

TOTAL CONSOLIDATED NET INCOME OF 376 MILLION EURO (353 MILLION EURO IN 2001)

DIVIDEND OF 1.018 EURO FOR SAVINGS SHARES AND 0.94 EURO FOR ORDINARY SHARES

YEAR-END UNREALIZED CAPITAL GAINS OF 869 MILLION EURO ON ITALMOBILIARE S.P.A. EQUITY INVESTMENTS

Milano, March 24, 2003 – The Board of Directors of Italmobiliare Spa today examined and approved the Parent Company and consolidated report and financial statements for financial 2002. The **Italmobiliare Group** reported **net sales** of 4,365.3 million Euro (+3.8%), **gross operating profit** of 1,117 million Euro (+6.5%) and **operating income** of 708.3 million Euro, an improvement of 8.5%. The year closed with **total net income** of 376.2 million Euro (+6.5%). **Group net income** was 119.8 million Euro compared with 143.1 million Euro in 2001. The reduction in 2002 net income arose from the decrease in capital gains of the Parent Company compared with 2001; excluding such gains, the Group would have reported a significant increase in net income, thanks to the overall improvement in operating performance in 2002. The year's positive performance reflected a strong improvement in consolidated results at Italcementi, satisfactory performance by Sirap Gema (which reported a positive earnings figure after the restructuring of its thermal insulation business in 2001) and the positive contribution, if smaller, from wholly owned financial subsidiaries.

The **Parent Company Italmobiliare S.p.A.** reported **net income** of 62.5 million Euro in 2002, compared with net income of 66.8 million Euro in 2001. At December 31, 2002, **unrealized capital gains** on Italmobiliare S.p.A. listed equity investments, determined on the basis of average share prices over the previous six months, totaled about 869 million Euro.

At the **Shareholders' Meeting** convened for ordinary and extraordinary sessions on April 29 and 30, on first and second call respectively, the Board of Directors will ask shareholders to approve distribution of a **dividend** of 1.018 Euro to savings shares and 0.94 Euro to ordinary shares unchanged from the previous year, both with a full tax credit. Should the meeting approve the proposed payout, the dividend will be paid as from May 22.

Corporate Governance – The Board of Directors of Italmobiliare Spa approved the “Code for transactions with related parties”; this adopts the definitions and disclosure requirements issued by the Italian Stock Exchange Commission (Consob) and also introduces quantitative thresholds which required approval by the Board of Directors.

The Group – At consolidated level, Italmobiliare reported **net sales** of 4,365.3 million Euro (4,206.7 million Euro), of which 3.6% from positive market performance, 1.2% from changes in the consolidation area and 1% due to the negative exchange rate effect. **Gross operating profit** was 1,117 million Euro (1,048.7 million Euro), giving a return on net sales of 25.6%, while **operating income** was 708.3 million Euro (653 million Euro), giving a return on net sales of 16.2%. Group **cash flow** in 2002 was 784.9 million Euro compared with 749 million Euro in 2001. At year end, **total shareholders' equity** amounted to 3,609.7 million Euro (3,714 million Euro), while **Group shareholders' equity** was 1,571.9 million Euro (1,542.7 million Euro at the end of 2001). **Net debt** at year end stood at 1,913.1 million Euro (1,701.9 million Euro) after **capital investments** of 872.7 million Euro. Group **gearing** (the ratio of net debt, including floating rate subordinated securities, to shareholders' equity) was 55.13% at December 31, 2002 (48.53% at December 31, 2001). The net debt to gross operating profit ratio was 1.78, against 1.72 in the earlier year.

Business performance – The **Italcementi** group reported an increase in consolidated net sales from 4,063 million Euro to 4,262 million Euro (+4.9%) and a consolidated gross operating profit of 1,109 million Euro (+7.8%). Operating income was 711 million Euro, an improvement of 8.7% from the previous year, for a return on net sales of 16.7%. The improvement in operations reflected a strong overall business performance and achievement of the operating cost reduction targets planned for the last two years. Net financial charges were 128 million Euro, down by 8 million Euro from 2001, despite the increase in debt as a result of major investments. Adjustments to financial asset values and non-recurring items generated a negative net balance of approximately 53 million Euro (14 million Euro in 2001), due to extremely prudent evaluation of assets and business risks. Income taxes amounted to 174 million Euro and were sharply down (48 million Euro) on the 2001 figure, mainly as a result of tax benefits allowed under the Tremonti bis law in Italy and of adjustments to deferred taxes following the tax-rate reduction in Belgium at the end of 2002. Total consolidated net income for 2002 was 357 million Euro, an improvement of 26.2%, while group net income rose to 274 million Euro (+36.1%).

