

ITALMOBILIARE

Consolidated quarterly report
as of 30 September 2002



Contents

Comments on third-quarter operations and significant events	3
Construction materials	10
Food packaging and thermal insulation	15
Financial sector	17
Outlook	20
Consolidated financial statements	21
Notes to the financial statements	24

Consolidated quarterly report
as of 30 September 2002

November 13, 2002

ITALMOBILIARE

Società per Azioni

Head office: via Borgonuovo, 20
20121 Milano, Italy

Share capital € 100.166.937
Milano Company 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	General Manager
	Livio Strazzerà		
	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
--	------------------------------	----------------------

- 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



Comments on third-quarter operations and significant events

In the 3rd quarter of 2002 the Italmobiliare Group recorded overall net income before minority interest of 100.2 million euro and Group net income of 16.2 million euro compared to 138.1 million euro and 71.4 million euro respectively in the same period in 2001.¹

The year to date to 30 September saw overall income before minority interest of 266.5 million euro and Group net income of 79.6 million euro, compared to 295.1 million euro and 133.1 million euro in the year to date to 30 September 2001.¹

The main features of the result were:

- further improvement in Italcementi's consolidated results;
- a positive contribution from Sirap Gema (in the previous year it made a loss because of the restructuring activities undertaken in the insulation sector);
- a reduced contribution from the wholly owned financial companies.

The fall in the result in the quarter and in the year to date compared to the previous year was caused also by the presence, in 2001, of the sizeable capital gain realized by the Parent Company Italmobiliare following the sale of its equity investment in Montedison, an event that was not matched in quantitative terms by the capital gains realized on the sale of SAB that took place at the beginning of the 3rd quarter.

In the 3rd quarter the **Italcementi group** (Italmobiliare's main industrial equity investment) saw Group net income of 86.5 million euro (65.9 million euro in the 3rd quarter of 2001) that brought the result for the year to date to 30 September 2002 to 194.4 million euro (155 million euro at 30 September 2001), with net sales of 1,118.8 million euro in the quarter (+7.4%) and 3,226.9 million euro in the year to date (+5.4%).

As part of the initiatives whose aim was to strengthen some industrial equity investments, the following operations undertaken during the quarter should be noted:

- the purchase of ordinary shares (partly by using a public tender offer) and preferred shares in the subsidiary Halyps Building Materials, with an overall investment of 10.7 million euro, that raised the equity investment in the company to around 99% of the total share capital: the procedure to delist the company from the Athens Stock Exchange has begun;
- the purchase of a further 7.6% of the share capital of Asia Cement Public Company, with an overall investment at 30 September 2002 of 10.2 million euro, and the launch of a public tender offer for the remaining shares following the request to exclude the company from trading on the Bangkok Stock Exchange.

Italcementi's indirect equity investment in Ciments Français S.A. rose to 71.1% following the purchase of a further 502,081 shares with an investment of 23.9 million euro.

¹ the figures for 2001 have been restated to reflect the consolidation of Zuari Cement Ltd (a company 50% owned by the Italcementi group) on a proportional basis, which in the interim reports had been consolidated on a line-by-line basis



In addition, as part of the stock option plan for directors and managers of the respective companies, their own company shares were purchased both by Italcementi S.p.A., 957,800 ordinary shares for an equivalent value of approximately 9 million euro, and by Ciments Français S.A., 114,305 ordinary shares with an investment of 5.4 million euro.

The **Sirap Gema group** (food packaging and thermal insulation) recorded net sales in the quarter of 26.5 million euro (26.9 million euro) and in the first nine months of 78.2 million euro (86.2 million euro), with net income in the quarter of 1.1 million euro (2.3 million euro) and in the year to date to 30 September 2002 of 3.1 million euro (a loss of 7.0 million euro).

The positive changes seen in the first nine months were a consequence of the thermal insulation division's restructuring process, already described in previous reports.

The main wholly owned financial companies recorded the following results in the period:

- **Italmobiliare International Finance Ltd** (which operates on international capital markets) in the 3rd quarter of 2002 recorded net income of 4.4 million euro (4.5 million euro) thus raising overall net income in the year to date to 30 September 2002 to 12.1 million euro (14.9 million euro);
- **Société de Participation Financière Italmobiliare S.A.** (the financial company which manages key equity investments and liquidity) in the 3rd quarter of 2002 made a loss of 22 million euro (a loss of 22.8 million euro) and a loss in the first nine months of 20.1 million euro (a loss of 16.3 million euro), because of the poor performance of stock markets that worsened even further, following the already large fall seen in September 2001 that led to major write-downs of some equity investments held;
- the **Fincomind group** (which controls Finter Bank Zürich and Finter Bank France) in the 3rd quarter of 2002 recorded net income of 238 thousand Swiss francs (compared to a loss of 2,142 thousand Swiss francs), bringing net income for the nine months of the year to 2 million Swiss francs (previously it was broadly at breakeven).



Main operation involving Italmobiliare's equity investments and its subsidiaries

As previously commented on in the half year report, in July Italmobiliare, following authorization from the Antitrust Authority, sold the entire share capital of SAB Autoservizi to the British group ARRIVA for 58 million euro, recording a capital gain, at a consolidated level, of 18.5 million euro.

The agreement envisages the payment of an additional 10 million euro related to the achievement by 2004 of the targets set out in the company's business plan. The buyer was provided with the usual contractual guarantees for potential charges arising from ongoing disputes.

In addition, again in July, the sale of the 29% equity investment in Sigesa, held by Italmobiliare, to Saur International S.A. was finalized for approximately 19 million euro, that corresponded to the minimum price agreed, i.e. following the notification in April to Saur International of the exercise of the option right to sell this equity investment; the procedures to determine the final consideration in accordance with the option's contractual clauses are underway.

With the two aforementioned operations the Italmobiliare Group has completely withdrawn from the public transport sector and that of water distribution.

Italmobiliare, within the context of the operation to place a part of the share capital of Mediocredito Centrale – MCC – by the shareholder Capitalia, made a commitment to make a 1% equity investment in the company for a total of 12 million euro. The acquisition should happen by 31 December 2002 and the shares purchased are subject to particular clauses regarding, among other things, the possibility of selling them after three years, i.e. in the 1st half of 2006.

The subsidiary company Franco Tosi, bought 500,000 Banca Popolare di Bergamo e Credito Varesino shares on the open market for approximately 10 million euro in total.



