

ITALMOBILIARE

2002 Half year report



2002 Half year report

September 13, 2002

ITALMOBILIARE

Società per Azioni

Head office: via Borgonuovo, 20
20121 Milan, Italy

Share capital € 100.166.937
Milan Companies Register



■ BOARD OF DIRECTORS

(Term ends on approval of financial statements at 31 December 2004)

Giampiero Pesenti	¹	Chairman Chief Executive Officer
Giovanni Giavazzi	¹⁻²	Deputy Chairman
Mauro Bini	³⁻⁴	
Giorgio Bonomi	³	
Italo Lucchini	¹⁻³	
Luca Minoli	²	
Giorgio Perolari	²⁻⁴	
Carlo Pesenti	¹	Chief Operating Officer
Livio Strazzerà	⁴	
Graziano Molinari	⁵	Secretary to the Board

■ BOARD OF STATUTORY AUDITORS

(Term ends on approval of financial statements at 31 December 2004)

Acting Auditors

Luigi Guatri	Chairman
Claudio De Re	
Paolo Marchi	

Substitute Auditors

Dino Fumagalli	
Eugenio Mercorio	
Pietro Curcio	

Reconta Ernst & Young S.p.A.	Independent Auditors
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- ¹ Member of the Executive Committee
- ² Member of the Remuneration Committee
- ³ Member of the Internal Control Committee
- ⁴ Independent Director
- ⁵ Secretary to the Executive Committee



Company position and conferred power

The Company by-laws envisage that the Board of Directors has the widest possible powers to manage the Company's ordinary and extraordinary operations. It may undertake all the acts and provisions that it considers opportune to pursue the Company's mission, excluding only those acts that the law expressly reserves for the Shareholders' Meeting.

Legal representation of the Company is granted in the by-laws to the Chairman, Deputy Chairman and, where nominated, the Chief Executive Officer, independently of the others.

The Board of Directors, nominated by the Shareholders' Meeting of 3 May 2002, made nominations for company positions and their related powers.

In particular the following powers were delegated:

- to the **Executive Committee**, which has four members, all the powers of the Board of Directors, except those that the Italian Civil Code and the by-laws do not allow to be delegated. As specified on nomination, any resolutions of the Executive Committee must be referred to the Board of Directors at its next meeting;
- to the **Chairman - Chief Executive Officer**, the powers to undertake all the administrative acts and provisions, excluding offering guarantees in favor of bodies which are not subsidiary or associated companies, within a financial limit of 150 million euro for each operation (the limit is lowered to 75 million euro for real estate operations);
- to the **Chief Operating Officer**, the powers to undertake all the acts concerning the Company's operational management, excluding offering guarantees in favor of bodies which are not direct or indirect subsidiaries, within a financial limit of 75 million euro for each operation when signed only by the Chief Operating Officer and 100 million euro when signed jointly with the General Administration and Finance Co-Director.

Other delegated powers have been given to the General Administration and Finance Co-Director, the General Strategy and Development Co-Director and the Secretary to the Board, within their respective competencies.

The General Administration and Finance Co-Director has delegated specific and limited powers to Company employees for everyday operations.

Nomination of Committees

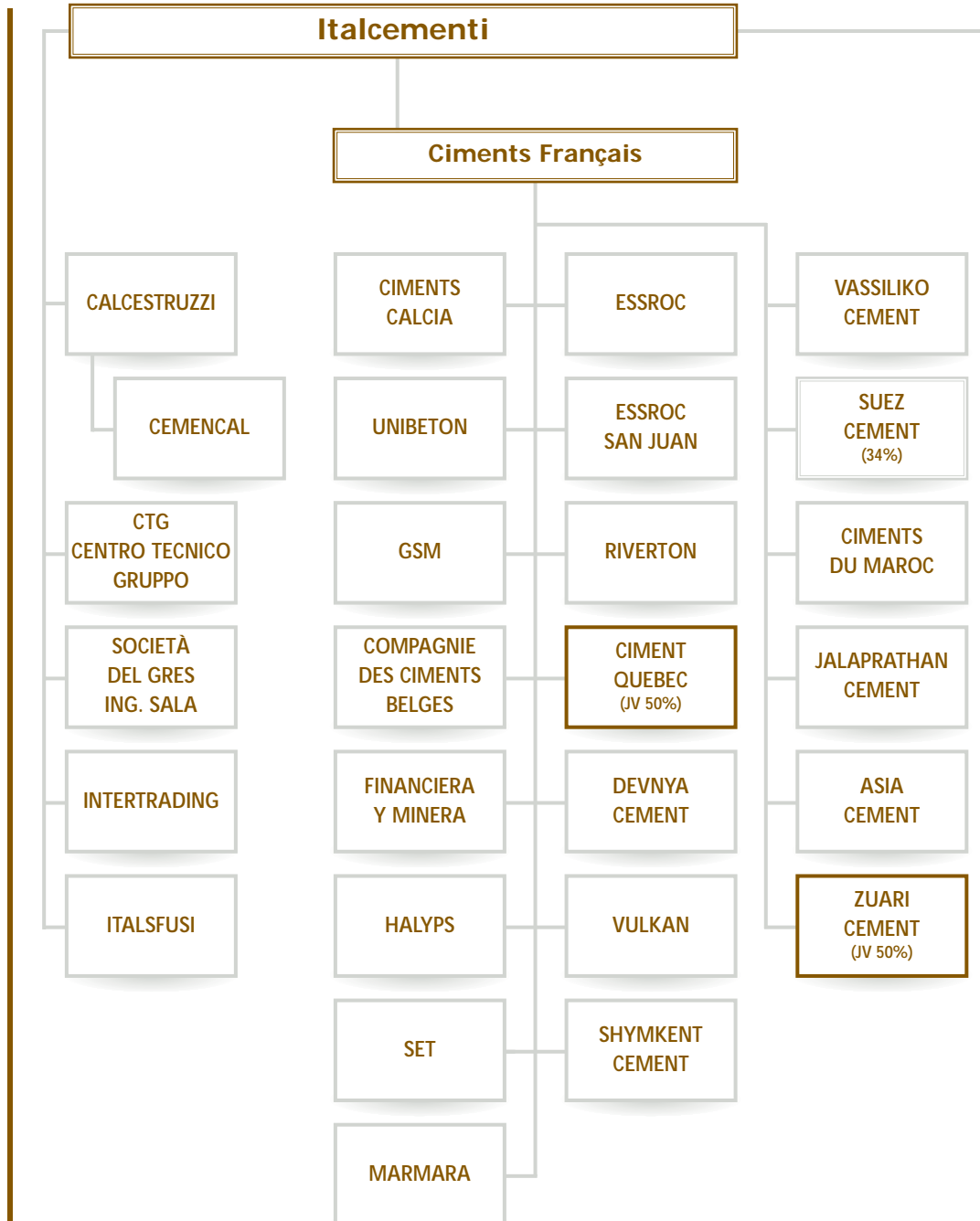
During 2001 the Company Board of Directors adopted its own Code of Conduct (the Code) which follows on from and integrates the rules proposed by the Corporate Governance for Listed Companies Committee set up at Borsa Italiana S.p.A.

The corporate governance structure, as set out in the binding regulations in the by-laws and in the voluntary measures of the Code, highlights Italmobiliare's adhesion to 'best practice' rules that meet general approval.

Among other measures, the Code arranges for the Board of Directors to nominate from their own number the Internal Control Committee and the Remuneration Committee with the duty to consult and make proposals. These committees met and operated frequently during the half year.

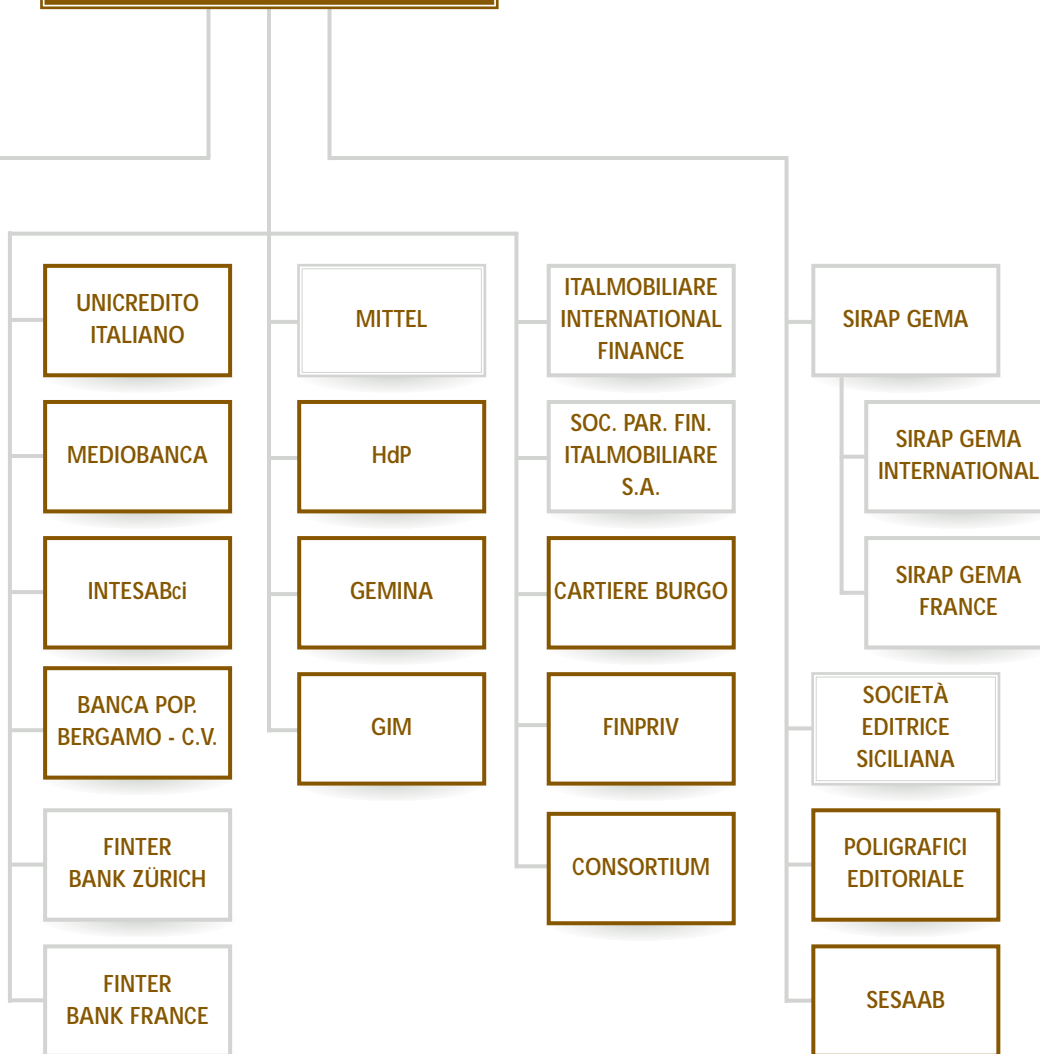


ITALMOBILIARE GROUP





ITALMOBILIARE



SUBSIDIARIES

ASSOCIATED
COMPANIES

OTHERS



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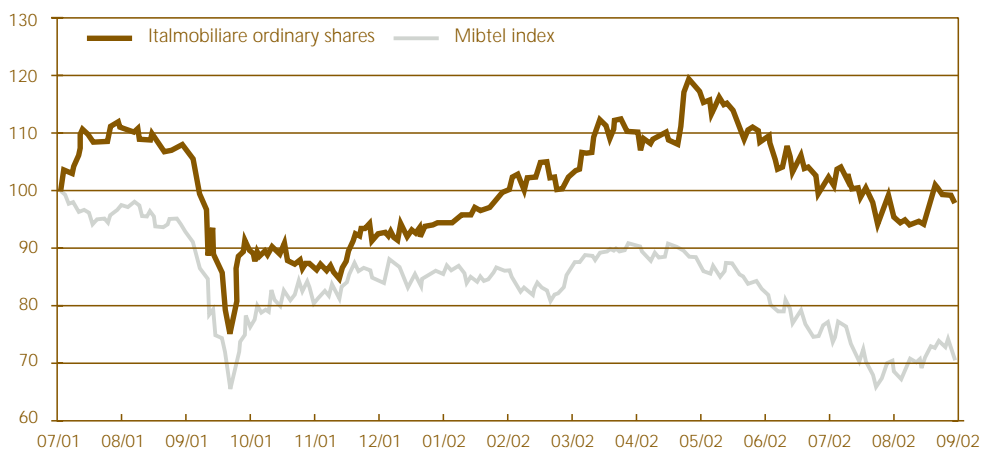
Share prices from 07.02.2001 to 08.30.2002

