

## **FIRST-QUARTER CONSOLIDATED NET SALES RISE 7.3%; OPERATING RESULT IMPROVES 9.2%**

### **Carlo Pesenti appointed General Manager of the holding**

Milan, 14 May 2001 – The Board of Directors of Italmobiliare S.p.A. today approved the consolidated report for the first quarter to 31 March 2001.

The Group's consolidated net sales for the first three months of the year totalled 954.6 million euros (+7.3% from the year-earlier first quarter); gross operating profit was 187.1 million euros, an increase of 9.2%, and operating income rose by 9.2% to 87.4 million euros. While business performance improved, earnings before taxes decreased from 67 million euros to 48.8 million euros, largely as a result of extraordinary provisions for the restructuring of Belgian unit of Sirap Gema, which operates in the thermal insulation industry.

The financial subsidiaries reported a positive overall performance for the first quarter. Italmobiliare International Finance, Italmobiliare's main financial unit, reported net income of 10.7 billion lire (6.9 billion in the first quarter of 2000). Société de Participation Financière Italmobiliare, which handles relevant equity investments and liquidity of the Group's, posted net income of 3.3 billion lire (3.9 billion in the year-earlier period). Fincomind, the holding company of Finter Bank Zürich, reported net income of 1.6 million Swiss francs, down from 7 million in the first three months of 2000; the variation is due to the high level of commissions recorded in the first quarter of 2000, when stock-market trading was particularly intense.

During the first three months, Italmobiliare purchased 140,000 Italcementi common shares, raising its direct and indirect shareholding in the company to 56.73%. Société de Participation Financière Italmobiliare invested 4.5 billion lire in the Consortitum rights issue and maintains its 5% stake.

Subsequent to 31 March, Société de Participation Financière Italmobiliare invested 20.2 billion lire in a major rights issue organised by Consortium for the equity purchase in Euralux; under Consortium's new share ownership, the Group's stake has decreased from 5% to 2.27%. Italmobiliare also invested 27 billion lire in the Tredicimarzo company which is purchasing 1.99%

of Mediobanca capital. The Group also invested 8.4 billion in Finpriv by subscribing for a rights issue and raising its equity investment to 14.28%.

The **outlook** for the Group's industrial subsidiaries is overall positive in relation to the foreseeable future. The high volatility of the financial markets makes it difficult to assess with certainty the amount of capital gains to be made from the disposal of assets, particularly the gain from the conversion of the Mediobanca – UniCredito bond, which will significantly impact on consolidated earnings.

Mr Carlo Pesenti, member of the Board of Directors, has been appointed General Manager of the Company.

### Group operations for the first quarter to 31 March 2001

(million euros)

(billion lire)

1 <sup>st</sup> quarter 2001		1 <sup>st</sup> quarter 2001	1 <sup>st</sup> quarter 2000	% change from 1 <sup>st</sup> quarter 2000	Full year 2000
954.6	Net sales	1,848.3	1,722.0	7.3	7,671.9
187.1	Gross operating profit	362.3	331.8	9.2	1,834.5
19.6	% of net sales	19.6	19.3		23.9
87.4	Operating income	169.2	154.9	9.2	1,019.9
9.2	% of net sales	9.2	9.0		13.3
(34.6)	Financial income (charges)	(67)	(31.6)	112.1	119.1
-3.6	% of net sales	-3.6	-1.8		1.6
(4.0)	Asset value adjustments and non-recurring items	(7.7)	6.5	-219.4	28.8
-0.4	% of net sales	-0.4	0.4		0.4
48.8	Income before taxation	94.5	129.8	-27.2	1,167.7
5.1	% of net sales	5.1	7.5		15.2
148.6	Capital expenditure	287.7	192.9	49.2	1,197.5
	Employees at end of period (heads)	19,953	19,810	0.7	19,311

31 March 2001		31 March 2001	31 December 2000	% change from 31 December 2000	31 March 2000
1,613.8	Net debt	3,124.8	2,972.7	5.1	3,238.8