art. 126 of 14 May 1999, which requires listed companies to disclose their equity investments in unlisted companies where such investment exceeds 10% of the companies' share capital with voting rights.

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

Annex A

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

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

Company	Registered office	Share capital	% direct	% indirect	Held by Group companies % held by:	
EUROPEAN UNION						
Italy						
Axim Italia S.p.A.	Sorisole (BG)	€ 104,000	-	100.00	100.00	Nuova Sacelit S.r.l.
Azienda Vendite Acquisti A.V.A. S.p.A.	Milan	€ 2,550,000	100.00	-	100.00	Italmobiliare Soc. per Az.
BravoBus S.r.l.	Bergamo	€ 600,000	-	51.00	51.00	BravoSolution S.p.A.
BravoSolution S.p.A.	Bergamo	€ 21,056,333	8.44	81.69	81.69	Italcementi S.p.A.
					8.44	Italmobiliare Soc. per Az.
CTG S.p.A.	Bergamo	€ 500,000	-	100.00	50.00	Italcementi S.p.A.
					50.00	Ciments Français S.A.
Calcementi Jonici S.p.A.	Siderno (RC)	€ 9,000,000	-	100.00	100.00	Italcementi S.p.A.
Calcestruzzi S.p.A.	Bergamo	€ 138,000,000	-	100.00	99.90	Italcementi S.p.A.
					0.10	SICIL.FIN. S.r.l.
Cassano Cave S.p.A.	Bergamo	€ 100,000	-	100.00	100.00	Calcestruzzi S.p.A.
Cavecem S.r.l.	S. Egidio alla Vibrata (TE)	€ 10,400	-	100.00	100.00	Cemencal S.p.A.
Cemencal S.p.A.	Bergamo	€ 12,660,000	-	85.00	85.00	Calcestruzzi S.p.A.
Duca d'Este S.r.l.	Milan	€ 49,400	-	100.00	100.00	S.p.A Nuove Costruzioni Edilizie Sance
E.I.C.A. S.r.l.	Norcia (PG)	€ 49,500	-	66.67	66.67	Calcestruzzi S.p.A.
E.S.A. Monviso S.p.A.	Bergamo	€ 1,340,000	-	100.00	59.00	Calcestruzzi S.p.A.
					41.00	Cemencal S.p.A.
Franco Tosi S.p.A.	Milan	€ 127,500	-	100.00	100.00	Intermobiliare S.p.A.
Gruppo Italsfusi S.r.l.	Savignano s/P. (MO)	€ 156,000	-	100.00	99.50	Italcementi S.p.A.
					0.50	SICIL.FIN. S.r.l.
Intercom S.r.l.	Ortona (CH)	€ 255,000	-	100.00	100.00	Italcementi S.p.A.
Intermobiliare S.p.A.	Milan	€ 5,160,000	100.00	-	100.00	Italmobiliare Soc. per Az.
Intertrading S.r.l.	Bergamo	€ 4,160,000	-	100.00	99.50	Italcementi S.p.A.
					0.50	SICIL.FIN. S.r.l.
Italcementi S.p.A.	Bergamo	€ 282,548,942	36.81	1.105	36.81	Italmobiliare Soc. per Az.
					0.005	Intermobiliare S.p.A.
					1.10	Italcementi S.p.A.
						(voting rights:
					58.72	Italmobiliare Soc. per Az.
					0.01	Intermobiliare S.p.A.)
Italgen S.p.A.	Bergamo	€ 20,000,000	-	100.00	100.00	Italcementi S.p.A.
Italmobiliare Servizi S.r.l.	Milan	€ 260,000	100.00	-	100.00	Italmobiliare Soc. per Az.
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 Italiana S.r.l.	Milan	€ 1,040,000	100.00	-	100.00	Italmobiliare Soc. per Az.
Progecal S.p.A.	Rome	€ 293,250	-	99.00	82.74	Speedybeton S.p.A.
					16.26	Cemencal S.p.A.
Punta Ala Promozione e Sviluppo Immobiliare S.r.l.	Milan	€ Delib. 2,575,000 Subscribed and paid up 1,300,000	99.48	0.52	99.48	Italmobiliare Soc. per Az.
					0.52	SICIL.FIN. S.r.l.
S.A.M.A. S.p.A.	Bergamo	€ 1,000,000	-	100.00	100.00	Italcementi S.p.A.
S.p.A. Nuove Costruzioni Edilizie Sance	Milan	€ 139,725	100.00	-	100.00	Italmobiliare Soc. per Az.
SICIL.FIN. S.r.l.	Bergamo	€ 477,360	-	100.00	99.50	Italcementi S.p.A.
					0.50	Intermobiliare S.p.A.



Company	Registered office	Share capital	% direct	% indirect	Held by Group companies % held by:
Silos Granari della Sicilia S.r.l.	Bergamo	€ 5,980,000	-	100.00	100.00 Intertrading S.r.l.
Sirap Gema Insulation Systems S.p.A.	Verolanuova	€ 2,715,000	-	100.00	63.17 Sirap Gema International S.A. 36.83 Sirap Gema Finance S.A.
Sirap Gema S.p.A.	Verolanuova (BS)	€ 12,021,123	100.00	-	100.00 Italmobiliare Soc. per Az.
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.
France					
Arena S.A.	Guerville	€ 126,000,000	-	99.99	99.99 Ciments Français S.A.
Axim S.A.	Guerville	€ 495,625	-	99.93	99.93 Ciments Calcia S.A.
Béton Contrôle de l'Adour S.A.	Bayonne	€ 150,000	-	59.96	59.96 Béton Contrôle du Pays Basque S.A.
Béton Contrôle du Pays Basque S.A.	Bayonne	€ 120,000	-	59.93	59.93 Unibéton S.A.
Béton Sud Atlantique	Berson	€ 140,000	-	99.93	99.93 Unibéton S.A.
Bonafini S.A.	Argences	€ 43,936	-	100.00	91.04 Tratel S.A. 8.96 Univrac S.A.
BravoSolution France S.a.s.	Boulogne Billancourt	€ 5,700,000	-	100.00	100.00 BravoSolution S.p.A.
Carrières Olivier S.A.R.L.	Salon de Provence	€ 80,000	-	100.00	100.00 GSM S.A.
Châtelet S.A.	Cayeux s/M.	€ 118,680	-	99.93	99.93 GSM S.A.
Ciberval S.A.	Le Teil	€ 64,000	-	99.99	99.99 Tratel S.A.
Ciments Calcia S.A.	Guerville	€ 593,836,525	-	99.99	99.99 Ciments Français S.A.
Ciments de l'Adour S.A.	Boucau	€ 421,290	-	99.81	86.20 Ciments Calcia S.A. 13.61 Ciments Français S.A.
Ciments du Littoral S.A.	Bassens	€ 384,300	-	99.89	99.89 Tercim S.A.
Ciments Français S.A.	Puteaux	€ 152,380,908	-	75.43	74.88 Société Int. Italcementi France S.A. 0.55 Ciments Français S.A. (voting rights: 85.06 Société Int. Italcementi France S.A.)
Compagnie Financière et de Participations S.A.	Puteaux	€ 180,000	-	99.99	99.99 Ciments Français S.A.
Decoux S.A.	Beaucaire	€ 120,000	-	100.00	100.00 Tratel S.A.
Eurarco France S.A.	Les Crotoy	€ 1,520,000	-	64.99	64.99 GSM S.A.
Granulats de la Drôme S.a.s.	Saint Jean de Vedas	€ 40,000	-	63.00	63.00 GSM S.A.
Granulats et Sables Marins S.a.s.	Pessac	€ 40,000	-	99.99	99.99 GSM S.A.
GSM S.A.	Guerville	€ 18,675,840	-	99.99	99.99 Arena S.A.
Immobilière des Technodes S.A.	Guerville	€ 8,024,400	-	99.99	59.97 Ciments Français S.A. 40.02 Ciments Calcia S.A.
Investcim S.A.	Puteaux	€ 124,874,000	-	99.99	99.99 Ciments Français S.A.
Johar S.A.	Luxemont et Villotte	€ 1,221,632	-	100.00	86.44 Tratel S.A. 13.56 Univrac S.A.
Larricq S.A.	Airvault	€ 508,000	-	99.98	99.98 Tratel S.A.
Raingard Carrières Bétons et Compagnie S.n.c.	Bouguenais	€ 705,000	-	100.00	100.00 GSM S.A.
Soc. de Participations et de Refinancements Immobiliers - in liquidation	Nice	€ 975,000	-	100.00	100.00 Soc. d'Etudes de Participations et de Courtages
Sables d'Armor S.a.s.	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	-	99.96	99.96 Ciments Français S.A.
Sax S.a.s.	Guerville	€ 482,800	-	99.99	99.99 Ciments Français S.A.



