

Group earnings reach 230.8 billion (68.7 billion in the first half of 1999)

ITALMOBILIARE GROUP REPORTS STRONG IMPROVEMENT IN H1 2000 RESULTS

Milan, September 13, 2000 – Net sales totaling 3,788 billion, operating income of 493 billion, financial income of 132.8 billion (charges of 60.1 billion in the same period of 1999), total earnings to 398.2 billion, group net earnings up by more than 300% from 68.7 billion to 230.8 billion. These are the main consolidated figures for Italmobiliare Spa at June 30, 2000 approved today by the Board of Directors.

The significant improvement in results reflects the strong performance of the main industrial subsidiary Italcementi, the favorable trend of the group's financial business and capital gains from the sale of equity investments, mainly by the parent company Italmobiliare.

Key portfolio operations included the sale of Crea, the delivery of Burgo stake (2.68%) to the public tender offer, the reduction in the Poligrafici equity investment (down to 6.6% of capital at June 30), the sale of a portion of the shares held in Banca Intesa and Comit (stakes at June 30 were 0.27% and 0.11% respectively). The combined gains generated by these operations totaled 145 billion.

In view of first-half consolidated results, capital gains and the foreseeable performance of Italmobiliare and its financial subsidiaries, and excluding unforeseeable events, the group expects to post significantly higher net earnings for full-year 2000 compared with 1999.

The parent company Italmobiliare Spa recorded net earnings for 114.9 billion compared with 61.9 billion in the same period last year. The significant improvement was largely due to capital gains for about 98 billion. Dividends, comprehensive of related tax credits, remain stable even if H1 1999 numbers were comprehensive of an extraordinary dividend distributed by Franco Tosi International for 41.8 billion.

Italmobiliare has continued its asset enhancement strategy in the second part of the year by selling the 2.50% Falck shares to Compart, with proceeds of 50.3 billion and a capital gain of 40.6 billion.

The table sets out the main portfolio changes in minority shareholdings registered by Italmobiliare and its wholly controlled subsidiaries in the first half.

	1 st half 2000		12/31/1999	
	%	Statutory accounts	%	Statutory accounts
Banca Intesa	0.27	99,857	0.53	181,236
Banca Commerciale Italiana	0.11	20,297	0.22	50,446
Consortium	5.00	4,500	- -	- -
Sigesa	29.0	38,400	- -	- -
Cartiere Burgo	- -	- -	2.68	22,720
Dieci S.r.l.	10.0	30,000	- -	- -
Poligrafici Editoriale	6.59	11,804	8.60	15,530
<i>(millions of lire)</i>	Total	354,917		419,991

CONSOLIDATED STATEMENT OF INCOME – Net sales rose 12.7% from 3,361 billion to 3,788 billion; at constant size and exchange rates, the improvement was 8.3%.

Gross operating profit and operating income rose by 5.7% (from 807.1 to 852.9 billion) and 4.3% (from 472.4 to 493 billion) respectively. Gross operating profit and operating income would have risen by 9.1% and 10.8% by applying uniform accounting policies: as already known, beginning in 2000, the subsidiary Ciments Français recorded all major maintenance work expenses in the first six months.

First-half financial income totaled 132.8 billion, compared with financial charges of 60 billion in the year-earlier first half. This significant improvement arose largely from capital gains and dividends on non-consolidated equity investments. Even without these items, however, an improvement was obtained.

Extraordinary income/charges reflected income of 57 billion compared with charges of 8 billion in the corresponding year-earlier period.

After taxes of 278 billion (188.6 billion), the Group had total net earnings of 398.2 billion.

Capital expenditure totaled 514 billion compared with 777.7 billion in the first six months of 1999; it comprised investments in financial fixed assets for 253.5 billion, in tangible fixed assets for 236.9 billion and in intangible fixed assets for 23.6 billion. The main financial capital expenditure included investments in ordinary shares of Italcementi, Sigesa (Saur) and Dieci.

The net financial position improved by 157.4 billion to reach 3,230.3 billion. The net debt-to-equity ratio (net debt was comprehensive of floating rate subordinated securities) decreased from 57.9% at December 31, 1999 to 53.6% at June 30, 2000.

Total shareholders' equity rose by 174.7 billion compared with the end of 1999 to 6,501.3 billion. Group shareholders' equity rose 178 billion to 2,618.8 billion.

Attachment: condensed statement of income and balance sheet, pre-audit

CONSOLIDATED HIGHLIGHTS ITALMOBILIARE

1st half '00 (millions of Euro)		1st half '00 (billions of Lire)	1st half '99 (billions of Lire)	12/31/1999 (billions of Lire)
1,956.3	Net sales	3,788.0	3,360.6	6,988.5
440.5	Gross operating profit	852.9	807.1	1,667.2
22.5%	% v. net sales	22.5%	24.0%	23.9%
254.6	Operating income	493.0	472.4	977.4
13.0%	% v. net sales	13.0%	14.1%	14.0%
26.1	Value adjtmnts and extraord. items	50.5	(3.2)	3.4
(143.6)	Taxes	(278.0)	(188.6)	(378.6)
205.7	Earnings	398.2	220.7	505.6
10.5%	% v. net sales	10.5%	6.6%	7.2%
119.2	Group earnings	230.8	68.7	174.5
391.5	Cash-flow (earnings + depreciation and amortization)	758.1	555.3	1,195.4
3,357.6	Total shareholders' equity	6,501.3	6,018.0	6,326.6
1,352.5	Group shareholders' equity	2,618.8	2,281.8	2,440.4
(1,668.3)	Net financial position (debt)	(3,230.3)	(3,229.2)	(3,387.7)
265.4	Capital expenditure	514.0	777.7	1,684.0
19,972	Employees (at close)	19,972	17,914	20,519

HIGHLIGHTS ITALMOBILIARE S.p.A.

1st half '00 (millions of Euro)		1st half '00 (billions of Lire)	1st half '99 (billions of Lire)	12/31/1999 (billions of Lire)
99.4	Financial income/charges	192.4	98.1	111.2
0.2	Value adjustments to financial assets	0.4	(3.0)	(7.4)
(9.6)	Other revenues/expenses	(18.7)	(14.7)	(26.3)
89.9	Operating result	174.1	80.4	77.5
(0.0)	Extraordinary income/charges	(0.0)	2.3	13.6
(30.5)	Taxes	(59.2)	(20.8)	(16.5)
59.3	Earnings	114.9	61.9	74.6
882.0	Shareholders' equity	1,707.8	1,596.4	1,648.7
(384.0)	Net financial position (debt)	(743.5)	(937.0)	(859.2)
49.4	Capital expenditure	95.7 (*)	31.5	132.7
39	Employees (at close)	39	42	39

Italmobiliare S.p.A. ordinary shares	22,182,583	22,182,583	22,182,583
Italmobiliare S.p.A. savings shares	16,343,162	14,269,395	16,343,162

(*) Including purchase of 174,200 own ordinary shares for LIT 7.7 billion.