The business results of the Italmobiliare Group at 30 September 2002 are summarized in the following table:

(in millions of euro)							
	3 rd quarter 2002	3 rd quarter 2001 pro forma *	% Change	Year to date to 09.30.02	Year to date to 09.30.01 pro forma *	% Change	2001
Net sales	1,144.7	1,074.1	6.6	3,304.4	3,172.1	4.2	4,206.7
Gross operating profit	328.0	294.3	11.5	842.6	786.5	7.1	1,048.7
<i>% of net sales</i>	<i>28.7</i>	<i>27.4</i>		<i>25.5</i>	<i>24.8</i>		<i>24.9</i>
Amortization and depreciation	97.2	97.7		290.8	294.1		395.7
Operating income	230.8	196.6	17.4	551.8	492.4	12.1	653.0
<i>(difference value/costs of production)</i>							
<i>% of net sales</i>	<i>20.2</i>	<i>18.3</i>		<i>16.7</i>	<i>15.5</i>		<i>15.5</i>
Financial income and charges	(10.5)	56.0	-118.8	(37.5)	26.0	-244.2	(6.7)
<i>% of net sales</i>	<i>-0.9</i>	<i>5.2</i>		<i>-1.1</i>	<i>0.8</i>		<i>-0.2</i>
Adjustments to asset values and non-recurring items	(41.6)	(23.2)	79.3	(53.1)	(20.5)	159.0	(43.9)
<i>% of net sales</i>	<i>-3.6</i>	<i>-2.2</i>		<i>-1.6</i>	<i>-0.6</i>		<i>-1.0</i>
Income before taxes	178.7	229.4	-22.1	461.2	497.9	-7.4	602.4
<i>% of net sales</i>	<i>15.6</i>	<i>21.4</i>		<i>14.0</i>	<i>15.7</i>		<i>14.3</i>
Taxes	(78.5)	(91.3)		(194.7)	(202.8)		(249.1)
Income before minority interest	100.2	138.1	-27.4	266.5	295.1	-9.7	353.3
Minority interest	84.0	66.7		186.9	162.0		210.2
Group net income	16.2	71.4	-77.3	79.6	133.1	-40.2	143.1
<i>% of net sales</i>	<i>1.4</i>	<i>6.6</i>		<i>2.4</i>	<i>4.2</i>		<i>3.4</i>
Investments in fixed assets	206.2	394.1	(187.9)	701.9	680.5	21.4	877.1
Employees at period end (heads)				18,714	19,470	(756)	19,137

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

	30.09.02	06.30.02	12.31.01
Net debt	(1,929.2)	(2,150.7)	(1,701.9)



Net sales and operating results

In the 3rd quarter of 2002 Group consolidated net sales were 1,144.7 million euro, up by 6.6% compared to the 3rd quarter of 2001.

Total net sales over the nine months were 3,304.4 million euro, up by 4.2% compared to the same period in 2001.

This change was due to growth in operations (+4%), the change in the consolidation area (+0.8%) and to a change in exchange rates (-0.6%).

The breakdown of net sales by business and geographical area was:

	(in millions of euro)			
	3 rd quarter 2002	3 rd quarter 2001 pro forma *	Change	
			Value	%
Business				
Construction materials	1,118.1	1,040.5	77.6	7.5
Food packaging and insulation	26.6	26.9	(0.3)	(1.1)
Transport	-	6.6	(6.6)	n.s.
Other	-	0.2	(0.2)	n.s.
Total	1,144.7	1,074.2	70.5	6.6
Geographical area				
European Union	780.6	742.9	37.7	5.1
North America	192.6	183.4	9.2	5.0
Other countries and trading	171.5	147.9	23.6	16.0
Total	1,144.7	1,074.2	70.5	6.6

	Year to date to 09.30.02	Year to date to 09.30.01 pro forma *	% Change	
			Historic	Constant size and exchange basis
	Business			
Construction materials	3,224,9	3,057,9	5,5	4,0
Food packaging and insulation	78,2	86,2	(9,3)	7,0
Transport	-	26,3	n.s.	n.s.
Other	1,3	1,7	(23,5)	(24,7)
Total	3,304,4	3,172,1	4,2	4,0
Geographical area				
European Union	2,345.1	2,263.9	3.6	5.0
North America	485.1	474.4	2.3	(0.3)
Other countries and trading	474.2	433.8	9.3	3.6
Total	3,304.4	3,172.1	4.2	4.0

* Zuari Cement Ltd (India) consolidated on a proportional basis (50%)
n.s.: not significant



Financial charges/income and other income items

Financial charges/income in the first nine months of 2002 recorded a loss of 37.5 million euro compared to a profit of 26 million euro in the same period of 2001. This change for the worse was mainly due to the lower capital gains generated on the sale of equity investments during 2002 compared to those realized in the same period of 2001.

The charge relating to adjustments to the value of financial assets rose to 22.5 million euro from 11.1 million euro, an increase largely due to value adjustments made to some financial assets controlled by the Italcementi group and to the write-downs of some listed equity holdings made by financial companies controlled by Italmobiliare.

Non-recurring income/charges saw a loss of 30.5 million euro compared to a loss of 9.4 million euro previously. The increase was due in part to provisions made relating to restructuring in the Italcementi group and in part to potential charges connected to the disposal of the SAB group.

Net financial position

Net debt at 30 September 2002 was 1,929.2 million euro, markedly down compared to 30 June 2002 (2,150.7 million euro). At 31 December 2001 it was 1,701.9 million euro.

During the quarter capital expenditure of 206.2 million euro overall was made, of which 54.7 million euro was for financial equity investments.

The ratio of net debt (including the net value of the floating rate subordinated securities) to shareholders' equity at 30 September 2002 was 56.1% (63.3% at 30 June 2002 and 48.5% at 31 December 2001).



The net financial position of Italmobiliare and its wholly owned financial companies was as follows:

(in thousands of euro)

	30 September 2002		30 June 2002		31 December 2001	
	Italmobiliare S.p.A.	Consolidated Italmobiliare and fin. comp.*	Italmobiliare S.p.A.	Consolidated Italmobiliare and fin. comp.*	Italmobiliare S.p.A.	Consolidated Italmobiliare and fin. comp.*
Cash, cash equivalents and current financial assets	47,296	531,784	45,439	524,976	35,532	505,834
Short-term debt	(119,556)	(122,682)	(155,832)	(159,031)	(123,569)	(128,806)
Short-term net financial position	(72,260)	409,102	(110,393)	365,945	(88,037)	377,028
Medium/long-term debt	(267,212)	(215,567)	(289,413)	(237,768)	(280,535)	(228,890)
Net financial position	(339,472)	193,535	(399,806)	128,177	(368,572)	148,138

* includes: Italmobiliare International Finance Limited - Italmobiliare International B.V. - Intermobiliare S.p.A. - Société de Participation Financière Italmobiliare S.A. - Fincomind S.A. and Soparfinter S.A. (previously Finter Holding S.A.)