Annex A (continued)

Company	Registered office	Share capital	% direct	% indirect	Held by Group companies %	Held by:
Soc. Civile Particulière Immobil	Cagnes sur Mer	€	94,518.39	-	100.00	99.84 Soc. d'Etudes de Participations et de Courtages 0.16 Soc. Civile Immobilière d'Investissement et de Placements
Soc. Civile Immobilière Le Manet	Cagnes sur Mer	€	1,524.49	-	100.00	99.00 Soc. Civile Immobilière d'Investissement et de Placements 1.0 Soc. Civile Française de Participations Financières et Immobilières
Soc. Civile Française de Participations Financières et Immobilières	Nice	€	15,244.90	-	100.00	99.00 Soc. d'Etudes de Participations et de Courtages 1.0 Soc. Civile Immobilière d'Investissement et de Placements
Soc. Civile Immobilière d'Investissement et de Placements	Nice	€	15,244.90	-	100.00	99.00 Soc. d'Etudes de Participations et de Courtages 1.00 Soc. Civile Française de Participation Financieres et Immobilières
Sirap Gema France S.A.	Noves	€	3,520,000	-	99.92	99.92 Sirap Gema S.p.A.
Société Civile Immobilière Berault	Carrières s/P.	€	3,840	-	99.95	99.95 GSM S.A.
Société Internationale Italcementi France S.A.	Paris	€	1,494,500,000	-	99.99	83.09 Italcementi S.p.A. 16.90 Société International Italcementi (Lux.) S.A.
Socli S.A.	Izaourt	€	144,960	-	99.93	99.93 Ciments Calcia S.A.
Sodecim S.a.s.	Puteaux	€	228,788,125	-	99.99	99.99 Ciments Français S.A.
Technodes S.A.	Guerville	€	3,200,000	-	99.99	99.99 Ciments Français S.A.
Tercim S.A.	Puteaux	€	45,000	-	99.99	99.99 Ciments Français S.A.
Tragor S.A.	Pessac	€	892,048	-	100.00	71.75 Tratel S.A. 28.25 Univrac S.A.
Tratel S.A.	L'Île S. Denis	€	6,025,580	-	100.00	100.00 Ciments Calcia S.A.
Unibéton S.A.	Guerville	€	27,159,732	-	99.99	99.99 Arena S.A.
Unibéton Var S.a.s.	Lambesc	€	40,000	-	99.96	99.96 Unibéton S.A.
Univrac S.A.	L'Île S. Denis	€	302,000	-	99.84	99.84 Tratel S.A.
Uniwerbéton S.a.s.	Gambsheim	€	160,000	-	70.00	70.00 Unibéton S.A.
Belgium						
Ath Béton	Ghilblingren	€	125,000	-	99.60	99.60 Compagnie des Ciments Belges S.A.
Compagnie des Ciments Belges S.A.	Tournai	€	300,000,000	-	99.91	36.94 Ciments Français Europe N.V. 29.11 Ciments Français S.A. 25.28 Ciments Calcia S.A. 8.58 Compagnie Financière des Ciments S.A.
Compagnie Financière des Ciments S.A.	Tournai	€	5,580,000	-	99.99	99.99 Ciments Français S.A.
De Paepe Béton N.V.	Gent	€	500,000	-	99.98	99.98 Compagnie des Ciments Belges S.A.
Sirap Gema International S.A.	Manage	€	12,000,000	-	100.00	99.83 Sirap Gema Finance S.A. 0.17 Société de Participation Financière Italmobiliare S.A.
Trabel Transports S.A.	Gaurain	€	743,680.57	-	100.00	91.00 Tratel S.A. 9.00 Compagnie des Ciments Belges S.A.
Spain						
BravoSolution España S.A.	Madrid	€	120,400	-	99.99	99.99 BravoSolution S.p.A.
Cementos Capa S.L.	Archidona	€	1,260,000	-	48.00	48.00 Sociedad Financiera y Minera S.A.
Centro Administrativo y de Servicios de Málaga S.A.	Málaga	€	60,200	-	99.99	99.99 Sociedad Financiera y Minera S.A.
Compañía General de Canteras S.A.	Málaga	€	479,283.69	-	99.41	96.12 Sociedad Financiera y Minera S.A. 3.29 Sax S.a.s.
Hormigones y Minas S.A.	S. Sebastián	€	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.
Sociedad Financiera y Minera S.A.	Madrid	€	39,160,000	-	99.73	56.58 Ciments Français S.A. 39.87 Ciments Français Europe N.V. 3.02 Hormigones y Minas S.A. 0.26 Sociedad Financiera y Minera S.A. (voting rights: 56.73 Ciments Français S.A. 39.98 Ciments Français Europe N.V. 3.03 Hormigones y Minas S.A.)
Ventore S.L.	Málaga	€	6,000	-	99.90	99.90 Sociedad Financiera y Minera S.A.