(in euro)

	maximum		minimum		07.02.01	08.30.02	performance
Ordinary shares	43.05	04.26.02	26.90	09.21.01	36.08	35.15	-2.58%
Savings shares	24.97	03.25.02	14.47	09.21.01	19.47	19.54	0.34%
Mibtel index	26,617	07.02.01	17,382	09.21.01	26,617	18,832	-29.25%

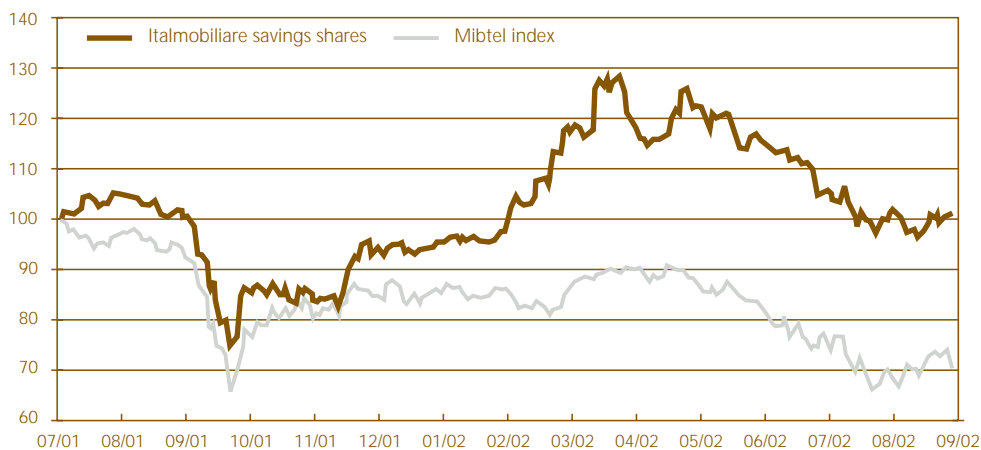
Italmobiliare's ordinary shares performance and Mibtel index

(base 07.02.2001 = 100)



Italmobiliare's savings shares performance and Mibtel index

(base 07.02.2001 = 100)



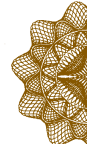


Group financial highlights

(in millions of euro)

	30 June 2002	30 June 2001 pro forma*	30 June 2001	30 June 2000	31 December 2001
Net sales	2,159.7	2,098.0	2,118.1	1,956.3	4,206.7
Gross operating profit	514.6	492.2	497.8	440.5	1,048.7
Amortization and depreciation	193.6	196.4	198.1	185.9	395.7
Operating income (difference between production value/costs)	321.0	295.8	299.7	254.6	653.0
Financial income and charges	(27.0)	(30.0)	(32.6)	68.6	6.5
Non-recurring income and charges	(17.6)	(5.3)	(5.4)	29.4	(24.2)
Income before minority interest	166.3	157.0	158.3	205.7	353.3
Group net income	63.4	61.6	61.6	119.2	143.1
Cash flow (income + amortization and depreciation)	359.9	353.4	356.4	391.6	749.0
Investments in fixed assets	495.7	286.4	286.4	265.4	877.1
Total shareholders' equity	3,535.6	3,611.2	3,652.6	3,357.6	3,714.0
Group shareholders' equity	1,534.0	1,469.4	1,469.4	1,352.5	1,542.7
Net debt	(2,150.7)	(1,734.9)	(1,755.0)	(1,668.3)	(1,701.9)
Debt/equity ratio	-60.8%	-48.0%	-48.0%	-49.7%	-45.8%
Earnings per share	1.65	1.60	1.60	3.09	3.71
Shareholders' equity per share	39.82	38.14	38.14	35.11	40.04
Employees (heads)	18,769	19,562	19,988	19,972	19,137

* Zuari Cement Ltd (India) consolidated on a proportional basis (50%)



General overview

In the 1st half of 2002 the Italmobiliare Group recorded total net income of 166.3 million euro and Group net income of 63.4 million euro, compared to 157 million euro and 61.6 million euro respectively in the 1st half of 2001, the figures for which have been restated on a pro forma basis to reflect the consolidation on a proportional basis of Zuari Cement Ltd (a company in which a 50% equity investment is held by the Italcementi group) which was consolidated on a line-by-line basis in the 1st half of 2001.

The performance in the 1st half of 2002 compared to the 1st half of 2001 was characterized by:

- an improvement in results at the Italcementi group;
- an improvement in results at the Sirap Gema group;
- a reduced contribution overall from the financial companies.

Against a background of uncertainty regarding the timing and size of the economic recovery worldwide and of diverging trends in the various countries, the **Italcementi group** recorded total consolidated net income of 142.3 million euro and Group net income of 107.9 million euro, up by 11.9% and 21% respectively compared to the 1st half of 2001, on net sales of 2,108 million euro (+ 4.4%).

In the period the international expansion strategy continued and may be summarized in the following important acquisitions:

- India: 95.6% of Sri Vishnu Cement Ltd. (through Zuari Cement Ltd) with an outlay for the Group of 38.9 million euro;
- Turkey: all the share capital of Marmara Cimento for 22 million euro;
- Egypt: 2.8% of the Suez Cement Company, with an overall investment over the two-year period 2001-2002 of 310.9 million euro, thus increasing the equity investment to over 34%;
- Thailand: 18.8% of Jalaprathan Cement Public Company (through the Asia Cement Public Company) for 8.8 million euro;
- United States: all the share capital of Riverton Investment Corporation for 138.9 million euro;
- Morocco: purchase of 9.5% of their own shares by Ciments du Maroc for 57.5 million euro, by means of a public tender offer.

The main financial companies recorded the following results:

- **Italmobiliare International Finance Ltd** (operating in international capital markets) had net income of 7.7 million euro down from 10.4 million euro;
- **Société de Participation Financière Italmobiliare S.A.** (financial holding for key equity investments and liquidity) reported net income of 1.9 million euro compared to 6.5 million euro, a fall which reflects the poor performance of stock markets in the period with a subsequent effect on the value of some shareholdings;
- the **Fincomind group** (including Finter Bank Zürich and Finter Bank France) in a situation of continuing difficulty for asset management companies, saw consolidated net income of 1.8 million Swiss francs compared to 2.2 million Swiss francs in the 1st half of 2001.



The Parent Company Italmobiliare bought 1,281,350 Mediobanca shares (for 14.9 million euro overall) from Tredicimarzo S.r.l., that were part of the shareholdings that Tredicimarzo S.r.l. had previously acquired from Eurafrance and Eurazeo.

The investment of 14.9 million euro was matched by a reimbursement from Tredicimarzo S.r.l. of the sum paid into its share capital increase account (14 million euro). The equity investment in Tredicimarzo was subsequently sold.

Italmobiliare bought Italcementi ordinary shares for a value of 9.4 million euro: the direct equity investment increased to 58.27%.

The performances of the other industrial sectors may be summarized as follows:

- the **Sirap Gema group** (food packaging and thermal insulation) recorded net income of 2 million euro compared to a loss of 9.4 million euro in the 1st half of 2001, while net sales fell to 51.7 million euro from 59.3 million euro. The progress made in terms of income and also the reduction in net sales are the result of the restructuring of the thermal insulation division, as previously commented on in earlier reports;
- the **SAB group** (public transport) ended the half year with net income of 3.6 million euro compared to 5.6 million euro previously, the latter figure being influenced by non-recurring items. The SAB group was put up for sale, a process which was concluded after the end of the half year, information on which is given in the part of the Report on significant events subsequent to the end of the half year (page 36): therefore, unlike in the 1st quarter of 2002, the SAB group was consolidated on an equity basis.



Key consolidated figures at 30 June 2002

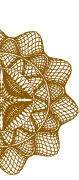
(in millions of euro)

	1 st half 2002	1 st half 2001 pro forma*	2001	1 st half 2001
Net sales	2,159.7	2,098.0	4,206.7	2,118.1
Added value	887.7	875.4	1,802.3	881.8
Gross operating profit	514.6	492.2	1,048.7	497.8
<i>% of net sales</i>	<i>23.8</i>	<i>23.5</i>	<i>24.9</i>	<i>23.5</i>
Amortization and depreciation	193.6	196.4	395.7	198.1
Operating income	321.0	295.8	653.0	299.7
(Difference between production value/costs)				
<i>% of net sales</i>	<i>14.9</i>	<i>14.1</i>	<i>15.5</i>	<i>14.1</i>
Financial income and charges	(27.0)	(30.0)	6.5	(32.6)
Adjustments to the value of assets and non-recurring items	(11.5)	2.7	(57.1)	2.7
Net income before taxes	282.5	268.5	602.4	269.8
Income taxes	(116.2)	(111.5)	(249.1)	(111.5)
Income before minority interest	166.3	157.0	353.3	158.3
Minority interest	102.9	95.4	210.3	96.6
Group net income	63.4	61.6	143.1	61.6

	30 Jun. 2002	30 Jun. 2002 pro forma*	31 Dec. 2001	30 Jun. 2001
Total shareholders' equity	3,535.6	3,611.2	3,714.0	3,652.6
Group shareholders' equity	1,534.0	1,469.4	1,542.7	1,469.4
Net debt	(2,150.7)	(1,734.9)	(1,701.9)	(1,755.0)
Investments in fixed assets	495.7	286.4	877.1	286.4
Cash flow (net income + amortization and depreciation)	359.9	353.4	749.0	356.4

* Zuari Cement Ltd (India) consolidated on a proportional basis (50%)

The results for the two quarters covered in the summarized figures were, as usual, affected by the seasonal nature of the Group's core business sector - construction materials - with increased business levels in the 2nd quarter compared to the 1st.



Quarterly performance

(in millions of euro)

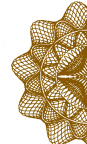
	1 st half 2002	2 nd quarter 2002	1 st quarter 2002**
Net sales	2,159.7	1,199.1	960.6
<i>% change from 2001 pro forma*</i>	2.9	3.9	1.7
Gross operating profit	514.6	335.8	178.8
<i>% change from 2001 pro forma*</i>	4.6	8.9	-2.3
<i>% of net sales</i>	23.8	28.0	18.6
Operating income	321.0	237.4	83.6
<i>% change from 2001 pro forma*</i>	8.5	12.7	-1.8
<i>% of net sales</i>	14.9	19.8	8.7
Financial income and charges	(27.0)	(2.2)	(24.8)
<i>% of net sales</i>	-1.3	-0.2	-2.6
Adjustments to the value of assets and non recurring items	(11.5)	(26.1)	14.6
<i>% of net sales</i>	-0.5	-2.2	1.5
Income before taxes	282.5	209.1	73.4
<i>% of net sales</i>	13.1	17.4	7.6
Income before minority interest	166.3	127.6	38.7
<i>% of net sales</i>	7.7	10.6	4.0
Group net income	63.4	44.1	19.3
<i>% of net sales</i>	2.9	3.7	2.0
Net debt	2,150.7	2,150.7	1,784.8

* Zuari Cement Ltd (India) consolidated on a proportional basis (50%)

** SAB group consolidated on an equity basis to be consistent with the 2nd quarter of 2002

Net sales

Net sales grew by 2.9% rising to 2,159.7 million euro from 2,098 million euro. Changes in the consolidation area tended to cancel each other out and so had only a slight impact on the changes in net sales, as did exchange rate movements.