Constructor materials

This sector includes businesses in the cement, pre-packaged ready mixed concrete and aggregates industry, run by the Italcementi group.

Group financial highlights:

	(in millions of euro)						
	3 rd quarter 2002	3 rd quarter 2001 pro forma *	% Change	Year to date to 09.30.02	Year to date to 09.30.01 pro forma *	% Change	2001
Net sales	1,118.8	1,041.3	7.4	3,226.9	3,060.6	5.4	4,062.7
Gross operating profit	327.6	289.1	13.3	837.2	773.7	8.2	1,028.8
<i>% of net sales</i>	<i>29.3</i>	<i>27.8</i>		<i>25.9</i>	<i>25.3</i>		<i>25.3</i>
Amortization and depreciation	(94.4)	(92.6)	2.0	(282.8)	(278.9)	1.4	(374.4)
Operating income	233.2	196.6	18.7	554.5	494.8	12.1	654.4
<i>% of net sales</i>	<i>20.8</i>	<i>18.9</i>		<i>17.2</i>	<i>16.2</i>		<i>16.1</i>
Financial income and charges	(34.7)	(39.9)	(13.0)	(94.8)	(107.7)	(12.0)	(135.6)
Adjustments to asset values and non-recurring items	(7.9)	(1.7)	n.s.	(22.0)	0.4	n.s.	(13.7)
Income before taxes	190.6	154.9	23.0	437.7	387.5	12.9	505.1
<i>% of net sales</i>	<i>17.0</i>	<i>14.9</i>		<i>13.6</i>	<i>12.7</i>		<i>12.4</i>
Taxes	(74.6)	(64.6)	15.9	(179.5)	(169.9)	5.6	(222.4)
Income before minority interest	115.9	90.5	28.1	258.2	217.7	18.6	282.7
<i>% of net sales</i>	<i>10.4</i>	<i>8.7</i>		<i>8.0</i>	<i>7.1</i>		<i>7.0</i>
Minority interest	(29.4)	(24.6)	19.6	(63.9)	(62.6)	1.9	(81.4)
Group net income	86.5	65.9	31.3	194.4	155.0	25.4	201.3
<i>% of net sales</i>	<i>7.7</i>	<i>6.3</i>		<i>6.0</i>	<i>5.1</i>		<i>5.0</i>
Employees at period end (heads)				18,060	17,614		17,426

* Zuari Cement Ltd (India) consolidated on a proportional basis (50%)
n.s.: not significant

	09.30.02	06.30.02	12.31.01
Net debt	(2,106.5)	(2,260.7)	(1,866.8)

The Italcementi group in the 3rd quarter of 2002, compared to the same quarter in 2001, saw its results rise by markedly more than the increases achieved in the 1st half of 2002.

The good results in the period January-September were achieved thanks to the contribution from operations and the reduction in financial charges, despite the unfavorable trend in non-recurring items.



In the year to date to September 2002, the Parent Company Italcementi S.p.A. had net sales of 664.5 million euro, up by 5.6% compared to those in the same period of 2001, gross operating profit of 203.3 million euro, up by 8.8% and net income of 108.7 million euro, up by 22.2% on income for the first nine months of 2001.

Sales volumes and internal transfers*

(millions of euro)

	Cement and clinker (millions of metric tons)		Aggregates ** (millions of metric tons)			Ready mixed concrete (millions of m ³)			
	2002	% change on 2001		2002	% change on 2001		2002	% change on 2001	
		Historic	At constant size		Historic	At constant size		Historic	At constant size
3 rd quarter 2002	12.0	8.9	5.9	14.1	5.8	4.3	4.9	6.5	6.4
Year to date to 30.9.02	33.6	5.1	2.9	42.0	3.8	3.1	14.4	3.2	2.9

* changes are calculated on the basis of the proportional consolidation of Zuari Cement Ltd in 2001 as well

** excluding outgoes on work-in-progress account

Group sales volumes, in the 3rd quarter, were positive overall in European countries (+1.6% compared to the 3rd quarter of 2001), thanks in particular to the sustained level of business in Spain and Greece. In North America too, which since the end of May has included the sales of Riverton Investment Corporation, there was a slight improvement in the quarter, on a constant size basis, compared to a quarter in 2001 that was affected in the latter period by well-known tragic events. As for Asia and the other emerging countries, it is worth noting the increased business levels in Thailand and the reconfirmation of the positive trend in Bulgaria and Morocco, while the situation in Turkey remained negative, despite an improving trend.



Operations by geographical area*

(in millions of euro)

	Net sales		Gross operating profit		Capital expenditure	
	3 rd quarter 2002	Change on vs. 3 rd quarter 2001	3 rd quarter 2002	Change on vs. 3 rd quarter 2001	3 rd quarter 2002	Change on 3 rd quarter 2001*
European Union	770.3	6.8	211.7	12.1	62.9	44.2
North America	192.6	5.0	61.8	20.2	12.6	10.7
Asia	51.3	11.7	13.5	4.6	4.1	1.0
Other emerging countries	108.0	7.7	37.1	11.7	2.7	5.8
Trading and other	49.6	23.5	3.5	43.1	0.3	0.2
Elimination of inter-area trading	(53.0)	n.s.	-	-	-	-
Total	1,118.8	7.4	327.6	13.3	82.6	61.9

	Net sales		Gross operating profit		Capital expenditure	
	Year to date to 09.30.02	% change on year to date 09.30.01*	Year to date to 09.30.02	% change on year to date 09.30.01*	Year to date to 09.30.02	% change on year to date 09.30.01*
European Union	2,309.4	5.3	576.8	8.6	184.3	128.5
North America	485.1	2.2	120.5	6.1	35.6	34.0
Asia	148.8	4.1	33.2	(26.5)	6.4	2.9
Other emerging countries	297.6	3.1	99.0	23.4	11.1	17.7
Trading and other	143.9	13.8	7.7	112.6	0.7	0.8
Elimination of inter-area trading	(157.9)	n.s.	-	-	-	-
Total	3,226.9	5.4	837.2	8.2	238.1	183.9

* the comparison is made with the pro forma 3rd quarter/year to date figures at the end of September 2001 (Zuari Cement Ltd
- Asia consolidated on a 50% proportional basis)

n.s.: not significant



European Union

In **Italy**, in a market that saw very wide regional variations, but was positive overall, the increase in net sales in the cement sector enabled the rise in operating costs to be absorbed, thus leading, in the quarter and as a consequence in the year to date situation to the end of September, to a significant increase in operating results. In the ready mixed concrete sector, this quarter had to cope with an increase in variable costs that was not completely absorbed by sales prices. Nonetheless, operating margins still made good progress in the year to date to the end of September.