Company	Registered office		Share capital	% direct	% indirect	Held by Group companies %	held by:
Greece							
Ammos Quarries of East Attica S.A.	Aspropyrgos	€	18,671,161.30	-	100.00	100.00	Ciments Français S.A.
Domiki Beton S.A.	Iraklion	€	2,309,423	-	98.59	98.59	Calcestruzzi S.p.A.
ET Beton	Aspropyrgos	€	5,192,161.75	-	100.00	100.00	Ammos Quarries of East Attica S.A.
Halyos Building Materials S.A.	Aspropyrgos	€	27,171,138.96	-	99.68	59.60	Ciments Français S.A.
						40.08	Ammos Quarries of East Attica S.A.
						58.67	(voting rights: Ciments Français S.A.)
						41.04	Ammos Quarries of East Attica S.A.)
Germany							
Sirap Gema GmbH - in liquidation	Aalen	€	26,000	-	100.00	100.00	Sirap Gema Finance S.A.
Ireland							
Italmobiliare International Finance Ltd	Dublin	€	1,300,000	99.99	0.01	99.99	Italmobiliare Soc. per Az.
						0.01	Intermobiliare S.p.A.
Luxembourg							
Ciments Français International S.A.	Luxembourg	€	8,928,500	-	99.99	50.99	Ciments Français S.A.
						49.00	Ciments Français Europe N.V.
Sirap Gema Finance S.A.	Luxembourg	€	7,180,290	-	100.0	99.97	Sirap Gema S.p.A.
						0.03	Intermobiliare S.p.A.
Société de Participation Financière Italmobiliare S.A.	Luxembourg	€	135,343,593	99.94	0.06	99.94	Italmobiliare Soc. per Az.
						0.06	Intermobiliare S.p.A.
Société Internationale Italcementi (Luxembourg) S.A.	Luxembourg	€	251,553,000	-	100.00	99.87	Italcementi S.p.A.
						0.13	SICIL.FIN. S.r.l.
Holland							
Cimate Finance B.V.	Amsterdam	€	18,160	-	100.00	100.00	Ciments Français Europe N.V.
Ciments Français Europe N.V.	Amsterdam	€	378,503,130	-	100.00	66.80	Sodecim S.a.s.
						33.20	Ciments Français S.A.
Italmobiliare International B.V.	Amsterdam	€	Deliberated 75,000 Subscribed 19,500	100.00	-	100.00	Italmobiliare Soc. per Az.
NORTH AMERICA							
USA							
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
Berkeley Resource Recovery Ltd	Winchester	USD	1,000	-	100.00	100.00	Riverton Investment Corporation
Capitol Cement Corporation	Winchester	USD	1,000,000	-	100.00	100.00	Riverton Investment Corporation
Consumer Materials Inc.	Winchester	USD	1,000	-	100.00	100.00	Riverton Investment Corporation
ES Cement Co.	Nazareth	USD	100	-	100.00	100.00	Essroc Cement Corp.
Essroc Cement Corp.	Nazareth	USD	8,330,000	-	100.00	100.00	Essroc Corporation
Essroc Corporation	Nazareth	USD	1,000	-	100.00	100.00	Ciments Français S.A.
Essroc Puerto Rico Holdings Inc.	Nazareth	USD	1,000	-	100.00	100.00	Essroc San Juan Inc.
Fincel Inc.	Nazareth	USD	1	-	100.00	100.00	Essroc Corporation
Greyrock Inc.	Nazareth	USD	1,000	-	100.00	100.00	Essroc Cement Corp.
IPTP Corporation	Las Vegas	USD	2,000	-	100.00	50.00	Capitol Cement Corporation
						50.00	Riverton Corporation
Nadco Inc.	Nazareth	USD	1,000	-	100.00	100.00	Essroc Cement Corp.
Riverton Corporation	Winchester	USD	859,310	-	100.00	100.00	Riverton Investment Corporation
Riverton Investment Corporation	Winchester	USD	8,340	-	100.00	100.00	Essroc Cement Corp.
Riverton Lime&Stone Co. Inc.	Winchester	USD	3,000	-	100.00	100.00	Riverton Corporation
Tomahawk Inc.	Wilmington	USD	1,000	-	100.00	100.00	Essroc Cement Corp.
Canada							
155290 Canada Inc.	Mississauga	CAD	1	-	100.00	100.00	Essroc Canada Inc.
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



Annex A (continued)

Company	Registered office		Share capital	% direct	% indirect	Held by Group companies % held by:	
OTHER COUNTRIES							
Albania							
Eurotech Cement S.h.p.k.	Durres	LEK	270,000,000	-	84.99	84.99	Halyps Building Materials S.A.
Bulgaria							
Devnya Cement AD	Devnya	LEV	1,028,557,000	-	99.97	99.97	Marvex
Marvex	Devnya	LEV	89,424,100	-	100.00	100.00	Sociedad Financiera y Minera S.A.
Vulkan AD	Dimitrovgrad	LEV	452,967,000	-	94.95	70.00	Ciments Français S.A. 24.95 Devnya Cement AD
Cyprus							
Italmed Cement Company Ltd	Limassol	CYP	12,318,000	-	99.99	99.99	Ciments Français S.A.
Gambia							
Gacem Company Limited	Serrekunda	GMD	4,500,000	-	80.00	80.00	Tercim S.A.
Morocco							
Betomar S.A.	Casablanca	MAD	84,397,800	-	99.99	99.99	Ciments du Maroc
Ciments du Maroc	Casablanca	MAD	721,800,200	-	61.82	58.30	Ciments Français S.A. 3.52 Procimar S.A.
Industrie Sakia el Hamra "Indusaha" S.A.	Laayoune	MAD	55,550,000	-	90.99	90.99	Ciments du Maroc
Procimar S.A.	Casablanca	MAD	27,000,000	-	99.99	99.99	Ciments Français S.A.
Mauritania							
Mauritano-Française des Ciments	Nouakchott	OUG	1,111,310,000	-	51.11	51.11	Ciments Français S.A.
Montecarlo							
Société d'Etudes de Participations et de Courtages	Montecarlo	€	1,290,000	-	99.84	99.84	Société de Participation Financière Italmobiliare S.A.
Porto Rico							
Essroc San Juan Inc.	Espinosa	USD	10,000	-	100.00	100.00	Essroc Cement Corp.
Switzerland							
Interbulk Trading S.A.	Meyrin	CHF	7,470,600	-	99.99	66.75	Ciments Français International S.A. 15.00 Intertrading S.r.l. 18.24 Ciments Français Europe N.V.
Thailand							
Asia Cement Products Co., Ltd	Bangkok	BT	10,000,000	-	39.03	39.03	Asia Cement Public Co., Ltd ¹
Asia Cement Public Co., Ltd	Bangkok	BT	4,680,000,000	-	39.03	24.96	Ciments Français S.A. 14.07 Vaniyuth Co., Ltd ¹
Jalaprathan Cement Public Co., Ltd	Bangkok	BT	1,200,000,000	-	57.32	10.78	Asia Cement Public Co., Ltd ¹ 37.00 Ciments Français S.A. 9.54 Vesprapat Holding Co., Ltd ¹
Jalaprathan Concrete Products Co., Ltd	Bangkok	BT	100,000,000	-	57.31	57.31	Jalaprathan Cement Public Co., Ltd ¹
Vaniyuth Co. Ltd	Bangkok	BT	100,000	-	48.80	48.80	Investcim S.A.
Vesprapat Holding Co., Ltd	Bangkok	BT	20,000,000	-	49.00	49.00	Sax S.a.s.
Turkey							
Afyon Cimento Sanayi Tas	Istanbul	TRL	120,000,000,000	-	78.49	76.51	Ciments Français S.A. 1.02 Set Group Holding 0.96 Set Cimento Sanayi ve Tas
Anadolu Cimentolari Tas	Istanbul	TRL	7,130,660,000,000	-	99.74	89.73	Set Group Holding 10.01 Set Cimento Sanayi ve Tas
Marmara Cimento Sanayi Tas	Istanbul	TRL	755,500,000,000	-	99.96	89.94	Devnya Cement AD 10.02 Anadolu Cimentolari Tas
Set Beton Madencilik Sanayi ve Tas	Istanbul	TRL	7,412,000,000,000	-	99.99	99.99	Ciments Français S.A.
Set Betoya Prefabrik Yapı Elemanları Sanayi ve Ticaret A.S.	Istanbul	TRL	303,400,000,000	-	99.95	78.22	Set Group Holding 21.73 Anadolu Cimentolari Tas
Set Cimento Sanayi ve Tas	Istanbul	TRL	25,890,500,000,000	-	99.81	99.81	Set Group Holding
Set Group Holding	Istanbul	TRL	18,508,410,000,000	-	99.99	99.99	Ciments Français S.A.
Sri Lanka							
International Cement Traders Ltd	Colombo	LKR	401,416,620	-	80.00	80.00	Ciments Français S.A.