The breakdown of sales by business and geographical area* may be summarized as follows:

(in millions of euro)

	1 st half 2002	%	1 st half 2001 pro forma**	%	Change %	1 st half 2001
Geographical area						
European Union	1,564.5	72.4	1,521.0	72.5	2.9	1,521.0
<i>of which Italy</i>	699.9	32.4	684.9	32.6	2.2	684.9
North America	292.5	13.6	291.0	13.9	0.5	291.0
Other countries and trading	302.7	14.0	286.0	13.6	5.8	306.1
Total	2,159.7	100.0	2,098.0	100.0	2.9	2,118.1
Business sector						
Construction materials	2,106.8	97.5	2,017.4	96.2	4.4	2,037.5
Food packaging and insulation	51.6	2.4	59.3	2.8	13.0	59.3
Transport	-	-	19.7	0.9	n.s.	19.7
Other	1.3	0.1	1.6	0.1	18.8	1.6
Total	2,159.7	100.0	2,098.0	100.0	2.9	2,118.1
Total on a constant exchange rate and consolidation area basis					3.0	

* sales by country/sector are shown net of intragroup transactions

** Zuari Cement Ltd (Asia) consolidated on a proportional basis (50%)

n.s.: not significant

Gross operating profit and operating income

Gross operating profit and operating income saw increases of 4.6% and 8.5% respectively, on net sales up by 2.9%, as mentioned previously. This positive trend both in absolute and relative terms was mainly due to the construction materials sector which enjoyed higher levels of business and efficiency gains thanks to an industrial cost reduction program.

Financial charges and income and other items

Financial charges and income recorded a loss of 27 million euro compared to a loss of 30 million euro previously, an improvement that was mainly due to the more limited impact of the depreciation of the Turkish lira and the positive effect of the reduction in interest rates which more than made up for the increase in debt, and was also thanks to the increased dividends collected from non-consolidated companies.

Adjustments to the value of assets had a positive balance of 6.1 million euro, compared to 8.1 million euro in the 1st half of 2001. The reduction was caused by the increased write-downs applied to equity investment assets, only partially offset by value readjustments and by the positive results of the companies consolidated on an equity basis, which, because of the change in its method of consolidation, include the contribution from the SAB group.

Non-recurring income and charges had a negative balance of 17.6 million euro after 5.3 million euro in the 1st half of 2001, a deterioration that reflects the accounting for increased charges by the Italcementi group.



Net income

Total net income before minority interest rose to 166.3 million euro from 157 million euro, after accounting for income taxes of 116.2 million euro (111.5 million euro at 30 June 2001).

Key financial data

(in millions of euro)

	30 Jun. 2002	31 Dec. 2001	30 Jun. 2001 pro forma	30 Jun. 2001
Net fixed assets	5,564.5	5,463.6	5,270.4	5,325.1
Working capital	986.9	827.4	974.4	981.2
Net invested capital	6,551.4	6,291.0	6,244.8	6,306.3
<i>Group shareholders' equity</i>	<i>1,534.0</i>	<i>1,542.7</i>	<i>1,469.4</i>	<i>1,469.4</i>
<i>Minority interest</i>	<i>2,001.5</i>	<i>2,171.3</i>	<i>2,141.8</i>	<i>2,183.2</i>
Floating rate subordinated securities (net)	88.5	100.5	111.4	111.4
Provisions	776.7	774.6	787.3	787.3
Net debt	2,150.7	1,701.9	1,734.9	1,755.0
Total financing	6,551.4	6,291.0	6,244.8	6,306.3

Investments in fixed assets

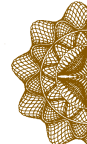
The gross investment in fixed assets in the period was substantial at 546.1 million euro, up from 276.3 million euro previously, of which 375.7 million euro was for investments in financial fixed assets.

Net debt

Net debt reached 2,150.7 million euro compared to 1,701.9 million euro at 31 December 2001, increasing because of the significant investments in fixed assets made in the period.

Net debt

	30 Jun. 2002	31 Dec. 2001
Cash, cash equivalents and current financial assets	835.5	891.0
Short-term financing	(973.2)	(970.6)
Medium/long-term financial assets	54.5	55.5
Medium/long-term financing	(2,067.5)	(1,677.8)
Net debt	(2,150.7)	(1,701.9)
Change from 31 December 2001	(448.8)	-
Net floating rate subordinated securities	(88.5)	(100.5)



Cash flow summary

	(in millions of euro)	
	1 st half 2002	1 st half 2001 pro forma
Cash flow from operating activities	352.7	331.8
Change in working capital	(200.9)	(135.2)
Investments		
Intangible	(9.7)	(15.3)
Tangible	(160.7)	(139.8)
Financial (equity investments)	(375.7)	(121.2)
Change in payables for purchase of fixed assets	50.4	(10.1)
Total investments in fixed assets	(495.7)	(286.4)
Proceeds from sale of fixed assets	34.3	30.2
Change in other financial fixed assets	(20.3)	(14.6)
Change in other equity investments	0.8	(6.5)
Dividends paid	(126.0)	(99.7)
Change in consolidation area and translation gain/loss	3.3	(22.2)
Other	3.0	3.0
Change in net debt	(448.8)	(199.6)

Shareholders' equity

Compared to 31 December 2001 total shareholders' equity, at 3,536 million euro, fell by 178 million euro. This change was mainly due to the depreciation, compared to the euro, of the US dollar, the Egyptian lira and other currencies as well as the reduction in the minority interest owing to the increase in the Group's equity investments in subsidiary companies (Ciments Français, Ciments du Maroc, Jalaprathan Cement Public Company). The depreciation of some currencies compared to the euro led to a reduction in the translation reserve included in total shareholders' equity of about 143 million euro, of which 33.1 million euro was Group shareholders' equity.

Without this element Group shareholders' equity would have risen by 24.5 million euro.



Performance by business and by country

Construction materials

This is the core business of Italmobiliare and includes the activities of the Italcementi group in the cement, pre-packed ready mixed concrete and aggregates sectors.

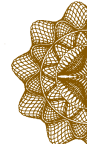
Key consolidated figures for the half year

(in millions of euro)

	1 st half 2002	1 st half 2001 pro forma*	2001
Net sales	2,108.1	2,019.2	4,062.7
Added value	867.7	830.6	1,712.9
Gross operating profit	509.6	484.6	1,028.8
<i>% of net sales</i>	<i>24.2</i>	<i>24.0</i>	<i>25.3</i>
Amortization and depreciation	(188.3)	(186.3)	(374.4)
Operating income (Difference between production value/costs)	321.3	298.3	654.4
<i>% of net sales</i>	<i>15.2</i>	<i>14.8</i>	<i>16.1</i>
Financial income and charges	(60.0)	(67.8)	(135.6)
Adjustments to the value of assets and non-recurring items	(14.1)	2.1	(13.7)
Income before taxes	247.1	232.6	505.1
Income before minority interest	142.3	127.2	282.7
Minority interest	(34.4)	(38.0)	(81.4)
Group net income	107.9	89.2	201.3
	30 Jun. 2002	30 Jun. 2001 pro forma	31 Dec. 2001
Investments in fixed assets	462.5	230.0	742,6
Cash flow (net income + amortization and depreciation)	330.7	313.5	657,1

* Zuari Cement Ltd (India) consolidated on a proportional basis (50%)

Performance in the 1st half, which was positive overall, was characterized by differing results in developed and so-called emerging countries. The countries of the European Union saw an overall improvement in results compared to the same period in 2001, while North America fell back slightly. Among emerging nations, the improvement in results in Morocco, Bulgaria and Turkey was in contrast to the downward trend in Thailand and India, where markets were expanding but were affected by heavy excess production capacity which had a serious impact on sale prices.



Quarterly performance

(in millions of euro)

	1 st half 2002	2 nd quarter 2002	1 st half 2001
Net sales	2,108.1	1,170.4	937.7
<i>% change on 2001 pro forma*</i>	+4.4	+5.3	+3.3
Gross operating profit	509.6	332.9	176.7
<i>% change on 2001 pro forma*</i>	+5.2	+9.3	-1.8
Operating income	321.3	237.3	84.0
<i>% change on 2001 pro forma*</i>	+7.7	+11.9	-2.5
Net debt (at period end)	2,260.7	2,260.7	1,917.5

* Zuari Cement Ltd (India) consolidated on a proportional basis (50%)

The sectors in which the group operates are highly seasonal: generally better weather conditions and lower maintenance costs normally lead to higher levels of business and better operating results in the 2nd quarter compared to the first months of the year.

Sales volumes and internal transfers[†]

	1 st half 2002	% change on 1 st half 2001	
		historic	at constant size
Cement (millions of metric tons)	21.6	+3.1	+1.4
Aggregates** (millions of metric tons)	27.9	+2.6	+2.6
Ready mixed concrete (millions of m ³)	9.5	+1.5	+1.2

* changes are calculated on the basis of the consolidation on a proportional basis of Zuari Cement Ltd in the 1st half of 2001 as well

** excluding outgoes on work-in-progress account

Group sales volumes in the 1st half of 2002 were satisfactory in all areas of business, although there were varying trends in different geographical areas.



Contribution to consolidated net sales*

(in millions of euro)

	1 st half 2002	%	1 st half 2001 pro forma**	%	Change 2002 vs. 2001
Geographical area					
European Union	1,512.8	71.8	1,442.3	71.4	4.9
Nord America	292.5	13.9	291.0	14.4	0.5
Asia	92.7	4.4	90.7	4.5	2.2
Other countries and trading	210.1	10.0	195.2	9.7	7.6
Total	2,108.1	100.0	2,019.2	100.0	4.4
Business area					
Cement	1,306.0	61.9	1,261.3	62.5	3.5
Ready mixed concrete and aggregates	703.9	33.4	660.1	32.7	6.6
Other	98.2	4.7	97.9	4.8	0.3
Total	2,108.1	100.0	2,019.2	100.0	4.4
Total on a constant exchange rate and consolidation area basis				2.8	

* net sales by country/sector are shown net of intragroup transactions between countries/sectors

** Zuari Cement Ltd (Asia) consolidated on a proportional basis (50%)

The 4.4% increase in consolidated group net sales compared to the 1st half of 2001 was due to improved performance (2.8%) and to the enlargement of the consolidation area (1.6%), while the overall impact from exchange rate movements was negligible.

The European Union, thanks to all the countries it contains, was the area which made the biggest contribution to the growth in net sales.

Net sales in North America were basically stable, but fell slightly on a constant consolidation area and exchange rate basis.

Among emerging countries, growth was strong in Morocco and Bulgaria, while a negative change was seen once again in Turkey. As previously mentioned, the level of net sales in India and Thailand was badly affected by the fall in sales prices.



Net sales, gross operating profit, capital expenditure and invested capital by geographical area*

(in millions of euro)

	Net sales		Gross operating profit		Capital expenditure		Invested capital**	
	1 st half 2002	% change on 1 st half 2001	1 st half 2002	% change on 1 st half 2001	1 st half 2002	1 st half 2001	30 Jun. 2002	31 Dec. 2001
European Union	1,539.2	4.6	365.2	6.7	121.4	84.3	2,798.8	2,687.2
North America	292.5	0.5	58.6	(5.6)	23.0	23.3	667.0	563.9
Asia	97.4	0.5	19.7	(38.9)	2.3	1.9	592.4	596.7
Other countries	189.6	0.7	61.9	31.7	8.4	11.9	659.2	684.0
Trading and other	94.4	9.3	4.2	>100.0	0.4	0.6	91.3	53.7
Holdings	-	-	-	-	-	-	357.2	355.3
Elimination of inter-country sales	(105.0)	n.s.	-	-	-	-	-	-
Total	2,108.1	4.4	509.6	5.2	155.5	122.0	5,165.9	4,940.8

* the comparison is made with the pro forma figures for the 1st half of 2001 (Zuari Cement Ltd - Asia - consolidated on a proportional basis (50%))

** net tangible and intangible assets and working capital

n.s.: not significant

European Union

In Italy, despite the fact that economic activity was again generally weak in the half year, the construction sector maintained positive, albeit decelerating, growth rates.

