

GROUP TOTAL NET INCOME OF 190.5 MILLION EURO (+14.5%) IN THE FIRST HALF

Milan, 12 September 2003 – The Italmobiliare S.p.A. Board of Directors chaired by Giampiero Pesenti today examined and approved the report on operations for the half year to 30 June 2003. In the first six months of 2003, the Italmobiliare Group recorded an improvement in its consolidated results thanks to the strong overall profitability of its industrial operations and an increase in the global contribution of its financial companies.

Group business performance – **Total net income** for the first half to 30 June 2003 was 190.5 million euro, an increase of 14.5% on the 166.3 million euro posted in the first half of 2002; **group net income** amounted to 85.7 million euro (+35.2%) compared to 63.4 million euro in the year-earlier period. **Consolidated net sales** totaled 2,179.2 million euro (+0.9%); net financial charges decreased to 22.4 million euro (from 27 million euro), while non-recurring items generated a positive net balance of 11.3 million euro (compared to a negative net balance of 17.6 million euro in the first half of 2002) reflecting gains from the sale of fixed assets, insurance reimbursements and the reversal of earlier-year provisions. The Group's consolidated operating performance reflected the slowdown in the building materials sector, which generated a reduction in **gross operating profit** to 498.2 million euro (-3.2%) and a reduction in **operating income** to 302.1 million euro (-5.9%); operating income was also affected by higher depreciation and amortization charges as a result of the start-up of the new production line in Calusco, Italy. Both indicators were affected by losses on the translation into euro of the results of a number of non-Italian companies. Consolidated **net debt** stood at 2,010.9 million euro at 30 June 2003 (1,913.1 million euro at 31 December 2002), the increase mainly being due to investments in the first half totaling 226.6 million euro; net debt at 30 June 2002 was 2,150.7 million euro.

Business performance – The half year saw positive performance at the main subsidiary, Italcementi, which posted total net income of 144.3 million euro (+1.4%) and Group net income of 106.5 million euro (-1.3%), and at Sirap Gema (food packaging and thermal insulation), which posted net income of 5 million euro compared to 2 million euro in the year-earlier first half. Among the main financial companies, Italmobiliare International Finance reported net income of 10.8 million euro (7.7 million euro in the first six months of 2002); Société de Participation Financière Italmobiliare reported net income of 16.8 million euro (1.9 million euro at 30 June 2002) following the write-up of a number of

equity investments to reflect improved share price performance; Fincomind (which controls Finter Bank Zürich and Finter Bank France) posted a consolidated loss of 1.2 million Swiss francs (consolidated income of 1.8 million Swiss francs in the first half of 2002), due chiefly to charges relating to the restructuring of operations at Finter Bank France.

Significant events – Italcementi increased its equity investment in Ciments Français from 71.8% to 74.9% for an outlay of 54.6 million euro, and purchased 880,000 own shares to service stock option plans for directors and employees for an outlay of 7.5 million euro; through its subsidiary Devnya Cement, Italcementi also purchased an equity investment of 24.95% in Vulkan AD for an outlay of approximately 0.8 million euro; 70% of Vulkan was already held by Ciments Français. Italmobiliare reached an agreement with Saur International S.A. regarding the price of the 29% equity investment in Sigesa transferred last year; the sale price was set at 21.6 million euro (of which 19.8 million euro collected in 2002), giving a gain of 1.8 million euro. During the first half of 2003, Intermobiliare S.p.A. purchased another 775,152 Italcementi ordinary shares for an aggregate outlay of 6.7 million euro, raising its direct and indirect stake in the company's ordinary share capital to 58.73%.

The parent company – **Italmobiliare Spa** posted net income of 48.4 million euro in the first half, compared to 40.0 million euro in the first half of 2002. Dividends collected, including related tax credits, rose from 72.5 million euro to 80.5 million euro, an absolute value increase of 8 million euro. The **net financial position** of the holding together with the wholly owned financial subsidiaries was positive at 195.3 million euro (181.2 million euro at 31 December 2002).

Outlook – Full-year projections are influenced by continuing uncertainty over the economic and currency outlook for the second half of the year. Among the Group's industrial operations, the construction materials business is expected to report a reduction in the full-year result due to the absence of the significant tax benefits recorded in 2002, while 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 share price of equity investments, the contribution from the financial operations should be higher than in 2002. Therefore, in the absence of currently unforeseeable events, the Group expects to report higher full-year consolidated income.

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.

Attachment: highlights from the income statement and balance sheet, which are currently being audited.

ITALMOBILIARE ON THE INTERNET: <http://www.italmobiliare.it>

Group operating, financial and equity highlights

(in millions of euro)			
	Half year 2003	Half year 2002	Full year 2002
- Net sales	2,179.2	2,159.7	4,365.3
- Value added	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
- Depreciation and amortization	196.1	193.6	408.7
- Operating income	302.1	321.0	708.3
<i>% of net sales</i>	13.9	14.9	16.2
- Financial income and charges	(22.4)	(27.0)	(62.6)
- Adjustments to financial asset values and non-recurring items	24.7	(11.5)	(79.0)
- Income before taxes	304.4	282.5	566.7
- Income taxes	(113.9)	(116.2)	(190.5)
- Total net income	190.5	166.3	376.2
- Minority interest	104.8	102.9	256.4
- Group net income	85.7	63.4	119.8
- Cash-flow (income+depreciation and amortization)	386.6	359.9	784.9
- Total shareholders' equity	3,497.7		3,609.7
- Group shareholders' equity	1,584.7		1,571.9
- Net debt	(2,010.9)		(1,913.1)
- Capital expenditure	226.6		872.7

Italmobiliare S.p.A. operating, financial and equity highlights

(in thousands of euro)			
	Half year 2003	Half year 2002	Full year 2002
- Financial income and charges	77,012	68,754	105,745
- Adjustments to financial asset values	(485)	(1,069)	(2,453)
- Other operating income/(costs)	(5,544)	(5,607)	(13,385)
- Ordinary operating income	70,983	62,078	89,907
- Non-recurring income /(charges)	1,694	22	(4,210)
- Income before taxes	72,677	62,100	85,697
- Income taxes	(24,302)	(22,142)	(23,172)
- Net income	48,375	39,958	62,525
- Shareholders' equity	963,505		952,357
- Net financial position (debt)	(358,966)		(361,141)