¹ percentage of interest



Annex B

LIST OF COMPANIES CONSOLIDATED WITH THE PROPORTIONAL METHOD

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

Company	Registered office	Share capital	% direct	% indirect	Held by Group companies % held by:
EUROPEAN UNION					
France					
Béton Contrôle de Montceau le Creusot S.A.	Montceau Les M.	€ 588,000	-	49.99	49.99 Unibéton S.A.
Carrières Bresse Bourgogne	Saint Marcel	€ 387,189	-	66.48	66.48 Dragages et Carrières S.A.
Dragages et Carrières S.A.	Saint Marcel	€ 1,000,000	-	49.99	49.99 GSM S.A.
Graves de l'Estuaire de la Gironde L.G.E.G.	Saint Jean de Blaignac	-	-	50.00	50.00 GSM S.A.
Les Calcaires Girondins S.a.s.	Cenon	€ 100,000	-	50.00	50.00 GSM S.A.
Les Graves de l'Estuaire S.a.s.	Le Havre	€ 297,600	-	33.33	33.33 GSM S.A.
Société Calcaires Lorrains	Heillecourt	€ 40,000	-	49.92	49.92 GSM S.A.
Société Parisienne des Sablières S.A.	Pont de L'Arche	€ 320,000	-	50.00	50.00 GSM S.A.
STE des Calcaires de Souppes sur Loing	Souppes sur Loing	€ 2,145,000	-	50.00	50.00 GSM S.A.
Belgium					
Société des Carrières du Tournais S.C.T. S.A.	Tournai	€ 61,973.38	-	65.00	65.00 Compagnie des Ciments Belges S.A.
OTHER COUNTRIES					
India					
Sri Vishnu Cement Ltd	Bangalore	INR 248,549,020	-	96.36	96.36 Zuari Cement Ltd
Zuari Cement Ltd	Goa	INR 3,279,614,000	-	50.00	50.00 Ciments Français S.A.

Annex C

LIST OF COMPANIES CONSOLIDATED WITH THE EQUITY METHOD

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

Company	Registered office	Share capital	% direct	% indirect	Held by Group companies % held by:
EUROPEAN UNION					
Italy					
Aliserio S.p.A.	Bergamo	€ 2,270,000	10.00	90.00	90.00 Italcementi S.p.A. 10.00 Italmobiliare Soc. per Az.
Cementi della Lucania S.p.A.	Potenza	€ 619,746	-	30.00	30.00 Italcementi S.p.A.
E.C.I.T. S.r.l.	Ravenna	€ 104,208	-	50.00	50.00 Calcestruzzi S.p.A.
General Cave S.r.l.	Fiumicino (RM)	€ 31,200	-	50.00	50.00 Speedybeton S.p.A.
GESVIM S.r.l.	Milan	€ 820,000	-	50.00	50.00 Azienda Vendite e Acquisti A.V.A. S.p.A.
GIST S.r.l. Gamma Iniziative Sportive Turistiche	Firenze	€ 612,000	-	50.00	50.00 Intermobiliare S.p.A.
IMES S.r.l.	S. Cipriano Pic. (SA)	€ 206,000	-	100.00	100.00 Italcementi S.p.A.
Immobiliare Golf Punta Ala S.p.A.	Punta Ala (GR)	€ 5,164,000	-	36.50	24.75 Azienda Vendite e Acquisti A.V.A. S.p.A. 11.75 Punta Ala Promozione e Sviluppo Immobiliare S.r.l.
Italconult S.p.A.	Rome	€ 5,404,703.20	-	29.19	29.19 Italcementi S.p.A.
Mantovana Inerti S.r.l.	Cavriana (MN)	€ 702,000	-	50.00	50.00 Calcestruzzi S.p.A.
Mittel S.p.A.	Milan	€ 39,000,000	12.91	-	12.91 Italmobiliare Soc. per Az.
SAFRA S.r.l.	Bologna	€ 51,480	-	33.33	33.33 Calcestruzzi S.p.A.
Silicalcite S.p.A.	Bergamo	€ 4,000,000	-	100.00	100.00 Italcementi S.p.A.
France					
Béton Contrôle des Abers S.A.	Lannilis	€ 104,000	-	34.00	34.00 Unibéton S.A.
Béton Saône S.A.	Macon	€ 40,000	-	35.00	35.00 Unibéton S.A.
Dragages Transports & Travaux Maritimes S.A.	La Rochelle	€ 1,702,272	-	39.99	39.99 GSM S.A.
Finter Bank France S.A.	Paris	€ 20,000,000	-	100.00	65.49 Soparfinter S.A. 32.50 Finter Bank Zürich S.A. 1.61 Fincomind S.A. 0.40 Soc. d'Etudes de Participation et de Courtages
Finter Gestion S.A.	Paris	€ 150,000	-	99.37	99.37 Finter Bank France S.A.
S.A. Dijon Béton	Dijon	€ 184,000	-	15.00	15.00 GSM S.A.
Stinkal S.a.s.	Ferques	€ 1,120,000	-	35.00	35.00 GSM S.A.