National cement consumption, which was estimated to be approximately 2.9% up compared to the 1st half of 2001, consequently followed a positive trend once again, although the growth rate slowed from April onwards and there were marked territorial variations. Group sales of hydraulic binders in the half year, which were affected by an unfavorable geographical mix, fell slightly compared to the same period in 2001 because of the increasing share of imports.

The overall increase in operating costs, only partially offset by the fuel economies achieved, was more than compensated for by the favorable trend in net sales.

As with cement commented on above, the ready mixed concrete sector too, in an overall favorable market, saw greatly differing trends throughout the country.

Against this background, Calcestruzzi S.p.A. and its Italian subsidiaries improved net sales overall by 10.8% compared to the 1st half of 2001. The marked upward trend in raw material and transport costs was largely balanced out by the improvement in net sales. The overall increase in sales volumes and the containment of fixed costs at the levels of the first six months of 2001 had a positive impact on operating results.



In **France** national cement sales volumes at Ciments Calcia S.A. increased, in line with market trends, by approximately 1.3%. Net sales, which in the 1st half of 2002 included revenues for services provided to other Group sectors/companies following the business reorganization in France and Belgium, rose by approximately 7%.

Operating results, despite the recovery in the 2nd quarter, were nonetheless penalized by the long period of strikes which limited production in the 1st quarter and which was handled by stocking up from other group plants.

The improvement in group net sales in the aggregates and ready mixed concrete sectors was caused by the rise in average sales prices, set against a negative trend in some important cost factors (in particular raw materials and transport). On a constant size basis, business volumes registered overall falls of 2% and 3.2% respectively for the two sectors. Overall operating results in the period were at the levels of the 1st half of 2001.

In the **Benelux**, in a market which saw a major fall in cement consumption compared to the 1st half of 2001, Compagnie des Ciments Belges improved its turnover (+7.1%) thanks above all to the marked increase in volumes destined for the French market (because of the strikes which affected production at Ciments Calcia S.A. in the 1st quarter), which more than offset the fall recorded elsewhere.

However, business in the ready mixed concrete and aggregates sectors fell, penalized by unfavorable weather and the postponement of some important work projects.

The increase in net sales, owing to higher levels of cement exports to the French market and the containment of operating costs, caused a notable improvement in operating results.

In **Spain**, despite a market that continued to be favorable, national cement sales at Financiera y Minera fell by 1.9%, offset in part by higher exports to Ciments Calcia. group sales in the south of Spain felt the impact of the increasing volume of imports, while in the northern regions they suffered the effects of a long period of strikes and the postponement of an important works project.

However, steady levels of business in aggregates (+ 9.8% compared to the 1st half of 2001) and, to a lesser extent, in ready mixed concrete (+2.5%) more than made up for the fall in cement sales volumes.

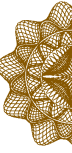
The favorable trend in net sales and the firm control of costs were reflected in improved operating results.

In **Greece** Halyps continued to benefit from the high levels of activity which have been a feature of the construction sector, driven by infrastructure works for the 2004 Olympic Games.

In the cement sector, Halyps increasingly favored more profitable national sales to exports, realizing an overall increase in volumes of 7%.

Group business levels were also strongly up in the aggregates and ready mixed concrete sectors with increases of 32.5% and 19.5% respectively compared to the 1st half of 2001.

The marked increase in overall volumes, with an increasingly important contribution from national cement sales, translated into a notable increase in net sales and operating results.



North America

In North America, in a climate of continuing uncertainty concerning the economy, forecasts for cement consumption for the current year indicate a fall compared to 2001, despite the solid performance of the residential construction sector.

On a constant size basis, group cement sales volumes in the half year fell by 3.4%. However, average sales prices, although they varied across different markets, improved slightly, which enabled the fall in net sales (-2.6%) to be contained, on a constant size and exchange rate basis.

The fall in business and the increase in some operating costs, in particular connected to maintenance work that was brought forward, had a negative impact on operating results, which was, on the other hand, mitigated by the positive effect from the increase in production compared to the previous year.

Asia

In the half year the economic situation in Thailand showed strong signs of recovery following the period of crisis that had persisted since 1997.

Cement consumption grew strongly, above all in the residential sector.

Overall group cement and clinker sales grew by 13.3%, while the increase in the ready mixed concrete sector was 7.2%.

Despite the solid progress in business levels, net sales were badly affected by the fall in sales prices following fierce market competition seen in the last months of 2001 and which was linked to the difficult financial situation of one of the main players on the market (TPI).

This situation continued into the 1st quarter of 2002 and, albeit less so in the 2nd quarter, had a notable impact on operating results which were markedly down over the period as a whole.

In **India** at the start of 2002 Zuari Cement Ltd bought 95.6% of the share capital of Sri Vishnu Ltd, which was consolidated on a proportional basis.

The contribution from this acquisition in the 1st half was 4.9 million euro in terms of net sales and 0.5 million euro in terms of gross operating profit. In a rapidly expanding market, the group felt the impact, both in terms of volumes and prices, of strong competitive pressures following the increase in production capacity by some companies that was greater than the increase in consumption.

Against this background the increase in sales volumes, on a constant size basis, was only 7.5%; in addition the marked fall in prices affected the levels of net sales and caused a notable reduction in operating results.



Other countries

In **Turkey**, against a general background that remains negative and uncertain, investment, whether public or private, has still not shown any concrete signs of recovery. Compared to the 1st half of 2001, which benefited from a positive start before the crisis in February, group national cement sales fell heavily (-22.7% on a comparable size basis), only partially offset by exports (-18.3% was the overall fall in cement and clinker volumes).

Group sales volumes in the ready mixed concrete sector were also heavily down (-13.7%), while the aggregates business remained at the same levels as the 1st half of 2001.

The trend in inflation/depreciation had a positive effect on cement sales prices that was greater than the negative impact on costs. This was reflected in operating results which, although down, improved compared to the first six months of 2001.

In **Morocco** national cement consumption, which was stable at the end of March, grew in the half year by 3.9% compared to the same period in 2001, thanks to important infrastructure and residential construction development projects.

Apart from the aforementioned recovery, overall cement and clinker volumes sold by Ciments du Maroc (+4.2% compared to the 1st half of 2001) also benefited from the increase in volumes for export.

Group business levels grew strongly in the aggregates sector (+9.4%) and above all in the ready mixed concrete sector (+13.5%).

The sound performance of the market coupled with firm cost control led to an improvement in operating results. The latter was also helped by the postponement of some maintenance work to the second part of the year.

Group net sales in **Bulgaria** improved strongly, thanks in part to the positive trend in the construction sector in the tourist area to the south of the Black Sea.

The positive trend in sales on the more profitable home market (+17.3%) more than made up for the fall in volumes for export.

The overall growth in volumes and sales prices and the containment of fuel costs (a result of the price and the mix) resulted in a significant improvement in operating results.

In **Egypt**, in a market suffering the effects of an unstable economy and the installation of new production capacity, the Suez Cement group broadly maintained national sales levels and increased exports, thus realizing an overall rise in volumes compared to 2001 of 14.7%.

Results for the half year, which were down compared to the same period in 2001, were particularly affected by the fall in prices which occurred in the 2nd quarter.



e-business initiatives

During the 1st half of 2002 BravoSolution S.p.A. (formerly Newco.com S.p.A.) continued the process of expanding its corporate activities which in 2001 had already seen the gradual launch of new initiatives.

Consolidated turnover in the half year (approximately 3.14 million euro) was more than double the entire turnover for 2001; the final consolidated result was still a loss, but it is gradually improving, in line with the original business plan.

Since the start of the company's operations and up to 30 June 2002, the Italcementi group has been able to enjoy overall savings on the purchase of goods and services for its own business of approximately 3.1 million euro through the use of BravoSolution's facilities and assistance. The share of turnover and transactions that relate to Italcementi group companies was approximately 18%.

Today the BravoSolution group numbers 84 heads in the three countries (Italy, France and Spain) where the business has been carried on up to now.

Energy project

In the half year, in accordance with the plans established, the process continued to obtain the necessary authorizations to build new combined cycle thermoelectric plants and, in the hydroelectric sector, the study project relating to the expansion of the existing plants went on, the aim being to obtain the status of renewable energy plants.

Italgen S.p.A.'s electricity production is still destined almost exclusively for group companies.

Significant events after 30 June 2002

At the beginning of September Ciments Français S.A.'s public tender offer for 975,979 ordinary shares of the Greek subsidiary Halyps Building Materials ended. It was taken up by 835,988 shares at a price of 9 euro per share. As part of a commitment to buy 339,821 preferred shares at the same price of 9 euro per share, Ciments Français S.A. also acquired 215,879 preferred shares. At the end of the operation Ciments Français' direct and indirect equity investment totaled 99.25% of the ordinary shares and 95.84% of the preferred shares. As a result the process to delist Halyps Building Material from the Athens Stock Exchange will be started and will be followed by the withdrawal of the remaining ordinary and preferred shares at the same price of 9 euro.

In August, the shareholders' meeting of Jalapathan Cement Company approved the request to delist the company from trading on the Stock Exchange (Bangkok). Once the delisting authorization has been obtained from the necessary authorities, a public offer for the remaining shares will be launched at 15 baht per share.



Following 30 June 2002, Italcementi S.p.A., through its subsidiaries Société Internationale Italcementi France S.A. and Société Internationale Italcementi Luxembourg S.A., increased its equity investment in Ciments Français S.A. by 218,913 shares in total, by means of a 10.6 million euro investment. At 31 August the total equity investment held indirectly by Italcementi S.p.A. in Ciments Français S.A. was approximately 70.4%.

Outlook

In recent months economic conditions worldwide have been marked by great uncertainty which is likely to continue in the near future.

The most delicate issues for the group concern the performance of the construction sector in the United States, the difficult economic and political situation in Turkey, and the persistent weakness of prices in India and Thailand.

In the other countries where the group operates current market trends should continue.

On the basis of the results for the 1st half and the generally favorable trend in sales in July, subject to exceptional events, the consolidated group results for 2002, bearing in mind the likely improvement in the results of the Parent Company Italcementi S.p.A., should be slightly up on those for the previous year.



Food packaging and thermal insulation

The Group is present in the food packaging and thermal insulation sectors through Sirap Gema S.p.A. and its subsidiaries.

Key consolidated figures for the half year

(The figures for 2001 include business done at the Belgian thermal insulation division)

(in millions of euro)

	1 st half 2002	1 st half 2001	2001
Net sales	51.7	59.3	109.8
Added value	21.6	19.4	39.4
Gross operating profit	9.8	5.7	15.9
Amortization and depreciation	(3.3)	(3.1)	(6.7)
Operating income	6.5	2.6	9.2
Financial income and charges	(1.0)	(1.0)	(2.2)
Non-recurring income and charges	0.1	(9.3)	(11.1)
Income taxes for the period	(3.6)	(1.7)	0.1
Net income	2.0	(9.4)	(4.2)
Cash flow	5.3	(6.2)	2.5
Capital expenditure	5.1	5.3	11.2
	30 Jun. 2002	30 Jun. 2001	31 Dec. 2001
Group shareholders' equity	21.7	14.5	19.3
Net debt	(40.4)	(35.0)	(37.8)

The 1st half of 2002 saw notable progress in all the measures of income compared to the same period in 2001 which was badly affected by the operating loss of the Belgian insulation division and by charges relating to the closure of the facility at Manage.