The **Sirap Gema** group (food packaging and thermal insulation) benefited from the restructuring of its thermal insulation business and reported net income of 4.1 million Euro compared with a consolidated net loss of 4.2 million Euro in 2001. The **financial subsidiaries** globally made a positive if smaller contribution to results compared with the previous year. Italmobiliare International Finance closed 2002 with net income of 16.2 million Euro against 18.8 million Euro in 2001. Société de Participation Financière Italmobiliare reported a loss of 12.7 million Euro (-21.7 million Euro in 2001) after writedowns on equity investments to reflect negative stock-market trends. Fincomind (which controls Finter Bank Zurich and Finter Bank France) posted a consolidated net loss of 4.2 million Swiss Francs (+0.9 million Swiss francs in 2001) as a consequence of no positive operating results at Finter Bank France and provisions set aside for the restructuring of the French bank.

Group operating outlook The great uncertainty of the world economic situation makes it difficult to formulate reliable projections for the current financial year. Performance in the construction industry through the Italcementi group is expected to confirm the slowdown on a number of mature markets, particularly in North America, and a generally positive trend in the developing countries. The Italcementi group is taking decisive action to achieve further improvements in operating efficiency and therefore expects to consolidate 2002 operating results, provided that no further decline occurs. In the food packaging and thermal insulation business, the Sirap Gema group could improve its operating results if no significant increases occur in raw materials. At consolidated level, results could be in line with those of 2002, provided that no further deterioration takes place on the financial markets to the detriment of investee companies.

The Parent Company – Italmobiliare S.p.A. reported **financial income and charges** of 105.7 million Euro in 2002 (122.8 million Euro in 2001); **income on ordinary operations** was 89.9 million Euro (104.4 million Euro), while **income before taxes** was 85.7 million Euro (104.3 million Euro). **Shareholders' equity** amounted to 952.4 million Euro (927.1 million Euro at the end of 2001) and covered 75.5% of equity investments held as fixed assets. At the end of the year, Italmobiliare and the wholly owned financial subsidiaries had a positive **net financial position** of 181.2 million Euro compared with 148.1 million Euro at the end of 2001.

Parent Company operating outlook – Uncertain conditions on the financial markets prevent reliable forecasts from being drawn up. Provided that the Italian share prices of investee companies do not decline, and without capital gains from the disposal of equity investments, the result for the current year is expected to be lower than that posted for 2002, although it will still be good.

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

The attachment sets out schedules summarizing the pre-audit consolidated and Italmobiliare Spa results

ITALMOBILIARE GROUP		<i>(millions of Euro)</i>	
	2002	2001	
Net sales	4,365.3	4,206.7	
Value added	1,867.5	1,802.3	
Gross operating profit	1,117.0	1,048.7	
<i>% of net sales</i>	<i>25.6</i>	<i>24.9</i>	
Amortization and depreciation	408.7	395.7	
Operating income (Difference value/costs of production)	708.3	653.0	
<i>% of net sales</i>	<i>16.2</i>	<i>15.5</i>	
Financial income and charges	(62.6)	(6.7)	
Value adjustments and non-recurring items	(79.0)	(43.9)	
Income before taxes	566.7	602.4	
Income taxes	(190.5)	(249.1)	
Total net income	376.2	353.3	
Minority interests	256.4	210.2	
Group net income	119.8	143.1	
Total shareholders' equity	3,609.7	3,714.0	
Group shareholders' equity	1,571.9	1,542.7	
Net debt	1,913.1	1,701.9	
Investments in fixed assets	872.7	877.1	
Cash-flow (income + amortization and depreciation)	784.9	749.0	

ITALMOBILIARE S.p.A.		<i>(millions of Euro)</i>	
	2002	2001	
Income from equity investments	114.2	142.7	
of which:			
dividends and tax credits	74.3	66.6	
equity trading gains	39.9	76.1	
Other financial income	7.1	18.4	
Interest expense and other financial charges	(15.6)	(38.3)	
Total financial income and charges	105.7	122.8	
Adjustments to the value of financial assets	(2.4)	(6.0)	
Other operating income/(costs)	(13.4)	(12.4)	
Income on ordinary operations	89.9	104.4	
Non-recurring income/(charges)	(4.2)	(0.1)	
Income before taxes	85.7	104.3	
Income taxes	(23.2)	(37.5)	
Net income	62.5	66.8	

Pre-audit consolidated and Italmobiliare S.p.A. results