Annex C (continued)

Company	Registered office		Share capital	% Direct	% Indirect	Held by Group companies % held by:	
Ireland							
Kayward Limited	Dublin	€	1,608	-	99.94	99.94	Soparfinter S.A.
Luxembourg							
Soparfinter S.A.	Luxembourg	CHF	5,000,000	-	100.00	97.85 2.15	Fincomind S.A. Société de Participation Financière Italmobiliare S.A.
NORTH AMERICA							
Canada							
1475544 Ontario Inc.	Markham	CAD	100	-	100.00	100.00	Im Scott Holdings Ltd
2003897 Ontario Inc.	Concord	CAD	18,300,000.20	-	50.00	50.00	Essroc Canada Inc.
3092-0631 Quebec Inc.	St. Basile	-	-	-	100.00	100.00	Ciment Quebec Inc.
Beton du Cap Inc.	Cap de la Madeleine	-	-	-	75.00	75.00	Ciment Quebec Inc.
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.
Im Scott Holdings Ltd	Markham	CAD	100	-	100.00	100.00	2003897 Ontario Inc.
St. Basile Transport Inc.	St. Basile	-	-	-	100.00	100.00	Ciment Quebec Inc.
To Ready Mix Ltd	Markham	CAD	100	-	100.00	100.00	Im Scott Holdings Ltd
OTHER COUNTRIES							
Bahamas							
Finter Bank & Trust (Bahamas) Ltd	Nassau	USD	2,000,000	-	100.00	100.00	Finter Bank Zürich S.A.
Cyprus							
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.
Principality of Monaco							
Crédit Mobilier de Monaco S.A.	Monaco	€	5,355,000	-	99.91	99.91	Société de Participation Financière Italmobiliare S.A.
Switzerland							
Fincomind S.A.	Zollikon	CHF	10,010,000	69.93	30.07	69.93 30.07	Italmobiliare Soc. per Az. Société de Participation Financière Italmobiliare S.A.
Finconsult AG	Zürich	CHF	500,000	-	100.00	100.00	Finter Bank Zürich S.A.
Finter Bank Zürich S.A.	Zürich	CHF	45,000,000	-	100.00	100.00	Fincomind S.A.
Egypt							
Suez Bag Company	Cairo	LE	9,000,000	-	56.68	53.32 3.36	Suez Cement Company Tourah Portland Cement Company
Suez Cement Company	Cairo	LE	640,000,000	-	41.47	34.07 7.40	Ciments Français S.A. Tourah Portland Cement Company
Tourah Portland Cement Company	Cairo	LE	238,414,000	-	66.12	66.12	Suez Cement Company

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

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

Company	Registered office	Share capital	% direct	% indirect	Held by Group companies % held by:
EUROPEAN UNION					
Italy					
Azienda Agricola Lodoletta S.r.l.	Bergamo	€ 10,400	-	75.00	75.00 Italcementi S.p.A.
Betongenova S.r.l. - in liquidation	Genova	€ 10,400	-	36.12	22.68 Calcestruzzi S.p.A. 13.44 Cemencal S.p.A.
Betonsud S.r.l. - in liquidation	Foggia	€ 1,082,220	-	49.99	49.99 Calcestruzzi S.p.A.
Calcestruzzi Emilia S.r.l.	Asola (MN)	€ 46,481.10	-	100.00	100.00 Calcestruzzi S.p.A.
Calcestruzzi e Inerti S.r.l.- in liq.	Civita Castellana (VT)	€ 10,000	-	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.
Cartiere Burgo S.p.A.	Cuneo	€ 156,279,377.28	-	15.36	15.36 Société de Participation Financière Italmobiliare S.A.
Cava delle Capannelle S.r.l.	Bergamo	€ 31,200	-	49.00	49.00 Calcestruzzi S.p.A.
Cementi e Calci di S. Marinella S.r.l.	Bergamo	€ 10,000	-	66.67	66.67 Italcementi S.p.A.
Ecoinerti S.r.l.	Recanati (MC)	€ 91,800	-	50.00	50.00 Calcestruzzi S.p.A.
Gres Dalmine Resine Wavin S.c.a r.l.	Sorisole (BG)	€ 91,800	-	35.00	35.00 Società del Gres Ing. Sala S.p.A.
Immobiliare Lido di Classe S.p.A.- in liquidation	Rome	€ 255,000	18.04	-	18.04 Italmobiliare Soc. per Az.
Immobiliare Salesiane S.r.l.	Bergamo	€ 350,000	-	100.00	100.00 Italcementi S.p.A.
Italcementi Ingegneria S.r.l.	Bergamo	€ 266,220	-	100.00	100.00 Italcementi S.p.A.
Soc. Editrice Siciliana S.E.S. S.p.A.	Messina	€ 5,112,900	33.00	-	33.00 Italmobiliare Soc. per Az.
Universal Imballaggi S.r.l.	Palermo	€ 1,131,588	-	24.90	24.90 Sirap Gema S.p.A.
France					
Arden'Pompagne S.A.R.L.	Les Ayvelles	€ 9,146.94	-	100.00	100.00 Unibéton S.A.
Béton Contrôle de Gascogne S.A.	Soorts Hossegor	€ 40,000	-	37.00	37.00 Béton Contrôle du Pays Basque S.A.
Bureau Engineering Travaux Publics (S.A. BETP)	Guérande	€ 523,205.03	-	99.94	79.94 Comp. Financière et de Participations S.A. 20.00 Arena S.A.
Carrières de Mazaugues S.A.R.L.	Maubec	€ 76,224.51	-	50.00	50.00 GSM S.A.
Ciments Français Participations S.n.c.	Puteaux	€ 1,500	-	100.00	50.00 Ciments Français S.A. 50.00 Comp. Financière et de Participations S.A.
Commingeoise de Restauration du Patrimoine S.A.R.L.	Saint Gaudens	€ 7,622	-	100.00	100.00 Socli S.A.
Dunkerque Ajouts S.n.c.	Paris	€ 6,000	-	33.34	33.34 Ciments Calcia S.A.
Elco S.a.s.	Courbevoie	€ 397,373.61	-	24.99	24.99 Ciments Calcia S.A.
Entreprise Lorraine d'Agriculture - ELDA S.A.R.L.	Heillecourt	€ 10,000	-	100.00	100.00 GSM S.A.
Frambois Granulats S.A.R.L.	Moncel les Luneville	€ 75,000	-	50.00	50.00 GSM S.A.
GIE d'exploitation du chenal de Saintonge	Pessac	-	-	75.00	75.00 GSM S.A.
GIE des Terres de Mayocq	St. Firmin	-	-	50.00	50.00 Eurarco France
GIE Gisamo	Carrières s/P.	-	-	100.00	99.00 GSM S.A. 1.00 Sables et Gravieres de la Garonne GIE
GIE GM	Reims	-	-	63.00	63.00 GSM S.A.
GIE Les Sables	Mehun sur Yevre	€ 1,500	-	50.00	50.00 GSM S.A.
Gitec - GIE	Paris	-	-	49.00	49.00 Ciments Français S.A.
Les Calcaires Sud Charentes	Cherves Richemont	€ 1,524.49	-	34.00	34.00 GSM S.A.
Matériaux Routiers du Béarn S.A.R.L.	Rebenacq	€ 15,000	-	33.30	33.30 GSM S.A.
Neyrtec Industrie S.A.	Le Pont de Claix	FF 10,000,000	100.00	-	100.00 Italmobiliare Soc. per Az.
Port St. Louis Aménagement S.n.c.	Carrières s/P.	€ 7,622.45	-	51.00	51.00 GSM S.A.
Port St. Louis Remblaiement S.A.R.L.	Carrières s/P.	€ 7,622.45	-	51.00	51.00 GSM S.A.
Provence Aménagement S.A.	Port Fréjus	€ 480,000	-	35.00	35.00 Arena S.A.
Saint Remy Aggrégats S.A.R.L.	Salon de Provence	€ 7,622.50	-	100.00	100.00 GSM S.A.
Sas des Grésillons	Guerville	€ 40,000	-	35.00	35.00 GSM S.A.
SCI Batlongue	Arudy	€ 53,504	-	100.00	100.00 GSM S.A.
SCI Coralie	Allonnes	€ 3,048.98	-	100.00	80.00 Bonafini S.A. 20.00 Larricq S.A.
SCI de Balloy	Avon	€ 20,310	-	100.00	100.00 GSM S.A.
SCI Delrieu Freres	Fumel	€ 17,379.19	-	100.00	50.00 Ciments Français S.A. 50.00 Socli S.A.
SCI des Granets	Cayeux sur M.	€ 4,695	-	47.33	47.33 GSM S.A.
SCI du Colombier	Rungis	€ 2,000	-	63.00	63.00 GSM S.A.