Results for the period were also helped by a trend in raw polymers prices that was below that in the 1st half of 2001, despite the fact that already at the end of March the price level for these products had risen sharply with peaks in the 2nd quarter of 2002 that reached levels as much as 50% higher than prices at the start of the year.

Capital expenditure was largely aimed at improving productivity and the logistics infrastructure.

Net debt was higher than in the previous period because of the seasonal nature of the market that tends to increase working capital requirements.



During the half year a company restructuring process was started, the completion of which will lead to the concentration of similar industrial activities in special legal entities and so enable greater flexibility in production and marketing to be achieved.

In particular the industrial manufacturing division, that is currently part of the Parent Company, will merge with thermal insulation in a new company called Sirap Gema Insulation Systems: industrial manufacturing in fact produces most of its output of EPS moulds for construction related applications.

Food packaging

In **Italy** this business went on in a highly competitive environment in which some operators tried to recover volumes in a market where, with the BSE alarm now ended, overall meat consumption was stuck at levels slightly below those before the crisis.

Despite the complex market situation, in the half year Sirap saw an improvement in sales (9.3%), owing to a slight rise in volumes and to changes in the sales mix, and in gross operating profit (15.2%) which benefited from the trend in raw material costs which was still favorable on average.

Investments in fixed assets mainly concerned the expansion and improvement of the extrusion and thermoforming lines.

In **France** the market was largely stable and maintained strong prices and volumes for most of the half year; in June there were some signs of a slowdown and problems in adjusting prices to reflect increases in styrene materials.

In the period Sirap conducted its operations in a broadly favorable environment which, helped by a solid increase in production efficiency, led to significant increases in profitability.

Investments in fixed assets concerned operations in the extrusion stage and new thermoforming equipment, in particular machinery and moulds for new tray formats. In addition, the French company, having obtained building permission in the 1st quarter for the construction of a new deposit next to its existing production unit, went ahead, in the 2nd quarter, with the purchase of the land where the new building is planned. This should be completed.



Thermal insulation

Compared to 2001 the Italian thermal insulation market has seen a very positive trend in growth which should continue, albeit at a lower rate, in the 2nd half.

As for foreign markets, revenues in the half year were slightly under 2.3 million euro; in particular, in the French market where Sirap has maintained a commercial presence in the eastern and central regions, sales were approximately 1.6 million euro, while 0.7 million euro was achieved in the United Kingdom, Benelux and the countries of eastern Europe. In the period activities in the sector were largely dedicated to the reorganization of the Italian plants, including the expansion of the production capacity for single-layer panels and the introduction of new expanding agents that are more environment-friendly.

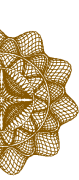
The profitability of the sector was thus affected by these launch activities, but regained a broadly positive outlook compared to the same period in 2001.

Significant events subsequent to 30 June 2002

On 26 July 2002 the aforementioned group reorganization process was launched operationally by means of the transfer of the industrial manufacturing division by Sirap Gema S.p.A. to Sirap Gema Insulation Systems S.r.l.

Outlook

The consolidated result for 2002, subject to unforeseeable events, will be positive, although its size will be determined by the trend in costs of raw materials for which European producers have announced fresh increases.



Services

Public transport

The SAB group, which, as mentioned previously, was sold in July, ended the 1st half of 2002 with consolidated net income of 3.7 million euro compared to 5.6 million euro in the same period of 2001, the latter period having benefited from capital gains on ordinary and non-recurring activities relating respectively to the sale of busses and the sale of equity investments.

Ordinary activities were broadly stable and there were no changes that were important enough to have a significant impact on the sales/costs structure.

Note should be made of the award in the half year of the tender organized by Riviera Transport S.p.A. for the sub-concession of an interurban network in the province of Imperia and the allocation of 20% of the shares in ATVO S.p.A., a company that operates in the province of Venice, to SAB and its partners.

Key consolidated figures for the half year

(in millions of euro)

	1 st half 2002	1 st half 2001	2001
Net sales and grants for operating expenses	41.1	41.3	78.9
Other net sales	1.0	1.7	2.3
Gross operating profit	5.8	6.6	11.7
Amortization and depreciation	(4.0)	(3.9)	8.4
Operating income	1.8	2.7	3.3
Financial income and charges	0.2	0.5	1.1
Adjustments to the value of financial assets	0.2	-	-
Non-recurring income and charges	1.5	2.5	3.0
Group net income	3.7	5.6	9.6
Cash flow	7.7	9.5	18.0
Investments in tangible assets	1.2	12.3	21.3
	30 Jun. 2002	30 Jun. 2001	31 Dec. 2001
Group shareholders' equity	39.4	36.9	40.8
Net financial position	17.1	23.3	24.5



Financial sector

The sector includes the financial companies over which Italmobiliare has, directly or indirectly, full control.

Italmobiliare International Finance Limited (Dublin)

Its main financial figures were as follows:

(in millions of euro)

	1 st half 2002	1 st half 2001	2001
Financial income and charges	9.0	11.9	22.8
Operating costs, amortization and depreciation and value adjustments	(0.4)	(0.4)	(2.3)
Net income	7.7	10.4	18.8
	30 Jun. 2002	30 Jun. 2001	31 Dec. 2001
Shareholders' equity	462.4	446.4	454.7
Net financial position	457.2	440.3	450.3

The fall in net income was due to the marked decrease in short-term interest rates recorded between the two periods which had an impact on the profitability of variable rate investments.

The net financial position at 30 June 2002 stood at 457.2 million euro compared to 450.3 million euro at 31 December 2001.

2002 should end with net income below that of 2001, the latter year being characterized by a particularly favorable trend in interest rates.

Fincomind S.A. group (Zürich)

The main financial figures for the Fincomind group were as follows:

(in millions of Swiss francs)

	1 st half 2002	1 st half 2001	2001
Net interest income	6.0	7.6	13.5
Commissions	19.5	23.3	43.1
Trading income	4.3	2.8	5.6
Gross operating profit	3.9	6.6	6.3
Income before taxes	3.1	3.4	2.2
Net income for the period	1.8	2.2	0.9



In the 1st half of 2002 the private banking business, which is the Fincomind group's core business, suffered the consequences of the difficult period that the international financial markets are passing through.

The contraction in business had an impact on operating margins, even if on the costs side some economies were achieved, albeit insufficient to make up for the fall in income.

Finter Bank Zürich ended the 1st half of 2002 with consolidated net income of 5.2 million Swiss francs, compared to 5.4 million Swiss francs at 30 June 2001. Third-party assets under management totaled 4.2 billion Swiss francs at 30 June 2002, lower than at 31 December 2001 (4.7 billion Swiss francs), because of the impact of the provisions taken by the Italian authorities regarding the so-called "tax shield", and the fall in stock markets.

In part because of the trend in the markets, the initiatives undertaken by management to improve operational activities at Finter Bank France in the private banking sector did not produce the expected results in the half year. Operational results still showed a loss.

Société de Participation Financière Italmobiliare S.A - (Luxembourg)

The main financial figures were as follows:

	(in millions of euro)		
	1 st half 2002	1 st half 2001	2001
Financial income and charges	3.9	9.2	13.2
Value adjustments and provisions	(1.8)	(2.3)	(34.4)
Operating costs, amortization and depreciation	(0.2)	(0.3)	(0.6)
Net income	1.9	6.5	(21.7)
	30 Jun. 2002	30 Jun. 2001	31 Dec. 2001
Shareholders' equity	243.9	270.2	242.0
Net financial position	90.1	127.3	87.7

Net income was 1.9 million euro compared to 6.5 million euro in the 1st half of 2001: the decrease was due to lower income from cash investments, to the write-downs made to some equity investments in order to adjust them to market trends and to the absence of capital gains on the sale of equity investments such as occurred in the 1st half of 2001. Dividends received were also down.

As for results for the whole of 2002, these appear largely conditioned by the trend in share prices in terms of their impact on some important shareholdings.



Other companies

Cartiere Burgo S.p.A.

In the half year the general economic performance and the further contraction in spending on print advertising affected the market for graphic paper which remained weak both in terms of volumes and price levels.

The price of cellulose stayed on average below that for the same period in 2001, but by the end of the half year the trend had changed and prices were higher than those in June 2001.

In this complex situation the Burgo group, of which the Parent Company Cartiere Burgo S.p.A. owns 15.36%, recorded sales of 843 million euro, down 3.8% compared to the 1st half of 2001, as the higher level of volumes failed to make up for the fall in prices. Unfortunately the current weakness of the market has stopped the company from fully enjoying the potential of the new facilities, especially the new paper-coating line at Verzuolo. So productivity was badly affected by the worsening relationship between sales prices and raw material costs, in particular in the paper-coating and newspaper division, and by the failure to use production capacity.

Operating income was 59.3 million euro compared to 88.5 million euro in the same period of 2001.

Income before taxes was 23.4 million euro (52.6 million euro).

In the 2nd part of the year the macroeconomic figures available do not suggest an improvement in market conditions, which for the graphic paper division will continue to see an inadequate use of production capacity and fierce price competition.

Mittel S.p.A.

In the first nine months of the year consolidated income before taxes was 37.5 million euro down from 67.9 million euro in the corresponding period in the previous year, which was in any case helped by a sizeable one-off dividend and capital gains from disposals.

At 30 June 2002 consolidated and Parent Company shareholders' equity were respectively 183.6 million euro and 110.9 million euro. The consolidated net financial position was a positive balance of 21.6 million euro.

The Group's operations were characterized by financial investments in fund management companies which handle funds such as speculative hedge funds; in particular a 20% equity investment was made in Private Wealth Management Sgr (PWM) and the first fund launched by the company was underwritten with a total investment of 15 million euro.

Mittel underwrote stakes in the IF Investimenti fund for 17 million euro, sponsored with Iniziativa Piemonte and the Ersel group from Turin.



Other equity investments

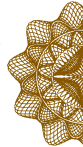
At a consolidated level this heading includes:

- equity investments in the banking-finance sector;
- minority equity investments in important Italian industrial groups.

(in thousands of euro)

	30 June 2002		30 June 2001	
	%	Book value	%	Book value
Banking-finance sector				
Mediobanca	2.65	137,833	2.48	122,969
Unicredito Italiano	1.70	98,296	1.70	98,296
Banca IntesaBci	0.29	54,235	0.29	46,210
Banca Popolare di Bergamo e Credito Varesino	1.48	37,025	1.51	36,937
Fin.Priv. S.r.l.	14.28	14,354	14.28	14,354
Tredicimarzo S.r.l.	-	-	10.00	14,001
Consortium S.r.l.	2.27	15,092	2.27	15,092
Total		356,835		347,859
Industrial groups and holding companies for industrial equity investments				
Hdp	5.77	79,343	5.77	85,608
Gemina	4.38	18,152	4.38	19,920
Gim	4.33	7,276	4.33	7,276
Poligrafici Editoriale	4.77	4,409	4.77	4,409
Società Editrice Siciliana S.p.A.	33.00	15,468	33.00	15,468
Sesaab S.p.A.	10.00	9,325	10.00	9,325
Total		133,973		142,006

Dividends received in the half year from the above equity investments totaled 26 million euro.



Human resources

The number of employees at 30 June 2002 was 18,769 (heads), compared to 19,137 at 31 December 2001 and 19,562 at 30 June 2001 (pro forma).