In **France**, operating results for the quarter saw a sharp recovery in the cement sector, that was, nonetheless, insufficient to cancel the poor performance recorded in the first part of the year. In the aggregates and ready mixed concrete sectors, on the other hand, the negative trends, that had already emerged by the end of June, worsened with a fall in sales volumes and a rise in important cost factors, especially raw materials and transport.

The solid performance in cement sales destined for the Dutch and French markets in particular, improved the results at Compagnie des Ciments Belges in **Belgium**, despite the slowdown in the national market which eased compared to the first half of the year.

In **Spain**, against a positive background, Financiera y Minera saw a sharp rise in sales in all its business activities in the quarter. The marked increase in net sales produced an improvement in operating results which, in the cement sector, were affected by increased charges resulting from the supply of products by third parties. In **Greece** too, in a market that continued to expand rapidly, Halyps confirmed the high growth rates that it had already achieved by the end of June both in terms of sales levels and operating results.

North America

In the 3rd quarter operating results, which benefited from the full contribution made by the activities of Riverton Investment Corporation, from an overall improvement in sales prices and from a reduction in operating costs, rose and improved also in the year to date situation to the end of September, albeit in comparison with a year 2001 that saw a sharp slowdown owing to well-known tragic events.



Emerging countries

In **Turkey**, against a general background that remained negative and uncertain, Group cement and clinker sales, on a constant size basis, fell less compared to the first half of the year, while ready mixed concrete and, above all, aggregates sales volumes made up some ground. Operating results, despite the deterioration in margins in the ready mixed concrete sector, were stable overall in the quarter and improved in the year to date situation to the end of September compared to 2001.

In **Morocco**, the favorable market contributed to the increase in group sales volumes in all business sectors. The growth in net sales and the containment of operating costs led to a marked improvement in operating results.

In **Bulgaria**, the sharp improvement in net sales, combined with the containment of operating costs, in particular of fuel (the effect of the price and mix), led to markedly higher operating results.

The signs of recovery that had been a feature of the first part of the year, were further reinforced in this quarter by improving group sales in **Thailand**. Net sales, despite the growth in the quarter, were hit by the negative level of sales prices which, moreover, had seemed able to count on greater stability. Operating results, despite the solid progress made in the 3rd quarter, remained well down in the year to date to September compared to the same period in 2001.

In **India**, the competitive pressures in the southern market intensified owing to a level of supply that was well above need, even when compared to the growth in consumption. Against this background, group national cement sales, on a constant size basis, fell heavily in the quarter, as did sales prices which were well down, with thus a negative impact on net sales and operating results for the quarter and for the year to date to the end of September.

Outlook

Group results in the first nine months of the year rose compared to those for 2001.

It is believed that, subject to unforeseeable events or particularly harsh weather, the results for 2002 will be better than those achieved in 2001.



Food packaging and thermal insulation

The Group operates in food packaging and thermal insulation through Sirap Gema S.p.A. and its subsidiaries.

The main consolidated figures are set out in the following table.
(The figures for 2001 include the Belgian thermal insulation division which closed on June 30, 2001).

	(in millions of euro)						
	3 rd quarter 2002	3 rd quarter 2001	Change	Year to date to 09.30.02	Year to date to 09.30.01	Change	2001
Net sales	26.5	26.9	(0.4)	78.2	86.2	8.0	109.8
Gross operating profit	4.8	5.6	(0.8)	14.6	11.3	3.3	15.9
<i>% of net sales</i>	<i>18.1</i>	<i>20.8</i>		<i>18.7</i>	<i>14.5</i>		<i>14.5</i>
Operating income	2.9	4.0	(1.1)	9.5	6.6	2.9	9.2
<i>% of net sales</i>	<i>10.9</i>	<i>4.9</i>		<i>12.1</i>	<i>8.4</i>		<i>8.4</i>
Income before taxes	2.6	3.5	(0.9)	8.1	(4.1)	12.2	(4.1)
<i>% of net sales</i>	<i>9.8</i>	<i>13.0</i>		<i>10.4</i>	<i>(5.2)</i>		<i>(3.7)</i>
Net income	1.1	2.3	(1.2)	3.1	(7.0)	10.1	(4.2)
<i>% of net sales</i>	<i>4.2</i>	<i>8.6</i>		<i>4.0</i>	<i>(9.0)</i>		<i>(3.8)</i>
Employees at period end (heads)				593	581		579

	09.30.02	06.30.02	12.31.01
Net debt	(39.0)	(40.4)	(37.8)

Results for the 3rd quarter of 2002, down on those for 2001, continued to be positive despite the fact that in the period the price of raw polymer was still at the high levels of the previous quarter, with average increases of 45% compared to prices at the start of the year and of 16% compared to average prices in the same period of 2001. Profitability thus fell and was only marginally assuaged by slight increases in sales prices that peaked towards the end of the quarter.



Food packaging

Despite a complicated situation in terms of competition and an unhelpful trend in the cost of raw materials, in the 3rd quarter the sector recorded a level of gross operating profit (4 million euro) that was largely in line with that in the same period of 2001.

Compared to the 1st half of the year the growth trend in revenues improved slightly, while that in operating margins was unchanged. The slight fall in income was mainly due to the French market that experienced a particularly difficult situation in terms of competition.

Thermal insulation

While the first half of the year saw a positive trend in demand, albeit accompanied by weak sales prices, the 3rd quarter registered a slowdown for all the product ranges, except for pre-fabricated items, partially due to poor weather.

Both net sales in the quarter (8.5 million euro) and gross operating profit (0.8 million euro), therefore, grew less quickly than in the 1st half, although continuing to be at high levels.

Outlook

The forecast concerning the consolidated result for the year is still positive.

The size of the profit is, nonetheless, tied to the influence on demand of the difficult economic situation and the trend in raw material costs, which in recent weeks have seen a slow but gradual reduction in prices.