Annex D (continued)

Company	Registered office		Share capital	% direct	% indirect	Held by Group companies % held by:	
SCI du Domaine de Saint Louis	Carrières s/P.	€	6,720	-	99.76	99.76	GSM S.A.
SCI Lepeltier	S. Douillard	€	6,150	-	99.76	99.76	GSM S.A.
SCI Triel Carrières	Le Vesinet	€	13,500	-	99.89	99.89	GSM S.A.
SnC Rouennaise de Transformation	Grand - Couronne	€	7,500	-	60.00	60.00	Ciments Calcia S.A.
Société Civile Bachant le Grand Bonval	Carrières s/P.	€	1,500	-	80.00	80.00	GSM S.A.
Société Civile Carrière de Maraval	Fréjus	€	1,524.49	-	100.00	100.00	GSM S.A.
Société Civile d'Exploitation Agricole de l'Avesnois	Reims	€	3,000	-	90.00	50.00 40.00	Société Civile Bachant le Grand Bonval GSM S.A.
Société de la Grange d'Etaule	Gray	€	3,750	-	99.60	99.60	Ciments Calcia S.A.
Société Foncière de la petite Seine S.a.s.	Saint Sauveur les Bray	€	50,000	-	40.00	40.00	GSM S.A.
STE des Bétons de Torcy " S.B.T."	Torcy	€	252,000	-	100.00	100.00	Unibéton S.A.
Unibéton Est S.a.s.	Heilcourt	€	40,000	-	100.00	100.00	Unibéton Holding S.A.
Unibéton Holding S.A.	Guerville	€	45,000	-	99.88	99.88	Arena S.A.
Unibéton Ile de France S.a.s.	L'île Saint Denis	€	40,000	-	100.00	100.00	Unibéton Holding S.A.
Unibéton Med S.a.s.	Lambesc	€	40,000	-	100.00	100.00	Unibéton Holding S.A.
Unibéton Nord S.a.s.	Hellemmes - Lille	€	40,000	-	100.00	100.00	Unibéton Holding S.A.
Unibéton Normandie S.a.s.	Rouen	€	40,000	-	100.00	100.00	Unibéton Holding S.A.
Unibéton Pays de Loire S.a.s.	Tours	€	40,000	-	100.00	100.00	Unibéton Holding S.A.
Unibéton S.O. S.a.s.	Pessac	€	40,000	-	100.00	100.00	Unibéton Holding S.A.
Spain							
Asociación de Empresas de Transporte a Granel Atlántica de Graneles y Moliendas S.A.	S. Sebastián Vizcaya	€	23,138.41 299,890.61	-	92.86 50.00	92.86 50.00	Sociedad Financiera y Minera S.A. Sociedad Financiera y Minera S.A.
Canteras Aldoyar S.L.	Olazagutia	€	1,508,510	-	20.00	20.00	Hormigones y Minas S.A.
Cisnel Descargas S.L.	Madrid	€	3,010	-	100.00	100.00	Sodecim S.a.s.
Conglomerates Hidráulicos Especiales S.A.	Madrid	€	3,120	-	85.00	85.00	Sociedad Financiera y Minera S.A.
Eurosfaltes y Construcción S.A.	Málaga	€	60,500	-	100.00	99.00 1.00	Sociedad Financiera y Minera S.A. Compañía General de Canteras S.A.
Eurocalizas S.L.	Cantabria	€	783,000	-	26.00	26.00	Hormigones y Minas S.A.
Exportaciones de Cemento del Norte de España S.A.	Bilbao	€	60,099.77	-	45.00	45.00	Sociedad Financiera y Minera S.A.
Hormigones Olatzi S.A.	Olazagutia	€	283,803.11	-	25.00	25.00	Hormigones y Minas S.A.
Hormigones Txingudi S.A.	San Sebastián	€	60,099.77	-	50.00	50.00	Hormigones y Minas S.A.
Maquinaria para Hormigones A.I.E.	Bilbao	€	258,435.21	-	37.50	37.50	Sociedad Financiera y Minera S.A.
Neuciclaje S.A.	Bilbao	€	60,101.21	-	30.00	30.00	Sociedad Financiera y Minera S.A.
Novhorvi S.A.	Vitoria	€	180,300	-	25.00	25.00	Hormigones y Minas S.A.
Nugra S.A.	Madrid	€	60,100	-	100.00	100.00	Sociedad Financiera y Minera S.A.
Transagrox Pasajes S.A.	Guipúzcoa	€	1,652,783.29	-	100.00	100.00	H.C. Plasier Beheer B.V.
Universal de Hormigones Unidos S.L.	Madrid	€	3,010	-	99.80	99.80	Sociedad Financiera y Minera S.A.
Greece							
Betodomi S.A.	Iraklion	€	117,200	-	30.00	30.00	Domiki Béton S.A.
Skyra S.r.l.	Mandra	€	8,804.11	-	100.00	100.00	Ammos Quarries of East Attica S.A.
Germany							
Saarlandische Zementgesellschaft MBH	Saarbrücken	€	52,000	-	80.00	80.00	Ciments Français International S.A.
Luxembourg							
Omniun des Arts et Techniques S.A.	Luxembourg	€	1,338,456	-	99.99	99.99	Ciments Français International S.A.
Unibéton Luxembourg S.A.	Luxembourg	€	35,000	-	99.71	99.71	Unibéton S.A.
Holland							
H.C. Plasier Beheer B.V.	Vlaardingen	€	18,151.21	-	100.00	100.00	Rular Trading B.V.
R.G. Aggregates B.V.	Vlaardingen	€	18,151.21	-	100.00	100.00	Ruler International
Rular Trading B.V.	Vlaardingen	€	18,151.21	-	100.00	100.00	Ruler International