The breakdown of personnel by country is as follows*:

	30 Jun. 2002	%	31 Dec. 2001	%	30 Jun. 2001 pro forma	%
Italy	5,399	29.2	6,453	33.7	6,536	33.4
France	4,452	23.7	4,443	23.2	4,480	22.9
Belgium	586	3.2	603	3.2	715	3.7
Spain	853	4.6	849	4.4	840	4.3
Greece	329	1.8	313	1.6	309	1.6
Other European countries	7	0.0	6	0.0	12	0.1
Total Europe	11,626	61.9	12,667	66.2	12,892	65.9
North America	1,854	10.0	1,547	8.1	1,544	7.9
Turkey	1,041	5.6	1,040	5.5	1,131	5.8
Morocco	1,031	5.6	1,036	5.4	1,042	5.3
Bulgaria	927	5.0	1,018	5.3	1,090	5.6
Thailand	1,483	8.0	1,509	7.9	1,552	7.9
India**	544	2.9	313	1.6	304	1.6
Other countries	263	1.4	7	0.0	7	0.0
Total countries outside Europe	7,143	38.1	6,470	33.8	6,670	34.1
Total	18,769	100.0	19,137	100.0	19,562	100.0

* excluding employees in Kazakhstan (443 at 30 June 2002 and 421 at 31 December 2001), since these operations are not consolidated: the figures at 30 June 2002 include employees from the companies that entered the consolidation area in the period (Riverton Investment Corporation – North America, Sri Vishnu Cement – India, Marmara Cimento – Turkey, foreign plants – Other)

** the number shown reflects half of those employed, in keeping with the consolidation on a proportional basis of the Indian companies

Dealings with related parties

For the purposes of the consolidated annual report dealings with related parties regarded those with:

- subsidiary companies that are valued with the equity method or stated at cost;
- associated companies.

Among the companies in the construction division, dealings with related parties reflect the Group's interest in leveraging the synergies in the sector to enhance production and commercial integration, employ competencies efficiently, and rationalize use of corporate divisions and financial resources.

All dealings are of a business and/or financial nature.



Italmobiliare provides an "administration service" to some associated companies.

All the dealings are conducted at normal market conditions.

It is worth pointing out, even if it is not strictly a matter of dealings with related parties, that with Mediobanca, which holds a shareholding in Italmobiliare of 9.50% of the ordinary share capital, the following situations exist:

- a collaboration agreement between the Italmobiliare Group and Mediobanca in accordance with article 121 section 2 of Legislative Decree 58/1998, subject to formal authorization by the respective shareholders' meetings;
- financial dealings carried out at the market conditions prevailing at the moment of the related agreement.

Significant events after 30 June 2002

Significant events after the end of the period have been commented on in the reports for the various business sectors.

Italmobiliare and its subsidiaries

In July 2002, following clearance from the Antitrust Authority, Italmobiliare sold the entire share capital of SAB Autoservizi to the English group Arriva for 58 million euro.

The agreement includes an additional payment of up to 10 million euro if the operational targets set out in the company's business plan to 2004 are achieved.

Italmobiliare provided the buyer with the usual contractual guarantees for charges arising from potential and ongoing disputes (for which SAB has made the appropriate appeals before the competent authorities as it considers its positions legally justified) up to a maximum of 40% of the initial value agreed. In light of the development of the dispute Italmobiliare will assess the size of the precautionary provisions to account for in the course of the current year.

In July the sale of the 29% equity investment in Sigesa, held by Italmobiliare, to Saur International S.A. was finalized for approximately 19 million euro, that corresponds to the minimum price agreed, i.e. following the notification in April to Saur International of the exercise of the sale option right relating to this equity investment; the procedures to determine the final consideration in accordance with the option's contractual clauses are underway.



In July, Italmobiliare, as part of the operation to place a part of the share capital of Mediocredito Centrale – MCC – by the shareholder Capitalia, made a commitment to buy a 1% equity investment in the company for a total of 12 million euro. The acquisition should happen by 31 December 2002 and the shares purchased are subject to particular clauses regarding, among other things, the possibility of selling them after three years, i.e. in the 1st half of 2006.

In September, the subsidiary company Franco Tosi, bought 500,000 Banca Popolare di Bergamo e Credito Varesino shares on the open market for approximately 10 million euro in total.

Outlook

Earlier in this report forecasts were made of a moderate improvement in results at the industrial subsidiaries; however, the sharp reduction in capital gains from the disposal of equity investments, at a consolidated level, compared to 2nd half of 2001, will lead to lower consolidated income.

For the Parent Company Italmobiliare, unless the financial markets continue their downward trend, forecast results should be in line with those for last year.

Consolidated financial statements



Consolidated balance sheet

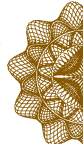
ASSETS

(in thousands of euro)	06.30.2002	12.31.2001	Changes Jun 2002/Dec 2001	Pro forma 06.30.2001	06.30.2001
A) Amounts due from shareholders	-	-	-	146	146
B) Fixed assets					
I - Intangible assets	1,469,900	1,366,389	103,511	1,424,764	1,425,001
II - Tangible assets	2,948,673	2,987,866	(39,193)	2,970,509	3,023,866
III - Investments and other financial assets	1,454,439	1,508,853	(54,414)	1,492,929	1,434,081
Total fixed assets (B)	5,873,012	5,863,108	9,904	5,888,202	5,882,948
C) Current assets					
I - Inventories	436,864	445,970	(9,106)	449,346	453,395
II - Trade and other receivables	1,451,151	1,250,070	201,081	1,402,377	1,408,630
III - Financial assets not held as fixed assets	617,114	701,785	(84,671)	601,753	685,834
IV - Cash and cash equivalents	287,998	157,438	130,560	306,862	308,573
Total current assets (C)	2,793,127	2,555,263	237,864	2,760,338	2,856,432
D) Prepayments and accrued income	88,816	79,598	9,218	93,420	93,525
Total assets	8,754,955	8,497,969	256,986	8,742,106	8,833,051

EQUITY AND LIABILITIES

	06.30.2002	12.31.2001	Changes Jun 2002/Dec 2001	Pro forma 06.30.2001	06.30.2001
A) Shareholders' equity					
I - Share capital	100,167	100,167	-	100,167	100,167
II - Share premium reserve	177,191	177,191	-	177,191	177,191
III - Revaluation reserve	86,760	86,760	-	86,760	86,760
IV - Legal reserve	20,033	20,033	-	20,034	20,034
V - Reserve for purchase of own shares	21,120	21,120	-	20,724	20,724
VI - Statutory reserves	-	-	-	-	-
VII - Other reserves	993,052	951,572	41,480	960,175	960,176
VIII - Retained earnings	72,315	42,753	29,562	42,753	42,753
IX - Net income for the period	63,405	143,112	(79,707)	61,639	61,639
Total Group shareholders' equity	1,534,043	1,542,708	(8,665)	1,469,443	1,469,444
X - Minority interest	2,001,528	2,171,313	(169,785)	2,141,785	2,183,191
Total consolidated shareholders' equity	3,535,571	3,714,021	(178,450)	3,611,228	3,652,635
A Bis) Floating rate subordinated securities	324,640	324,640	-	324,640	324,640
B) Provisions for contingencies and charges	692,896	671,938	20,958	685,303	685,303
C) Employees' leaving entitlements	83,774	102,634	(18,860)	102,002	102,002
D) Payables	4,095,182	3,667,405	427,777	3,994,178	4,043,716
E) Accruals and deferred income	22,892	17,331	5,561	24,755	24,755
Total equity and liabilities	8,754,955	8,497,969	256,986	8,742,106	8,833,051
Memorandum and contingency accounts	3,947,731	3,850,076	97,655	4,301,562	4,301,562

Consolidated income statement



(in thousands of euro)	06.30.2002	Pro forma 06.30.2001	Changes Jun 2002/Jun 2001	06.30.2001	12.31.2001
A) Value of production					
1) Net sales	2,159,741	2,097,967	61,774	2,118,105	4,206,727
2) Change of inventories of work in progress, semi-finished and finished goods	(14,377)	(17,103)	2,726	(17,236)	(8,552)
3) Variation in contract work in progress					
4) Increase in internal work cap. under fixed assets	8,475	7,787	688	7,795	15,012
5) Other operating income	19,884	42,870	(22,986)	42,942	91,751
Total	2,173,723	2,131,521	42,202	2,151,606	4,304,938
B) Operating costs					
6) Raw, ancillary and consumable materials and supplies	548,993	549,928	(935)	557,505	1,064,195
7) Services	639,252	622,156	17,096	627,059	1,257,090
8) Use of third-party assets	37,830	38,893	(1,063)	38,951	78,967
9) Personnel expenses	359,911	372,564	(12,653)	373,238	729,170
10) Amortization, depreciation and write-downs	201,615	203,894	(2,279)	205,706	411,320
11) Variation in raw, ancillary and consumable materials and supplies	(556)	(8,306)	7,750	(7,837)	(9,958)
12) Provisions for contingencies	4,960	3,049	1,911	3,049	8,455
13) Other provisions	155	155		155	310
14) Other operating costs	60,541	53,436	7,105	54,114	112,340
Total	1,852,701	1,835,769	16,932	1,851,940	3,651,889
Operating income (A-B)	321,022	295,752	25,270	299,666	653,049
C) Financial income and charges					
15) Income from equity investments	35,076	31,130	3,946	31,130	125,498
16) Other financial income	59,639	79,194	(19,555)	80,028	138,268
17) Interest and other financial charges	(121,754)	(140,295)	18,541	(143,741)	(270,490)
Total	(27,039)	(29,971)	2,932	(32,583)	(6,724)
D) Adjustments to financial asset values					
18) Revaluations	21,255	10,863	10,392	10,863	18,473
19) Write-downs	(15,178)	(2,792)	(12,386)	(2,792)	(38,202)
Total	6,077	8,071	(1,994)	8,071	(19,729)
E) Non-recurring income and charges					
20) Income	26,282	32,932	(6,650)	33,836	84,661
21) Charges	(43,853)	(38,280)	(5,573)	(39,201)	(108,815)
Total	(17,571)	(5,348)	(12,223)	(5,365)	(24,154)
Income before taxes (A-B+C+D+E)	282,489	268,504	13,985	269,789	602,442
22) Income taxes	(116,157)	(111,510)	(4,647)	(111,510)	(249,090)
Income before minority interest	166,332	156,994	9,338	158,279	353,352
23) Minority interest	102,927	95,355	7,572	96,640	210,240
Group net income	63,405	61,639	1,766	61,639	143,112



Foreword

The consolidated financial statements have been drawn up pursuant to article 82 of the regulation approved by Consob with resolution no. 11971 of 14 May 1999 and subsequent modifications. The financial statements, the tables and the explanatory notes to the statements contained in this Half Yearly Report are expressed in thousands of euro, unless otherwise indicated. The figures for the 1st quarter of 2001 have been converted into euros using the official lira/euro exchange rate prevailing.

To conform to accounting principles income and charges from companies valued with the equity method have been reclassified out of financial income and charges under the respective headings "Revaluations of equity investments" and "Write-downs of equity investments". For comparative purposes the figures for the 1st half have been reclassified in the same way.

To allow a consistent comparison to be made with the 1st half of 2001, figures for that half were restated on a pro forma basis by consolidating Zuari Cement Ltd (India) on a proportional basis, as adopted in the financial statements for 2001, rather than on the line-by-line basis adopted in the interim reports for 2001.

This recalculation led to the consolidation on a proportional basis of 50% of the balance sheet and income statement figures for Zuari Cement at 30 June 2001. The recalculation had no effect on Group net income and shareholders' equity. In the consolidated tables and these explanatory notes under the income statement headings the changes compared to the restated pro forma figures have been shown; to provide full information the historic consolidated figures for the 1st half of 2001 have also been included.

Under additional information the statement of cash flows sets out the changes in liquid assets in accordance with the scheme adopted in the annual financial statements. To allow for a consistent comparison the values for the half year of 2001 have been duly restated. Information on the Group's activities, significant events after the end of the period and dealings with related parties is given in the Directors' Report.

Basis of presentation

The consolidated financial statements have been drawn up on the basis of the accounts at 30 June 2002 of the consolidated companies, adjusted, where necessary, to ensure alignment with the Group's classification criteria and accounting policies by applying the valuation criteria and consolidation principles used during the preparation of the consolidated financial statements for the 2001 accounting period.



Consolidation area

The companies included in the consolidation area are listed in Annexes "A" and "B".