Financial sector

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

Italmobiliare International Finance Limited (Dublin)

In the 3rd quarter of 2002 the company, Italmobiliare's main financial arm, performed as summarized in the following tables:

(in millions of euro)

	3 rd quarter 2002	3 rd quarter 2001	Change	Year to date to 09.30.02	Year to date to 09.30.01	Change	2001
Financial income and charges	4.7	5.0	(0.3)	13.8	16.9	(3.1)	22.8
Write-downs	0.2	0.2	-	0.1	(0.1)	0.2	(1.2)
Operating costs, amortization and depreciation	(0.1)	(0.2)	0.1	(0.5)	(0.4)	(0.1)	(0.8)
Net income	4.4	4.5	(0.1)	12.1	14.9	(2.8)	18.8
				09.30.02	06.30.02		12.31.01
Net financial position				461.2	457.2		450.3

Net income of 4.4 million euro in the 3rd quarter of the year and the year to date figure of 12.1 million euro fell compared to the sums achieved in the same periods in 2001 because of a different trend in interest rates that resulted in less favorable rates in 2002 compared to 2001, in relation to the company's investment policy.

The fall in interest rates was felt particularly strongly in the first half of the year, since while, on the one hand, it reduced the yield on short-term investments, on the other, it allowed an increase in the unrealized capital gains on the fixed rate side. For these reasons 2002 will end with net income below that for 2001.

The positive net financial position at 30 September 2002 stood at 461,2 million euro compared to 450.3 million euro at 31 December 2001.



Group Fincomind S.A. (Zürich)

The group consolidated highlights were as follows:

(in thousands of Swiss francs)

	3 rd quarter 2002	3 rd quarter 2001	Change	Year to date to 09.30.02	Year to date to 09.30.01	Change	2001
Net interest income	2,915	3,019	(104)	8,876	10,658	(1,782)	13,456
Commissions and services	8,384	9,049	(665)	27,891	32,392	(4,501)	43,101
Trading and other income	1,372	727	645	5,691	3,494	2,197	5,616
Gross operating profit	(291)	(539)	248	3,632	6,015	(2,383)	6,265
Income before taxes	1,331	(1,804)	3,135	4,407	1,610	2,797	2,156
Net income	238	(2,142)	2,380	2,012	30	1,982	894

The continuing uncertainty in the financial markets in the 3rd quarter of the year and the ensuing less active portfolio management had an impact on the business and, therefore, on the results for period at the Fincomind group, which operates in the private banking sector through Finter Bank Zürich and Finter Bank France.

Finter Bank Zürich saw its consolidated operating results in the quarter fall slightly compared to the same period in 2001, while net income increased due to non-recurring income realized in the period, rising from 636 thousand to 3.3 million Swiss francs.

The year to date to 30 September confirmed the same trend; the fall in operating income was matched by an improvement in consolidated net income for the period of 8.5 million Swiss francs compared to 6.1 million Swiss francs at 30 September 2001.

At 30 September 2002 total assets managed stood at 4.2 billion Swiss francs in line with the figure at the end of June.

The operations at Finter Bank France in the 3rd quarter of 2002 did not show any signs of recovery, partly because of the unfavorable market trend and the ongoing operational problems relating to the repositioning of banking activities towards private banking.

Taking into account the uncertainty that currently grips the markets, it seems difficult to make a reliable prediction for the end of year results which, nonetheless, subject to extraordinary events, should be better than in 2001.



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

The summarized figures for the 3rd quarter of 2002 and for the year to date to 30 September were as follows:

	(in millions of euro)						
	3 rd quarter 2002	3 rd quarter 2001	Change	Year to date to 09.30.02	Year to date to 09.30.01	Change	2001
Financial income and charges	1.8	1.7	0.1	5.6	10.9	(5.3)	13.2
Write-downs and provisions	(23.8)	(24.4)	(0.6)	(25.4)	(25.4)	1.4	(34.4)
Operating costs, amortization and depreciation	(0.1)	(0.1)	-	(0.3)	(0.4)	0.1	(0.6)
Net income	(22.0)	(22.8)	0.8	(20.1)	(16.3)	(3.8)	(21.7)
				09.30.02	06.30.02		12.31.01
Net financial position				91.3	90.1		87.7

The result for the 3rd quarter of 2002, a 22 million euro loss, brought the loss for the first nine months of the year to 20.1 million euro compared to losses of 22.8 million euro and 16.3 million euro respectively in the same periods in 2001.

In part these results reflect a lower overall contribution from financial operations, but above all they reflect the sharp fall in stock markets, that in the quarter led to major write-downs of equity investments held, including IntesaBci for 21.9 million euro and HdP for 1.4 million euro.

The outlook for the remainder of the year will depend above all on the performance of financial markets which, given the current uncertainty, seems hard to judge.



Dealings with related parties

In the context of the Italmobiliare Group's dealings with related parties there were no atypical or unusual operations to note.

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

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

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

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

Italmobiliare provides an administration service to some associated companies.

All the dealings are conducted at normal market conditions.

Outlook

The Group's industrial companies, in particular Italcementi, which is Italmobiliare's main subsidiary, forecast better results at a consolidated level compared to 2001.

Nevertheless, owing to the lower level of capital gains realized on the sale of equity investments by the Parent Company and to the downward trend in the financial markets, it is forecast that the consolidated result for Italmobiliare, while still good, will be lower than in the previous year.

Consolidated

financial statements



Income statement

	(in thousands of euro)							
	3 rd quarter 2002	%	3 rd quarter 2001 pro forma*	%	Change	%	3 rd quarter 2001	%
Net sales	1,144,684	100.0	1,074,176	100.0	70,508	6.6	1,083,180	100.0
Change in inventories, work in progress, semi-finished and finished goods	488	0.0	(13,017)	(1.2)	13,505	(103.7)	(13,365)	(1.2)
Increase on internal work capitalized under fixed assets	3,660	0.4	2,843	0.3	817	28.7	2,843	0.2
	1,148,832	100.4	1,064,002	99.1	84,830	8.0	1,072,658	99.0
Other operating income	8,202	0.7	17,938	1.7	(9,736)	(54.3)	17,950	1.7
Net sales and other operating income	1,157,034	101.1	1,081,940	100.8	75,094	6.9	1,090,608	100.7
Raw, ancillary and consumable materials and supplies	293,061	25.6	255,146	23.8	37,915	14.9	259,731	24.0
Services	328,230	28.7	325,846	30.3	2,384	0.7	328,440	30.3
Other operating costs	29,077	2.5	29,736	2.8	(659)	(2.2)	30,017	2.8
Added value	506,666	44.3	471,212	43.9	35,454	7.5	472,420	43.6
Personnel expenses	172,539	15.1	172,056	16.0	483	0.3	172,390	15.9
Provisions and write-downs	6,105	0.5	4,816	0.4	1,289	26.8	4,833	0.4
Gross operating profit	328,022	28.7	294,340	27.5	33,682	11.4	295,197	27.3
Amortization and depreciation	97,242	8.5	97,702	9.1	(460)	(0.5)	98,552	9.1
Operating income (difference in value/costs of production)	230,780	20.2	196,638	18.4	34,142	17.4	196,645	18.2
Financial income and charges, net	(10,456)	(0.9)	56,017	5.2	(66,473)	118.7	58,667	5.4
Adjustments to financial asset values, net	(28,613)	(2.5)	(319,195)	(1.8)	(9,418)	49.1	(22,650)	(2.1)
Non-recurring income and charges, net	(12,974)	(1.2)	(4,077)	(0.4)	(8,897)	218.2	(4,083)	(0.4)
Income before taxes	178,737	15.6	229,383	21.4	(50,646)	(22.1)	228,579	21.1
Income taxes	(78,595)	(6.9)	(91,291)	(8.5)	12,696	(13.9)	(91,291)	(8.4)
Income before minority interest	100,142	8.7	138,092	12.9	(37,950)	(27.5)	137,288	12.7
Minority interest	83,989	7.3	66,651	6.2	17,338	26.0	65,847	6.1
Group net income	16,153	1.4	71,441	6.7	(55,288)	(77.4)	71,441	6.6
Cash flow (income+amortization and depreciation)	197,384		253,794		(38,410)		235,840	
Investments in fixed assets	206,205		394,089		(187,884)		397,777	