Company	Registered office		Share capital	% direct	% indirect	Held by Group companies % held by:	
OTHER COUNTRIES							
Dutch antilles							
Ruler International	Curaçao	USD	6,000	-	100.00	100.00	Compagnie des Ciments Belges S.A.
Bulgaria							
Devnya Finance	Devnya	LEV	50,000,000	-	50.00	50.00	Devnya Cement AD
Dobrotitsa BSK A.D.	Dobritch	LEV	100	-	26.00	26.00	Devnya Cement AD
Ljulyaka A.D.	Devnya	LEV	759,372	-	100.00	100.00	Devnya Cement AD
Kazakhstan							
Shymkent Cement	Shymkent	TEN	350,000,000	-	99.75	99.75	Ciments Français S.A.
Morocco							
Asment (Ciments de Temara)	Temara	MAD	171,875,000	-	37.01	19.99 17.02	Ciments Français S.A. Procimar S.A.
Société Immobilière Marguerite VIII	Casablanca	MAD	100,000	-	98.00	98.00	Ciments du Maroc
Société Immobilière Marguerite X	Casablanca	MAD	100,000	-	98.00	98.00	Ciments du Maroc
Thailand							
JTC	Bangkok	BT	1,000,000	-	57.27	57.27	Jalaprathan Concrete Products Co, Ltd ¹
Sukanit	Bangkok	BT	500,000	-	56.91	56.91	Jalaprathan Concrete Products Co, Ltd ¹
Turckey							
Altas Ambarlj Liman Tesisleri Tas	Istanbul	TRL	500,000,000,000	-	21.78	10.89 10.89	Anadolu Cimentolari Tas Marmara Cimento Sanayi Tas
Met Teknik Servis ve Maden Sanayi Ticaret A.S.	Istanbul	TRL	50,000,000,000	-	99.99	99.99	Set Group Holding
Singapore							
Vietcim (Singapore) PTE Ltd	Singapore	SGD	2	-	100.00	100.00	Investcim S.A.
Vietnam							
Donafrence Cement JV Company	Dong Nai Province	USD	13,500,000	-	70.00	70.00	Vietcim (Singapore) PTE Ltd

¹ percentage of interest



Annex E

LIST OF OTHER INVESTMENTS GREATER THAN 10%

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

Company	Registered office		Share capital	% direct	% indirect	Held by Group companies % held by:	
EUROPEAN UNION							
Italy							
Compagnia Fiduciaria Nazionale S.p.A.	Milan	€	312,000	16.67	-	16.67	Italmobiliare Soc. per Az.
Ecoserio S.r.l.	Bergamo	€	48,960	-	12.50	12.50	Calcestruzzi S.p.A.
Fin.Priv. S.r.l.	Milan	€	20,000	14.28	-	14.28	Italmobiliare Soc. per Az.
I.GE.PO. - Impresa Gestione Porti S.r.l. in liquidation	Vibo Valentia	€	25,500	-	18.00	18.00	Italcementi S.p.A.
Janua Marittima S.p.A.	Genova	€	2,205,000	-	10.71	10.71	Italcementi S.p.A.
LUXVIDE S.p.A.	Rome	€	4,128,000	10.81	-	10.81	Italmobiliare Soc. per Az.
Musone S.r.l. ²	Civitanova Marche (MC)	€	102,960	-	-	100.00	Calcestruzzi S.p.A.
Procalmi S.r.l. - in liquidation	Milan	€	51,000	-	11.52	11.52	Cemencal S.p.A.
France							
Granulats Marins de Normandie - GIE	Le Havre	-	-	-	11.05	11.05	GSM S.A.
Scori S.A.	Plaisir	€	1,092,800	-	13.95	13.95	Ciments Calcia S.A.
Great Britain							
Sirio Vide Ltd	London	GBP	100	11.00	-	11.00	Italmobiliare Soc. per Az.

² held as usufruct

■ Additional
information



Annex F

VARIATIONS IN SHAREHOLDERS' EQUITY

	(in thousands of euro)								
	Share capital	Legal reserve	Monetary revaluation reserve	Share premium reserve	Reserve for purchase of own shares	Other reserves of the company	Other consolidation reserves	Net result for the period	Group shareholder's equity
Balance at 12.31.2002	100,167	20,033	86,760	177,191	21,120	484,558	562,272	119,758	1,571,859
Allocation of income at 12.31.2002									
Board of Directors								(604)	(604)
Dividends								(36,623)	(36,623)
Legal reserve									
Extraordinary reserve						17,613		(17,613)	
Carried forward						7,685		(7,685)	
Transfer of reserves						57,233		(57,233)	
Exchange rate differences and consolidation adjustments									
							(35,624)		(35,624)
Net income for the period								85,736	85,736
Balance at 06.30.2003	100,167	20,033	86,760	177,191	21,120	509,856	583,881	85,736	1,584,744



Annex G

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

	(in thousands of euro)			
	06.30.2003		12.31.2002	
A) Net income for the period of Italmobiliare S.p.A.	48,375		62,525	
Consolidation adjustments				
Net results of consolidated companies (Group portion)	75,084		108,344	
Adjustment to Group accounting policies (Group portion)	254		(1,640)	
Adjustment to value of investments stated using the equity method	532		(934)	
Adjustment of the gain on equity investments sold	(307)		(1,297)	
Elimination of dividends received during the period	(35,702)		(33,540)	
Elimination of write-downs of consolidated equity investments	325		872	
Elimination of intercompany income or losses and other variations	(2,825)		(14,572)	
Group net income	85,736		119,758	
Shareholders' equity				
B) Shareholders' equity of Italmobiliare S.p.A.	963,505		952,357	
Adjustment to Group accounting policies	7,721		6,818	
Elimination of the book value of consolidated equity investments				
- in subsidiary companies consolidated on a line-by-line basis	(1,013,300)		(1,006,343)	
- in subsidiary and associated companies consolidated on an equity basis	(37,270)		(1,050,570)	
			(37,273)	
			(1,043,616)	
Elimination of shareholders' equity of consolidated equity investments				
- in subsidiary companies consolidated on a line-by-line basis	1,549,891		1,535,263	
- in subsidiary and associated companies consolidated on an equity basis	92,391		1,642,282	
			94,216	
			1,629,479	
Gains posted to shareholders' equity of subsidiary and associated companies	35,725		35,468	
Elimination of the effects of infragroup operations	(13,919)		(8,647)	
Group consolidated shareholders' equity	1,584,744		1,571,859	



Reclassified consolidated balance sheet

(in thousands of euro)	06.30.2003	%	12.31.2002	%	Change 2003/2002
Fixed assets					
Intangible assets	1,389,432		1,406,708		(17,276)
Tangible assets	2,919,915		3,010,559		(90,644)
Investments and other financial assets	999,592		1,065,248		(65,656)
Total	5,308,939	84.5	5,482,515	86.8	(173,576)
Working capital					
Inventories	451,996		461,540		(9,544)
Trade receivables	1,192,487		993,045		199,442
Trade payables	(677,838)		(690,734)		12,896
Other assets	405,526		425,532		(20,006)
Other liabilities	(398,888)		(352,424)		(46,464)
Total	973,283	15.5	836,959	13.2	136,324
Net invested capital	6,282,222	100.0	6,319,474	100.0	(37,252)
Shareholders' equity					
Pertaining to the Group	1,584,744		1,571,859		12,885
Minority interest	1,912,945		2,037,860		(124,915)
Total	3,497,689	55.7	3,609,719	57.1	(112,030)
Floating rate subordinated securities	64,307	1.0	77,010	1.2	(12,703)
Provisions					
Employees' leaving entitlements	85,447		85,357		90
Other provisions	623,899		634,327		(10,428)
Total	709,346	11.3	719,684	11.4	(10,338)
Net debt					
Liquid funds and current financial assets	(898,256)		(849,726)		(48,530)
Short-term financing	998,372		834,861		163,511
Short-term indebtedness	100,116	1.6	(14,865)	(0.2)	114,981
Medium/long-term financial assets	(374)		(8,410)		8,036
Medium/long-term financial liabilities	1,911,138		1,936,336		(25,198)
Medium to long term indebtedness	1,910,764	30.4	1,927,926	30.5	(17,162)
Net debt	2,010,880	32.0	1,913,061	30.3	97,819
Total financing	6,282,222	100.0	6,319,474	100.0	(37,252)