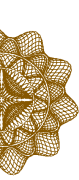
The consolidation area does not include controlling shareholdings that are not significant in terms of investment or results; recent acquisitions are also not consolidated. Subsidiary companies that are not consolidated on a line-by-line basis (i.e. which perform different activities) and associated companies in which the Group holds from 20% to 50% of voting rights, or exercises considerable influence, have been valued with the equity method if significant; the others have been stated at cost.

The subsidiaries and associated companies valued with the equity method are set out in the table in Annex "C", the other subsidiaries and associated companies stated at cost are listed in Annex "D". Annex "E" lists the other equity investments greater than 10%.

The consolidation area presents the following changes:

- Companies that entered the consolidation area
 - *line-by-line method*: Béton Sud Atlantique, Granulats de la Drome (France), Cementos Capa S.L. (Spain), Eurotech Cement s.h.p.k. (Albania), Gacem Company Limited (Gambia), International Cement Traders (PVT) Ltd (Sri Lanka), Mauritano-Française des Ciments (Mauritania), Marmara Cimento Sanayi T.A.S. (Turkey), Riverton Investment Corporation, Berkeley Resource Recovery Ltd, Capitol Cement Corporation, Consumer Materials Inc, Riverton Corporation, Riverton Lime&Stone Co. Inc (USA);
 - *proportional method*: Les Calcaires Girondins, L.G.E.G. (France), Sri Vishnu (India);
 - *equity method*: Suez Bag Company, Suez Cement Company, Tourah Portland Cement Company (Egypt).
- Companies that left the consolidation area
 - *line-by-line method*: Essroc Offshore Ltd (Grand Cayman);
 - *equity method*: Armement Secam S.A. (France).
- Change in consolidation method
 - *from line-by-line to proportional method*: Zuari Cement Ltd (India)*;
 - *from line-by-line to equity method*: SAB Autoservizi S.r.l. and its subsidiaries (Italy).
- Merged companies
 - *in Société Internationale Italcementi (Luxembourg) S.A.*: Italcementi Europe (Luxembourg) S.A.*;
 - *in Ciments Calcia S.A. (France)*: SNC Arena Services (France);
 - *in Compagnie des Ciments Belges S.A. (Belgium)*: ORCO Béton S.A. (Belgium);
 - *in Sociedad Financiera y Minera S.A.*: Rosa del Amulej (Spain).

* only compared to 30 June 2001



Exchange rates used to translate the accounts of non-italian companies

The foreign-currency balances of non-Italian subsidiaries consolidated on a line-by-line or proportional basis and those of non-Italian associated companies valued with the equity method, have been translated into the accounting currency using the exchange rate ruling at 30 June 2002 for balance sheet items and the average rate for the 1st half of 2002 for the income statement.

The following exchange rates were used:

(in euro)

Currency	Average rate			Period-end rate		
	June 2002	December 2001	June 2001	June 2002	December 2001	June 2001
US dollar	0.89787	0.89581	0.89866	0.99750	0.88130	0.84800
Canadian dollar	1.41275	1.38677	1.37868	1.50050	1.40770	1.29270
Pound sterling	0.62167	0.62191	0.62371	0.64980	0.60850	0.60310
Cypriot pound	0.57701	0.57589	0.57788	0.57974	0.57504	0.57428
Moroccan dirham	10.25610	10.08960	9.93570	10.59320	10.19830	10.12672
Turkish lira	1,241,035.00	1,091,893.00	968,135.00	1,577,410.00	1,265,229.00	968,135.00
Swiss franc	1.46902	1.51047	1.53092	1.47210	1.48290	1.52280
Thai baht	38.81650	39.81730	39.75832	41.42240	38.94290	38.38835
Indian rupee	45.09980	42.82580	42.22501	50.87760	42.54740	40.52724
Mauritanian ouguiya	238.97900	228.32600	226.83100	275.81800	228.59500	216.21000
Albanian lek	127.34500	127.80000	129.31900	138.45500	119.28500	125.29200
Sri Lankan rupee	83.16620	80.91886	79.89800	93.53800	80.57050	78.58480
Egyptian lira	4.14322	3.82451	3.46319	4.61151	4.01449	3.28394



Balance sheet

Assets

B - Fixed assets

BI - Intangible assets 1,469,900 thousand euro
(1,366,389 thousand euro at 12.31.2001)

Compared to 2001 these rose by 103,511 thousand euro, as follows:

	(in thousands of euro)		
	30 Jun. 2002	31 Dec .2001	Change
Start-up and expansion costs	17,240	17,361	(121)
Research, development and advertising expenses	614	707	(93)
Industrial patents and industrial property rights	2,759	2,316	443
Concessions, licenses, trademarks and similar rights	27,828	31,241	(3,413)
Goodwill	23,948	26,912	(2,964)
Assets in process of formation	5,599	5,016	583
Consolidation differences	1,354,645	1,245,644	109,001
Other	37,267	37,192	75
Total	1,469,900	1,366,389	103,511

The change arose as follows:

Additions	11,948
Disposals	(3)
Amortization in the period	(50,117)
Translation differences	(33,515)
Change in consolidation area and reclassifications	175,198
Total	103,511

"Additions" includes, among other things, capitalized goodwill following the purchase of Italcementi S.p.A. shares.

"Change in consolidation area" mainly refers to the entry into the consolidation area of the Riverton group, USA (102.0 million euro) and Sri Vishnu, India (41.1 million euro); the heading also includes the surplus on the acquisition of Ciments du Maroc shares for 24.5 million euro. These amounts have been classified under "Consolidation differences".



B II Tangible asset
(2,987,866 thousand euro at 12.31.2001)

2,948,673 thousand euro

Compared to 2001 these fell by 39,193 thousand euro, as follows:

(in thousands of euro)

	June 2002			December 2001	Change
	Gross value	Depreciation	Net value	Net value	
Land and buildings	2,043,883	(929,704)	1,114,179	1,142,382	(28,203)
Plant and machinery	4,048,836	(2,679,236)	1,369,600	1,403,076	(33,476)
Industrial and commercial equipment	551,936	(419,300)	132,636	130,332	2,304
Freely transferable assets	37,825	(25,258)	12,567	12,844	(277)
Other	272,501	(213,948)	58,553	96,106	(37,553)
Assets under construction and advance payments	261,138		261,138	203,126	58,012
Total	7,216,119	(4,267,446)	2,948,673	2,987,866	(39,193)

The decrease arose as follows:

Additions	160,694
Disposals	(3,354)
Depreciation and write-downs	(145,627)
Translation differences	(90,666)
Change in consolidation area and reclassifications	39,760
Total	(39,193)

"Change in consolidation area" was mainly due to the entry into the consolidation area of Marmara Cimento Sanayi, Turkey (26.1 million euro), Sri Vishnu, India (17.7 million euro) and the Riverton group, USA (32.4 million euro). Translation differences mainly come from changes in the dollar, Thai baht and Indian rupee against the euro.



B III Investments and other financial asset 1,454,439 thousand euro
(1,508,853 thousand euro at 12.31.2001)

These fell by 54,414 thousand euro compared to 2001, as follows:

	(in thousands of euro)		
	30 Jun.2002	31 Dec. 2001	Change
Equity investments	1,037,947	1,004,145	33,802
Receivables	340,903	326,872	14,031
Other securities	54,469	156,716	(102,247)
Own shares	21,120	21,120	-
Total	1,454,439	1,508,853	(54,414)

Equity investments grew by 33,802 thousand euro as a result of the following changes:

	Opening value	Additions	Disposals	Write-downs	Revaluations	Translation differences	Change in consolidation area	Closing value
Subsidiary companies	88,148	276,134	(597)	(2,855)	5,052	4,678	(231,918)	138,642
Associated companies	503,366	71,920	(485)	(1,549)	7,333	(43,913)	(47,778)	488,894
Related companies	-	-	-	-	-	-	91	91
Other companies	412,631	15,238	(14,024)	(2,769)	26	(29)	(753)	410,320
Total	1,004,145	363,292	(15,106)	(7,173)	12,411	(39,264)	(280,358)	1,037,947

"Additions" and "Change in consolidation area" mainly refer to the acquisition of equity in the Riverton group (United States) for 138.9 million euro, Sri Vishnu (India) for 38.9 million euro, Marmara Cimento Sanayi T.A.S. (Turkey) for 22.1 million euro, as well as the purchase of further shares in Ciments Français S.A. for 28.4 million euro, in Ciments du Maroc for 57.5 million euro, in Suez Cement Ltd (Egypt) for 32.3 million euro and in Mediobanca S.p.A. for 14.9 million euro. "Change in consolidation area" also includes the valuation of the SAB group on an equity basis, which was consolidated on a line-by-line basis in the previous years.

"Disposals" mainly refers to the sale of the equity investment in Tredicimarzo S.p.A. for 14 million euro.

"Revaluations" refers to the profits from companies valued with the equity method.

"Receivables" includes 236.2 million euro relating to capital and interest on interest-bearing deposits, which mature after more than five years and which were established at the same time as the "floating rate subordinated securities", described under liabilities, were issued.

The change in "Other securities" refers to the repayment of the "Italcementi Zero Coupon 1997-2002" bonds.

"Own shares" totals 21,120 thousand euro, unchanged from 31 December 2001, and represents the purchase value of 890,300 ordinary shares and 28,500 savings shares.



C - Current assets

CI - Inventories 436,864 thousand euro
(445,970 thousand euro at 12.31.2001)

Compared to 2001 these fell by 9,106 thousand euro.
Inventories at the end of the period were as follows:

	(in thousands of euro)		
	30 Jun. 2002	31 Dec. 2001	Change
Raw, ancillary and consumable materials	268,672	268,238	434
Work-in-progress and semi-finished goods	62,499	72,656	(10,157)
Finished goods	92,583	97,145	(4,562)
Payments on account	13,110	7,931	5,179
Total	436,864	445,970	(9,106)

Inventories are shown net of write-down provisions that total 56,564 thousand euro (54,922 thousand euro in 2001) mainly against the risk of slow-moving ancillary and consumable materials.

CII - Trade and other receivable 1,451,151 thousand euro
(1,250,070 thousand euro at 12.31.2001)

Compared to 2001 these increased by 201,081 thousand euro, as follows:

	30 Jun. 2002	31 Dec. 2001	Change
Trade receivables	1,143,208	946,270	196,938
From subsidiary companies	1,367	5,691	(4,324)
From associated companies	1,244	2,050	(806)
From related companies	371	1,710	(1,339)
Other receivables	304,961	294,349	10,612
Total	1,451,151	1,250,070	201,081

"Trade receivables" is shown net of 77,407 thousand euro (70,718 thousand euro in 2001) as a provision for bad debts.

The increase in "Trade receivables" is due to the combined effect of the increase in turnover and the seasonal nature of sales, as well as the entry into the consolidation area of the Riverton group (USA) for 8.3 million euro and other subsidiaries for 8.2 million euro overall.

There are no receivables due after more than five years.



CIII - Financial assets not held as fixed asset 617,114 thousand euro
(701,785 thousand euro at 12.31.2001)

Compared to 2001 these fell by 84,671 thousand euro, as follows:

	(in thousands of euro)		
	30 Jun. 2002	31 Dec. 2001	Change
Equity investments not held as fixed assets	84,407	85,153	(746)
Other securities	525,528	600,394	(74,866)
Financial receivables	7,179	16,238	(9,059)
Total	617,114	701,785	(84,671)

Major decreases in the "Other securities" heading were recorded at Ciments du Maroc (45,292 thousand euro) and Zuari Cement Ltd (18,095 thousand euro).

CIV - Cash and cash equivalent 287,998 thousand euro
(157,438 thousand euro at 12.31.2001)

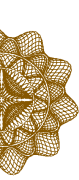
Compared to 2001 these rose by 130,560 thousand euro, as follows:

	30 Jun. 2002	31 Dec. 2001	Change
Bank and postal accounts	281,481	151,574	129,907
Checks	3,864	4,136	(272)
Cash in hand and cash equivalents	2,653	1,728	925
Total	287,998	157,438	130,560

Significant increases in the "Bank and postal accounts" heading were recorded at S.I.I.L. (74,524 thousand euro), Italmobiliare International Finance S.A. (49,977 thousand euro) and Ciments du Maroc (39,406 thousand euro). A notable fall was recorded at Asia Cement (22,819 thousand euro) and the SAB group (17,360 thousand euro) because of the change in the consolidation method.