* figures restated following the consolidation of Zuari Cement Ltd (India) on a proportional, rather than line-by-line, basis



(in thousands of euro)

	Year to date to 09.30.02	%	Year to date to 09.30.01 pro forma*	%	Change	%	Year to date to 09.30.01	%	2001	%
Net sales	3,304,425	100.0	3,172,143	100.0	132,282	4.2	3,201,285	100.0	4,206,727	100.0
Change in inventories, work in progress, semi-finished and finished goods	(13,889)	(0.4)	(30,120)	(0.9)	16,231	(53.9)	(30,301)	(1.0)	(8,552)	(0.2)
Increase on internal work capitalized under fixed assets	12,135	0.4	10,630	0.3	1,505	14.2	10,638	0.4	15,012	0.4
	3,302,671	100.0	3,152,653	99.4	150,018	4.8	3,181,322	99.4	4,213,187	100.2
Other operating income	28,086	0.8	60,808	1.9	(32,722)	(53.8)	60,892	1.9	91,751	2.2
Net sales and other operating income	3,330,757	100.8	3,213,461	101.3	117,296	3.7	3,242,214	101.3	4,304,938	102.4
Raw, ancillary and consumable materials and supplies	841,498	25.5	796,768	25.1	44,730	5.6	809,399	25.3	1,054,237	25.1
Services	1,005,312	30.4	986,895	31.1	18,417	1.9	994,450	31.1	1,336,057	31.8
Other operating costs	89,618	2.7	83,172	2.6	6,446	7.8	84,131	2.6	112,340	2.7
Added value	1,394,329	42.2	1,346,626	42.5	47,703	3.5	1,354,234	42.3	1,802,304	42.8
Personnel expenses	532,450	16.1	544,620	17.2	(12,170)	(2.2)	545,628	17.0	729,170	17.3
Provisions and write-downs	19,244	0.6	15,488	0.5	3,756	24.3	15,600	0.5	24,473	0.6
Gross operating profit	842,635	25.5	786,518	24.8	56,117	7.1	793,006	24.8	1,048,661	24.9
Amortization and depreciation	290,833	8.8	294,128	9.3	(3,295)	(1.1)	296,695	9.3	395,612	9.4
Operating income (difference in value/costs of production)	551,802	16.7	492,390	15.5	59,412	12.1	496,311	15.5	653,049	15.5
Financial income and charges, net	(37,495)	(1.1)	26,406	0.8	(63,541)	(244.0)	22,629	0.7	(6,724)	(0.1)
Adjustments to financial asset values, net	(22,536)	(0.7)	(11,124)	(0.3)	(11,412)	102.6	(11,124)	(0.3)	(19,729)	(0.5)
Non-recurring income and charges, net	(30,545)	(0.9)	(9,425)	(0.3)	(21,120)	224.1	(9,488)	(0.3)	(24,154)	(0.6)
Income before taxes	461,226	14.0	497,887	15.7	(36,661)	(7.4)	498,328	15.6	602,442	14.3
Income taxes	(194,752)	(5.9)	(202,801)	(6.4)	8,049	(4.0)	(202,801)	(6.4)	(249,090)	(5.9)
Income before minority interest	266,474	8.1	295,086	9.3	(28,612)	(9.7)	295,527	9.2	353,352	8.4
Minority interest	186,916	5.7	162,006	5.1	24,910	15.4	162,487	5.1	210,240	5.0
Group net income	79,588	2.4	133,080	4.2	(53,522)	(40.2)	133,040	4.2	143,112	3.4
Cash flow (income+amortization and depreciation)	557,307		589,214		(31,907)		592,222		748,964	
Investments in fixed assets	701,914		680,545		21,369		674,563		877,072	

* figures restated following the consolidation of Zuari Cement Ltd (India) on a proportional, rather than line-by-line, basis

	30 September 2002	30 June 2002	31 December 2001
Net debt			
Cash, cash equivalents and current financial assets	(821,977)	(835,525)	(890,954)
Short-term financing	789,550	973,240	970,575
Medium to long-term financial assets	(54,476)	(54,534)	(55,514)
Medium to long-term financing	2,016,109	2,067,506	1,677,775
Net debt	1,929,206	2,150,687	1,701,882
Change from 06.30.02	(221,481)	-10.3%	
Change from 12.31.01	227,324	13.4%	
Floating rate subordinated securities, net	83,008	88,470	100,505



Notes to the financial statements

Foreword

The consolidated financial statements as of 30 September 2002 have been drawn up pursuant to article 82 of the regulation approved by Consob with resolution no. 11971 of 14 May 1999 and subsequent amendments.

This quarterly report's financial statements, tables and explanatory notes to the statements are expressed in thousands of euro, unless otherwise indicated.

To allow a consistent comparison to be made with the figures for 2001, figures for that year were restated on a pro forma basis by consolidating Zuari Cement Ltd (India) on a proportional basis, as adopted in the financial statements for 2001, rather than on a line-by-line basis as adopted in the interim reports for 2001.

Basis of presentation

The consolidated financial statements have been drawn up on the basis of the accounts at 30 September 2002 provided by the consolidated companies, adjusted, where necessary, to ensure alignment with the group's classification criteria and accounting policies by applying the valuation criteria and consolidation principles used during the preparation of the consolidated financial statements for the 2001 accounting period.