Reclassified consolidated income statement



(in thousands of euro)	06.30.2003	%	06.30.2002	%	Change	%	12.31.2002	%
Net sales	2,179,218	100.0	2,159,741	100.0	19,477	0.9	4,365,279	100.0
Variation in inventories	(8,048)	(0.4)	(14,377)	(0.7)	6,329	(44.0)	16,994	0.4
Increase in internal work	8,027	0.4	8,475	0.4	(448)	(5.3)	18,210	0.4
	2,179,197	100.0	2,153,839	99.7	25,358	1.2	4,400,483	100.8
Other revenues	17,526	0.8	19,884	0.9	(2,358)	(11.9)	39,721	0.9
Net sales and other operating income	2,196,723	100.8	2,173,723	100.6	23,000	1.1	4,440,204	101.7
Consumables	559,977	25.7	548,437	25.4	11,540	2.1	1,094,291	25.1
Services	693,869	31.8	677,082	31.4	16,787	2.5	1,369,839	31.4
Other operating costs	58,793	2.7	60,541	2.8	(1,748)	(2.9)	108,619	2.5
Value added	884,084	40.6	887,663	41.1	(3,579)	(0.4)	1,867,455	42.8
Personnel expenses	372,924	17.1	359,911	16.7	13,013	3.6	722,751	16.6
Provisions and write-downs	12,996	0.6	13,139	0.6	(143)	(1.1)	27,749	0.6
Gross operating profit	498,164	22.9	514,613	23.8	(16,449)	(3.2)	1,116,955	25.6
Amortization and depreciation	196,025	9.0	193,591	9.0	2,434	1.3	408,651	9.4
Operating income	302,139	13.9	321,022	14.9	(18,883)	(5.9)	708,304	16.2
(difference between production value/costs)								
Financial income and charges	(22,450)	(1.0)	(27,039)	(1.3)	4,589	(17.0)	(62,557)	(1.4)
Adjustments to financial asset values	13,367	0.6	6,077	0.3	7,290	120.0	(32,464)	(0.7)
Non-recurring income and charges	11,332	0.5	(17,571)	(0.8)	28,903	(164.5)	(46,573)	(1.1)
Income before taxes	304,388	14.0	282,489	13.1	21,899	7.8	566,710	13.0
Income taxes	(113,910)	(5.3)	(116,157)	(5.4)	2,247	(1.9)	(190,489)	(4.4)
Income before minority interest	190,478	8.7	166,332	7.7	24,146	14.5	376,221	8.6
Minority interest	104,742	4.8	102,927	4.8	1,815	1.8	256,463	5.9
Group net income	85,736	3.9	63,405	2.9	22,331	35.2	119,758	2.7
Cash flow	386,503	-	359,923	-	26,580	-	784,872	-



Consolidated statement of cash flows

(in thousands of euro)	06.30.2003	12.31.2002	06.30.2002
A) Cash and cash equivalents at beginning of the period	244,344	157,438	157,438
B) Cash flow from operating activities			
Group net income	85,736	119,758	63,405
Minority interest	104,742	256,463	102,927
Depreciation	195,981	391,016	193,591
Change from companies valued using the equity method	1,510	11,853	(8,775)
Dividends from companies valued using the equity method	752	846	846
Write-downs/revaluations of fixed assets	2,964	44,605	7,648
Capital (gain) loss on sales of fixed assets	(8,423)	(39,812)	(7,547)
Interest on debenture loan	-	4,741	4,741
Interest income on floating rate subordinated securities	(12,703)	(23,496)	(12,035)
Change in employees' leaving entitlements	92	2,415	1,035
Change in other provisions	558	(57,352)	6,880
	371,209	711,037	352,716
Change in working capital			
Inventories	(1,020)	(18,918)	12,488
Trade receivables	(206,450)	(37,245)	(191,860)
Payables	2,550	11,391	310
Other assets/liabilities	59,051	(8,147)	(21,843)
Investments not held as fixed assets	(10,925)	19,605	768
	(156,794)	(33,314)	(200,137)
Total B)	214,415	677,723	152,579
C) Cash flow from investing activities			
Investments in fixed assets:			
Intangible	(7,035)	(31,945)	(9,749)
Tangible	(122,060)	(400,398)	(160,694)
Financial (equity investments)	(78,300)	(463,984)	(375,655)
Change in payables for purchase of fixed assets	(12,100)	16,179	(13,968)
Change in payables for purchase of fixed asset	(7,090)	7,445	64,357
Share buyback	-	-	-
	(226,585)	(872,703)	(495,709)
Change in receivables for sale of financial assets	(648)	11,998	9,460
Proceeds from sales of fixed assets	14,987	126,471	24,809
Total C)	(212,246)	(734,234)	(461,440)
D) Cash flow from financial activities			
Change in financial receivables	(47,983)	182,300	180,735
Change in financial payables	153,288	113,076	396,235
Change in financial assets not included in net debt	(4,932)	(15,129)	(15,539)
Total D)	100,373	280,247	561,431
E) Cash flow from variations in shareholders' equity			
Share capital increases	617	5,109	2,998
Grants related to assets	-	-	-
Dividends paid to minority interest	(108,762)	(128,356)	(126,007)
Share capital repayments	-	-	-
Total E)	(108,145)	(123,247)	(123,009)
F) Change in consolidation and translation differences	(2,426)	(13,583)	999
G) Cash flow for the period	(8,029)	86,906	130,560
H) Cash and cash equivalents at the period end	236,315	244,344	289,998

**AUDITORS' REPORT ON THE REVIEW
OF THE MANAGEMENT REPORT
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2003 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. for the semi-annual period ended June 30, 2003, represented by the Balance Sheets and the Statements of Income and related Notes of Italmobiliare S.p.A. (Parent Company Statements) and of the Italmobiliare Group (Consolidated Statements). 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 operations, 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, 2003 of certain subsidiary companies, which represents approximately 11,8% of the consolidated assets and 9,8% of the consolidated revenues, was performed by other auditors who supplied us with their review reports. A review consists mainly of obtaining information with respect to the accounts included in the statements identified in paragraph 1. of this report and the consistency of the accounting principles applied through discussions with appropriate members of management, and analytical procedures applied to 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 on assets and liabilities. Consequently, the scope of a review engagement provides significantly less assurance than a full scope audit performed in accordance with generally accepted auditing standards. Accordingly, we do not express an audit opinion on the statements and related Notes identified in paragraph 1. of this report of Italmobiliare S.p.A. as of and for the six months period ended June 30, 2003 as we do in connection with reporting on our full scope audits of the annual Parent Company and Consolidated financial statements of Italmobiliare S.p.A..
3. With respect to the parent company and the consolidated comparative data as of and for the year ended December 31, 2002 and for the six months period ended June 30, 2002, reference should be made to our audit and review reports issued on April 10, 2003 and on September 20, 2002 respectively.

4. Based on 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 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 22, 2003

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