

SHAREHOLDERS APPROVE 2003 FINANCIAL STATEMENTS

The dividend increases to 1 euro for ordinary shares (+6.4%) and to 1.078 euro for saving shares (+5.9%)

Milan, 18 May 2004 – Italmobiliare Spa's **Ordinary Shareholders Meeting**, held today on second call, approved the report and financial statements for 2003, which recorded consolidated sales of 4,397.1 million euro (+0.7%), total net income of 442 million (+17.5%) and net income before minority interest of 168.7 million (+40.8%). The shareholders approved a dividend payment of 1 euro for ordinary shares (0.94 euro for 2002) and 1.078 euro for savings shares (1.018 euro), an increase of 6.38% and 5.89% respectively. The dividend will be paid on 27 May and the ex-dividend date is 24 May.

The shareholders also approved the Board proposal to increase the number of members of the **Board of Directors from 9 to 10**. Italmobiliare's Board was therefore completed with the appointment of Piergiorgio Barlassina, the former Finance and Administration Joint General Manager, who left the company after many successful years service having reached pensionable age. Angelo Triulzi, who has been in charge of Italmobiliare's Finance division since June 2003, will become Finance and Administration Joint General Manager.

The shareholders also approved the proposal to renew Reconta Ernst & Young's **appointment as independent auditors** of the statutory and consolidated financial statements for the years 2004, 2005 and 2006.

Furthermore, the shareholders renewed the authorization to **purchase and sell own shares** for a period of 18 months from the date of the resolution; the purchase price of each share shall not be more than 15% higher or lower than the average reference price recorded at the Italian StockExchange on the three business days preceding any individual transaction; the overall value shall in no case be more than 50 million euro; the overall nominal value of the ordinary and/or savings shares purchased, including any shares owned by subsidiary companies, shall not exceed 10% of the share capital.

The **Extraordinary General Meeting** approved a series of amendments and supplements to the by-laws mostly in connection with the introduction of the "Vietti Law".

*As stated on 14 May, **the report on the first quarter 2004** recorded Italmobiliare Group sales of 1,037.7 million (+6.6% on the same period in 2003), net income before minority interest of 47.5 million (+75.1%) and group net income of 12.7 million (+18.7%). Net financial debt, which reached 1,606.2 million at the end of 2003, was further reduced to 1,566.3 million at 31 March this year.*

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Please note that the original press release is in Italian. In case of doubt the Italian version prevails