

Italmobiliare Group – Positive performance in the third quarter: consolidated total net income at 137 million euros (+25%) – Consolidated total net income in the first nine months at 296 million euros (a decrease of 6.3% as a result of lower ordinary and non-recurrent financial items and of equity investment writedowns due to the downturn on the stock markets)

Milan, 13 November 2001 – The Board of Directors of Italmobiliare S.p.A. today examined and approved the consolidated quarterly report for the third quarter and the first nine months of 2001.

In the ***third quarter***, the Italmobiliare Group reported **consolidated total net income of 137 million euros** (110 million euros in the third quarter of 2000) and **net income after minority interests of 71 million euros** (46 million euros). Third-quarter earnings reflected, on one hand, the strong performance of industrial operations and the capital gain from the sale of the stake in Montedison, and on the other the writedowns on a number of listed equity investments because of the downturn on the stock markets. Third-quarter consolidated **net sales** totalled **1,083 million euros**, an increase of 5.2% from the corresponding year-earlier period. **Gross operating profit** rose **4.8%** to **295 million euros**, while **operating income** was **197 million euros (+3.4%)**.

In the first ***nine months***, business volumes and operating margins continued to improve, thanks above all to performance at Italcementi Group, though offset by lower capital gains, higher provisions and lower sundry income, which had an overall impact of over 90 million euros. At 30 September 2001, the Group reported **consolidated total net income of 296 million euros** (315 million euros in the first nine months of 2000) and **net income after minority interests of 133 million euros** (165 million euros). **Consolidated net sales** at 30 September totalled **3,201 million euros (+7.2%** from 2,985 million euros in the first nine months of last year). **Gross operating profit** increased by **9.8%** to **793 million euros**, while **operating income** for the period was **496 million euros**, up **11.6%**.

Main operations of the Parent Company and the financial subsidiaries

In the third quarter, Italmobiliare accepted the Italenergia public tender offer for Montedison shares by tendering its 3.04% stake to raise proceeds of 168.5 million euros and a consolidated capital gain of approximately 89.5 million euros. The Parent Company invested 36.9 million euros to acquire a 1.51% stake in Banca Popolare di Bergamo-Credito Varesino and also purchased approximately 679,000 ordinary Italcementi shares for an outlay of 5.2 million euros, raising its direct and indirect equity investment in the company to approx. 57%. The subsidiary Société de Participation Financière invested an additional 12.5 million euros in Dieci srl by exercising its pre-emptive rights pro quota on the stake put up for sale by Montedison, thus raising its own investment in the company to 15.38%. A stake of 0.94% was acquired in HdP for an outlay of approximately 31.7 million euros.

Performance in the main business sectors

Construction materials – Italcementi Group reported a good overall growth at consolidated level in the first nine months. Thanks above all to the excellent performance of Italcementi S.p.A. in Italy, the group reported significant growth in **net sales (+7.6%)** to **3,090 million euros**, in **gross operating profit (+9.3%)** to **780 million euros** and in **operating income (+10.4%)** to **499 million euros**. At 30 September, **total net income** amounted to **218 million euros (+9.3%)** while **Group net income** was **155 million euros (+8.5%)**.

Food packaging and thermal insulation - Sirap Gema reverted its performance in the third quarter after the closure of the production plant in Belgium, which generated heavy charges already recorded in the first half of the year. The third quarter produced net income of 2.3 million euros (1.7 million euros in the third quarter of 2000); however, for the first nine months the company still had a net loss of 7 million euros compared to net income of 2.3 million euros in the first nine months of 2000.

Public road transport - Sab reported net sales of 58.5 million euros in the first nine months and gross operating profit of 7.8 million euros, a result largely in line with that of the previous year; net income was 5.4 million euros (1.1 million euros), also thanks to non-recurrent items.

Financial operations

Performance among the financial companies varied. Italmobiliare International Finance, the Group's main financial company, reported net income of 14.9 million euros, an increase of 11.7% from the first nine months of 2000. Due to the the writedowns on a number of listed equity investments because of the downturn on the stock markets, Société de Participation Financière reported a loss of 16.3 million euros compared to income of 16.9 million euros in the corresponding year-earlier period, when it recorded significant capital gains. Fincomind broke even (net income of 12.1 million Swiss francs for the year to 30 September 2000), largely as a result of the slowdown in activity volumes of the subsidiaries Finter Bank Zürich and Finter Bank France due to stock market trends.

Financial position

Consolidated net debt at 30 September 2001 totalled **1,751 million euros**, largely unchanged from 30 June 2001. Italmobiliare and its wholly controlled financial subsidiaries had a **positive net financial position of 156.2 million euros**, up from 72.6 million euros at 30 June 2001.

Outlook

Italmobiliare's key subsidiary Italcementi should post higher consolidated income compared to 2000 in the absence of unforeseeable events.

Nevertheless, the recent harsh international events have heightened the worldwide economic slowdown increasing instability and downturn of financial markets, with a negative influence on earnings for some of Italmobiliare's financial equity investments.

In this situation, the consolidated result is likely to remain very good even if lower than the particularly strong one of last year.

Group operating, financial and equity highlights

Third quarter (million euros)	3 rd Q 2001	3 rd Q 2000	change %
Net sales	1,083.2	1,029.2	5.2
Gross operating profit	295.2	281.6	4.8
<i>% of net sales</i>	27.3	27.4	
Depreciation and amortisation	(98.6)	(91.4)	7.9
Operating income	196.6	190.2	3.4
<i>% of net sales</i>	18.2	18.5	
Financial income and charges	58.7	11.6	n.s.
Value adjustments to assets and non-recurring items	(26.7)	(11.1)	n.s.
Income before taxes	228.6	190.7	19.9
<i>% of net sales</i>	21.1	18.5	
Taxes	(91.3)	(81.0)	12.7
Total net income	137.3	109.7	25.1
Group net income	71.4	45.7	56.3
<i>% of net sales</i>	6.6	4.4	

Year-to-date (million euros)	At 30 Sept 2001	At 30 Sept 2000	change %	Year 2000
Net sales	3,201.3	2,985.5	7.2	3,962.2
Gross operating profit	793.0	722.0	9.8	947.4
<i>% of net sales</i>	24.8	24.2		23.9
Depreciation and amortisation	(296.7)	(277.2)	7.0	(420.7)
Operating income	496.3	444.8	11.6	526.7
<i>% of net sales</i>	15.5	14.9		13.3
Financial income and charges	34.3	80.2	(57.2)	61.5
Value adjustments to assets and non-recurring items	(32.2)	15.0	n.s.	14.9
Income before taxes	498.4	540.0	(7.7)	603.1
<i>% of net sales</i>	15.6	18.1		15.2
Taxes	(202.8)	(224.6)	(9.7)	(234.2)
Total net income	295.6	315.4	(6.3)	368.9
Group net income	133.1	164.9	(19.3)	186.6
<i>% of net sales</i>	4.2	5.5		4.7
Employees at period end (heads)	19,772	19,611		19,311

n.s. = non significant

(million euros)	30 Sept 2001	31 June 2001	31 Dec 2000
Net debt	1,751.4	1,755.0	1,535.3

These figures are not subject to independent auditors' examination.