Consolidation area

The consolidation area had the following changes compared to 30 September 2001:

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

- on a line-by-line basis

- Béton Sud Atlantique, Granulats de la Drome (France), Cements Capa S.L. (Spain), Eurotech Cement s.h.p.k. (Albania), Gacem Company Limited (Gambia), International Cement Traders (PVT) Ltd (Sri Lanka), Mauritano-Française des Ciments (Mauritania), Marmara Cimento Sanayi T.A.S. (Turkey), Riverton Investment Corporation, Berkeley Resource Recovery Ltd, Capitol Cement Corporation, Consumer Materials Inc, Riverton Corporation, Riverton Lime&Stone Co. Inc (USA);

- on a proportional basis

- Les Calcaires Girondins (50%), L.G.E.G. (50%) (France), Sri Vishnu (47.8%) (India);

- on an equity basis

- Suez Bag Company, Suez Cement Company, Tourah Portland Cement Company (Egypt).



- **Companies that left the consolidation area:**
 - on a line-by-line basis
Essroc Offshore Ltd (Grand Cayman), SAB Autoservizi S.r.l. and its subsidiaries (Italy);
 - on an equity basis
Armement Secam S.A. (France), Cave Comand S.r.l. (Italy).
- **Change in consolidation method:**
 - from line-by-line to proportional basis
Zuari Cement Ltd (India).
- **Merged companies:**
 - in Société Internationale Italcementi (Luxembourg) S.A.
Italcementi Europe (Luxembourg) S.A.;
 - in Ciments Calcia S.A. (Francia)
SNC Arena Services (Francia);
 - in Compagnie des Ciments Belges S.A. (Belgium)
ORCO Beton S.A. (Belgium);
 - in Sociedad Financiera y Minera S.A. (Spain)
Rosa del Amulej (Spain).

There were no changes compared to the consolidation area at 30 June 2002 except for the SAB Autoservizi S.r.l. group which had been consolidated on an equity basis in the first half of 2002.



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

The foreign-currency balances of non-Italian subsidiaries consolidated on a line-by-line or proportional basis and those of non-Italian associated companies valued with the equity method, have been translated into the accounting currency using the exchange rate ruling at 30 September 2002 for balance sheet items and the average rate for the first nine months of 2002 for the income statement.

(in euro)

Currency	Average rate			Period-end rate		
	September 2002	December 2001	September 2001	September 2001	December 2001	September 2000
US dollar	0,92755	0,89581	0,89579	0,98600	0,88130	0,91310
Canadian dollar	1,45538	1,38677	1,37718	1,55660	1,40770	1,44180
Pound sterling	0,62639	0,62191	0,62224	0,62950	0,60850	0,62200
Cypriot pound	0,57624	0,57589	0,57643	0,57333	0,57504	0,57435
Moroccan dirham	10,33390	10,08960	10,03810	10,51150	10,19830	10,28450
Turkish lira	1.370.644,00	1.091.893,00	1.000.335,00	1.611.904,00	1.265.229,00	1.410.638,00
Swiss franc	1,46715	1,51047	1,52273	1,46110	1,48290	1,47610
Thai baht	39,68630	39,81730	39,84320	42,69870	38,94290	40,55860
Indian rupee	46,32690	42,82580	42,46480	48,68910	42,54740	44,39410
Mauritanian ouguyia	249,55740	228,32600	-	266,27800	228,59500	-
Albanian lek	130,16980	127,80000	-	136,36000	119,28500	-
Sri Lankan rupee	87,02640	80,91860	-	95,52130	80,57050	-



Net sales and other operating income

These totaled 3,304,425 thousand euro overall, as follows:

(in thousands of euro)

	Year to date 09.30.02	Year to date 09.30.01 pro forma	Change	% change	Year to date 09.30.01
Sales	3,226,896	3,071,122	155,774	5.1	3,100,483
Services	69,677	94,437	(24,760)	-26.2	94,218
Other net sales	7,852	6,584	1,268	19.3	6,584
Total	3,304,425	3,172,143	132,282	4.2	3,201,285

The breakdown of consolidated net sales by business and by geographical area is provided in the "Comment on Operations" .

Raw, ancillary and consumable materials and supplies

These were 841,498 thousand euro, as follows:

	Year to date 09.30.02	Year to date 09.30.01 pro forma	Change	% change	Year to date 09.30.01
Raw materials and semi-finished goods	383,160	317,039	66.121	20.9	317,589
Fuel	167,070	216,902	(49.832)	-23.0	225,547
Packaging, materials and machinery	178,152	170,005	8.147	4.8	172,318
Finished goods	103,220	110,825	(7.605)	-6.9	111,494
Change in inventories	9,896	(18,003)	27.899	-155.0	(17,549)
Total	841,498	796,768	44,730	5.6	809,399



Services

These totaled 1,005,312 thousand euro, as follows:

(in thousands of euro)

	Year to date 09.30.02	Year to date 09.30.01 pro forma	Change	% change	Year to date 09.30.01
Electric, water, gas	200,247	189,793	10,454	5.5	189,831
Business services and maintenance	269,881	255,459	14,422	5.6	255,692
Transport	302,244	295,260	6,984	2.4	300,396
Legal fees and consultancy	46,578	48,314	(1,736)	-3.6	48,554
Rent	58,034	59,099	(1,065)	-1.8	59,191
Insurance	23,791	19,700	4,091	20.8	19,766
Other	104,537	119,270	(14,733)	-12.4	121,020
Total	1,005,312	986,895	18,417	1.9	994,450

Other operating costs

These were 89,618 thousand euro, as follows:

	Year to date 09.30.02	Year to date 09.30.01 pro forma	Change	% change	Year to date 09.30.01
Subscriptions	6,965	6,959	6	0.1	6,967
Other taxes	47,268	44,223	3,045	6.9	45,026
Other costs	35,385	31,990	3,395	10.6	32,138
Total	89,618	83,172	6,446	7.8	84,131



Personnel expenses

Total personnel expenses were 532,450 thousand euro, as follows:

(in thousands of euro)

	Year to date 09.30.02	Year to date 09.30.01 pro forma	Change	% change	Year to date 09.30.01
Wages and salary	379,301	385,102	(5,801)	-1.5	385,781
Social security contributions	136,029	138,094	(2,065)	-1.5	138,423
Employees' leaving entitlements	11,286	15,015	(3,729)	-24.8	15,015
Pensions and similar obligations	5,834	6,409	(575)	-9.0	6,409
Total	532,450	544,620	(12,170)	-2.2	545,628

The decrease was mainly due to the removal from the consolidation of the SAB Autoservizi S.r.l. group.

The total number of personnel at the end of the period and the average number for the period were as follows:

(units)

	Year to date 09.30.02	Year to date 09.30.01 pro forma	2001	Year to date 09.30.01
Number of employees at period end	18,714	19,470	19,137	19,772
Average number of employees	18,337	19,627	19,413	19,978

Provisions and write-downs

The overall total of 19,244 thousand euro (15,488 thousand euro at 30 September 2001 on a pro forma basis) refers to provisions for doubtful accounts for 12,956 thousand euro (11,538 thousand euro at 30 September 2001 on a pro forma basis) and other provisions for 6,288 thousand euro (3,950 thousand euro at 30 September 2001 on a pro forma basis) mainly due to provisions for the restoration of quarries.

Amortization and depreciation

The overall amount of 290,833 thousand euro (294,128 thousand euro at 30 September 2001 on a pro forma basis) refers to amortization on intangible assets of 76,205 thousand euro (78,381 thousand euro at 30 September 2001 on a pro forma basis) and to depreciation on tangible assets for 214,628 thousand euro (215,747 thousand euro at 30 September 2001 on a pro forma basis).



Financial income and charges

The net charge of 37,495 thousand euro was made up as follows:

(in thousands of euro)

	Year to date 09.30.02	Year to date 09.30.01 pro forma	Change	% change	Year to date 09.30.01
Net income and capital gains from equity investments	56,346	121,560	(65,214)	-53.6	121,560
Interest income and financial income	52,135	70,843	(18,708)	-26.4	72,269
Interest expense and financial charges	(132,105)	(144,066)	11,961	8.3	(148,706)
Net translation (losses)/gains	(7,213)	(17,153)	9,940	-57.9	(17,153)
Other financial charges	(6,658)	(5,138)	(1,520)	29.6	(5,341)
Total	(37,495)	26,046	(63,541)	-244.0	22,629

The change in "Net translation (losses)/gains" includes the effects of the lower level of depreciation in the Turkish lira compared to 2001, that is 13.4 million euro in the year to date to 30 September 2002 and 6.3 million euro in the 3rd quarter of 2002. Among "Net income and capital gains from equity investments" is included the surplus realized by the Parent Company Italmobiliare S.p.A. on the sale of its equity investment in SAB Autoservizi S.r.l.

Adjustments to financial asset values

The net figure at 30 September 2002 was a loss of 22,536 thousand euro (a loss of 11,124 thousand euro at 30 September 2001 on a pro forma basis) made up as follows: revaluations of financial assets for 24 thousand euro, income from companies valued on the equity basis for 15,113 thousand euro², revaluation of securities held under working capital for 325 thousand euro, write-downs of financial assets for 28,174 thousand euro, losses from companies valued with the equity method for 643 thousand euro, write-downs of equity investments for 8,806 thousand euro and write-downs of securities held under working capital for 375 thousand euro.

Non-recurring income and charges

At 30 September 2002 non-recurring charges net of income stood at 30,545 thousand euro; the net increase compared to the situation at 30 June 2002 was 12,974 thousand euro.

The change mainly refers to charges for provisions for potential risks connected to equity investment disposals (9.6 million euro), provisions for the business reorganization in the aggregates sector (5 million euro), provisions for potential tax liabilities (1.7 million euro) and income from tangible asset disposals (3.3 million euro).

² includes 3,647 thousand euro relating to the net income at 30 June 2002 of the Sab Autoservizi S.r.l. group that was sold in July



Income taxes

The tax charge in the income statement was 194,752 thousand euro, as follows:

(in thousands of euro)

	Year to date 09.30.02	Year to date 09.30.01 pro forma	Change	% change	Year to date 09.30.01
Current taxes	199,920	204,878	(4,958)	-2.4	204,878
Deferred taxes	(5,168)	(2,077)	(3,091)	148.8	(2,077)
Total	194,752	202,801	(8,049)	-4.0	202,801

Investments in fixed assets

In the year to date to 30 September 2002 investments in fixed assets were 701.9 million euro, as follows:

	Year to date 09.30.02	Year to date 09.30.01 pro forma	Change	% change	Year to date 09.30.01
Intangible assets	15,703	19,715	(4,012)	-20.3	20,196
Tangible assets	246,224	205,936	40,288	19.6	206,788
Financial assets	430,388	447,183	(16,795)	-3.8	447,183
Own shares	-	396	(396)	-100.0	396
Change in payables for acquisitions held as fixed assets	9,599	7,315	2,284	31.2	-
Total	701,914	680,545	21,369	3.1	674,563

Investments in financial assets of 430.4 million euro at 30 September 2002, rose by 54.7 million euro compared to the situation set out in the comments to the half year report for 2002.

The main operations undertaken in the 3rd quarter of 2002 concerned the further purchase, through subsidiaries, of Ciments Français S.A. shares for 23.9 million euro, the purchase of ordinary and preferred shares in the subsidiary Halyps Building Materials S.A. (Greece) for 10.7 million euro, the further purchase through subsidiaries of shares in Banca Popolare di Bergamo S.p.A. for 10 million euro and the purchase of Italcementi S.p.A.'s own shares by the company itself for 9 million euro.

Net debt

Net debt at 30 September 2002 totaled 1,929,206 thousand euro. The increase compared to 31 December 2001 was 227,324 thousand euro made up as follows:

	(in thousands of euro)
	Change compared to 31 December 2001
Cash, cash equivalents and current financial assets	68,977
Short-term debt	(181,025)
Change in net short-term debt	(112,048)
Medium/long-term assets	1,038
Medium/long-term debt	338,334
Change in net medium/long-term debt	339,372
Change in total net debt	227,324

The increase in debt compared to the start of the year of 227.3 million euro was the net result of:

- the financial contribution from operations (475.3 million euro);
- overall capital expenditure 701.9 million euro;
- divestments (123.2 million euro);
- dividends 125.6 million euro;
- other changes 1.7 million euro.

The main financial transactions undertaken in the course of the first nine months of 2002 were:

- repayment on maturity of the "Zero Coupon" bonded loan of 309.9 million euro and increased use of 250 million euro of bank credit lines guaranteed in the medium term by Italcementi S.p.A.;
- Ciments Français' opening of a syndicated loan for 109.5 million euro maturing in 6 years;
- the issue of a bonded loan by Ciments Français for 350 million euro maturing in 7 years, as part of an EMTN (Euro Medium Term Notes) program for a maximum authorized total of a billion euro.