D - Prepayments and accrued income 88,816 thousand euro
(79,598 thousand euro at 12.31.2001)

Compared to 2001 these rose by 9,218 thousand euro. They include interest-related accrued income, prepaid expenses and advances, including 41,912 thousand euro for advances paid for the use of quarries.



Equity and liabilities

A - Shareholders' equity

AI-AIX – Group shareholders' equity 1,534,043 thousand euro
(1,542,708 thousand euro at 12.31.2001)

Group shareholders' equity fell by 8,665 thousand euro.

In the following table the changes in consolidated Group shareholders' equity are set out:

	(in thousands of euro)
Dividends paid out and Board of Directors' compensation	(37,270)
Consolidation adjustments, translation differences and other changes	(34,800)
Income for the period	63,405
Total	(8,665)

The change of 34.8 million euro in "Consolidation adjustments and translation differences" refers for a total of 33.1 million euro to the fall in the translation reserve following the change in the exchange rates of the dollar, the Indian rupee, the Egyptian lira, the Moroccan dirham and the Thai baht against the euro.

AX - Minority interes 2,001,528 thousand euro
(2,171,313 thousand euro at 12.31.2001)

Minority interest fell by 169,785 thousand euro.

It represents the equity of the consolidated companies held by third-party shareholders at 30 June 2002, as follows:

	30 Jun. 2002	31 Dec. 2001	Change
Portion of share capital and reserves	1,898,601	1,961,073	(62,472)
Portion of the result for the period	102,927	210,240	(107,313)
Total	2,001,528	2,171,313	(169,785)

The decrease is due to changes experienced at the Italcementi group mainly because of the change in exchange rates and the acquisition of further shares in Ciments Français S.A and Ciments du Maroc.



A - BIS Floating rate subordinated securities 324,640 thousand euro
(324,640 thousand euro at 12.31.2001)

These securities are classified separately from shareholders' equity and payables since the headings provided under article 2424 of the Italian Civil Code are not applicable.

The balance is unchanged on last year.

B - Provisions for contingencies and charges 692,896 thousand euro
(671,938 thousand euro at 12.31.2001)

These increased by 20,958 thousand euro compared to 31 December 2001, as follows:

	(in thousands of euro)		
	30 Jun. 2002	31 Dec. 2001	Change
Employee pensions and similar obligations	74,676	59,564	15,112
Provisions for taxes and charges	47,248	47,425	(177)
Provisions for deferred taxes	300,957	308,970	(8,013)
Other	270,015	255,979	14,036
Total	692,896	671,938	20,958

"Other" includes:

	30 Jun. 2002	31 Dec. 2001	Change
Environmental restoration costs	78,542	78,528	14
Restructuring and reorganization	46,279	54,644	(8,365)
Disputes	18,358	22,643	(4,285)
Receivables and equity investments	33,735	28,087	5,648
Exchange rates	328	328	-
Other	92,773	71,749	21,024
Total	270,015	255,979	14,036

C - Employees' leaving entitlements 83,774 thousand euro
(102,634 thousand euro at 12.31.2001)

These fell by 18,680 thousand euro and represent the severance liabilities accrued in respect of the 5,399 employees of the Italian consolidated companies at 30 June 2002 (6,453 at 31 December 2001).

The decrease is mainly due to the change in the consolidation method of the SAB group.



D - Payable

4,095,182 thousand euro

(3,667,405 thousand euro at 12.31.2001)

These increased by 427,777 thousand euro compared to 31 December 2001.

Here we set out a summary of the changes in the period:

	(in thousands of euro)		
	30 Jun. 2002	31 Dec. 2001	Change
Debentures	350,933	655,236	(304,303)
Due to banks	1,988,070	1,383,346	604,724
Due to other providers of finance	697,544	606,603	90,941
Financial payables due to:			
subsidiaries	853	278	575
associated companies	3,346	2,887	459
	3,040,746	2,648,350	392,396
Payments on account	21,479	10,762	10,717
Due to suppliers	536,903	578,296	(41,393)
Due on bills accepted and drawn	86,059	69,926	16,133
Due to subsidiaries	2,456	1,605	851
Due to associated companies	3,051	1,466	1,585
Due to related companies	4		4
	649,952	662,055	(12,103)
Due to tax authorities	118,591	136,161	(17,570)
Due to social security authorities	35,089	44,693	(9,604)
Other amounts due	250,804	176,146	74,658
	404,484	357,000	47,484
Total	4,095,182	3,667,405	427,777

The main financial operations resulting in the change in financial payables to third parties are contained in the comment on the "Net debt".

Medium/long-term debt, totaling 2,068 million euro at 30 June 2002, was divided as follows:

	(in millions of euro)	
	30 Jun. 2002	31 Dec. 2001
Euro	1,990	1,585
Indian Rupee	25	
Thai Baht	41	31
US and Canadian dollar	12	60
Other		2
Total	2,068	1,678

Debt payable after more than five years totaled 114 million euro overall, of which approximately 111 million euro related to loans to non-Italian companies.



E - Accruals and deferred income
(17,331 thousand euro at 12.31.2001)

22,892 thousand euro

These increased by 5,561 thousand euro compared to 31 December 2001; they largely concern accrued interest expense and costs of 9,499 thousand euro and deferred income of 13,393 thousand euro.

Financial position and financial hedging instruments

1) Net debt

At 30 June 2002, net debt stood at 2,150.7 million euro (1,701.9 million euro at 31 December 2001); it consisted of gross financial payables of 3,040.7 million euro and medium/long-term financial assets and cash, cash equivalents and current financial assets worth 890.0 million euro.

"Gross financial payables" of 3,040.7 million euro (2,648.4 million euro at 31 December 2001) were made up of short-term payables of 973.2 million euro (970.6 million euro at 31 December 2001) and medium/long-term payables of 2,067.5 million euro (1,677.8 million euro at 31 December 2001).

The main financial operations undertaken in the 1st half of 2002 were:

- repayment on maturity of the "Italcementi Zero Coupon 1997-2002" bonded loan for 309.9 million euro;
- increased use of 250 million euro of bank credit lines guaranteed in the medium-term by Italcementi S.p.A.;
- the opening of a syndicated variable rate loan worth 109.5 million euro maturing in 6 years by Ciments Français S.A.

"Floating rate subordinated securities" (F.R.S.S.) are also recorded on the balance sheet at a net value of 88.5 million euro, which brings net financial payables to 2,239.2 million euro.



2) Interest rate hedging

The Group enters into hedging operations in order to reduce the exposure of its net debt to interest rate variations.

These operations consist of interest rate swaps, by which financial transactions that were originally at variable rates are transformed into fixed rates.

The situation at 30 June 2002 can be summarized as follows:

(in millions of euro)

	Net debt + F.R.S.S. before hedging	Hedging operations	Net debt + F.R.S.S. after hedging
Variable rate	(2,073.1)	(1,162.9)	(910.2)
Fixed rate	(166,1)	1,162.9	(1,329.0)
Total	(2,239.2)	-	(2,239.2)

3) Exchange rate hedging

The construction sector is structurally exposed to the risk of exchange rate fluctuations with regard to the purchase in US dollars of solid fuel, as well as to the clinker and cement trading and export business outside the EU.

To cover these risks, the following hedging operations, valued at the official ECB rates of 28 June 2002, were in place at 30 June 2002:

	30 Jun. 2002
Forward purchases	37.8
Forward sales	213.1
Options	16.7



Memorandum and contingency accounts (3,850,076 thousand euro at 12.31.2001)

3,947,731 thousand euro

These rose by 97,655 thousand euro compared to 31 December 2001, as follows:

	(in thousands of euro)	
	30 Jun. 2002	31 Dec. 2001
Guarantees	124,231	107,639
Guarantees on company assets	301,457	305,179
Group assets held by third parties	1,788,493	1,846,789
Third-party assets held by the Group	64,609	64,549
Guarantees received from third parties	4,627	12,893
Leasing installments to be paid	897	4,251
Other memorandum and contingency accounts	1,663,417	1,508,776
Total	3,947,731	3,850,076

"Guarantees on company assets" refers to balance sheet payables and includes 91.9 million euro for share pledges of subsidiaries as security for Italcementi S.p.A., 96.4 million euro for the Parent Company and 113.2 million euro for mortgages and liens on tangible assets.

"Other memorandum and contingency accounts" includes purchase and sale commitments for forward contracts transacted to hedge exchange-rate fluctuation risks on foreign-currency receivables and payables and commitments in respect of interest-rate hedging contracts relating to a portion of borrowings and floating rate subordinated securities, as previously illustrated in the comment on the financial position and financial hedging instruments.

Commitments in respect of new acquisitions

- Following the acquisition of Devnya Cement AD (Bulgaria) in 1998, the Group undertook to make investments totaling 100 million dollars in 10 years.
- In February 2001, Essroc Cement Corp. agreed with the Department for Environmental Protection of Pennsylvania to make investments to modernize filter equipment at the Nazareth III cement plant within five years, or risk closure of the plant itself. In December 2001, the company filed an application to expand and restructure the Nazareth I site. If this project is accepted, the kilns at Nazareth III will be closed, thus releasing Essroc Cement Corp. from the aforementioned investments. The restructuring project for Nazareth I represents an investment of over 100 million dollars up to 2005.



Consolidated income statement

A - Value of production

1) Net sales and other operating income 2,159,741 thousand euro
(2,097,967 thousand euro in the 1st half of 2001)

These rose by 61,774 thousand euro compared to 30 June 2001, as follows:

	(in thousands of euro)			
	1 st half 2002	1 st half 2001 pro forma	Change	1 st half 2001
Sales	2,109,649	2,026,005	83,644	2,046,143
Services	46,480	67,727	(21,247)	67,727
Other net sales	3,612	4,235	(623)	4,235
Total	2,159,741	2,097,967	61,774	2,118,105

A breakdown of net sales by business and by geographical area is provided in the Directors' Report.

5) Other net sales and income 19,884 thousand euro
(42,870 thousand euro in the 1st half of 2001)

The fall is mainly due to the change in the consolidation method of the SAB group.

B - Operating costs

6) Raw, ancillary and consumable materials and supplies 548,993 thousand euro
(549,928 thousand euro in the 1st half of 2001)

These fell by 935 thousand euro compared to the 1st half of 2001, as follows:

	1 st half 2002	1 st half 2001 pro forma	Change	1 st half 2001
Raw materials and semi-finished goods	242,256	217,161	25,095	217,483
Fuel	112,110	143,948	(31,838)	149,396
Packaging, materials and machinery	91,511	89,382	2,129	90,812
Finished goods	103,116	99,437	3,679	99,814
Total	548,993	549,928	(935)	557,505



7) Services 639,252 thousand euro
(622,156 thousand euro in the 1st half of 2001)

These increased by 17,096 thousand euro compared to the 1st half of 2001, as follows:

	1 st half 2002	1 st half 2001 pro forma	Change	1 st half 2001
Electricity, water, gas	132,758	126,949	5,809	126,974
Business services and maintenance	189,155	175,825	13,330	175,996
Transport	200,963	196,344	4,619	199,785
Legal fees and consultancy	29,661	33,819	(4,158)	34,079
Insurance	15,532	13,015	2,517	13,058
Other	71,183	76,204	(5,021)	77,167
Total	639,252	622,156	17,096	627,059

8) Use of third-party asset 37,830 thousand euro
(38,893 thousand euro in the 1st half of 2001)

These fell by 1,063 thousand euro compared to the 1st half of 2001 and mainly concerned rents.

9) Personnel expenses 359,911 thousand euro
(372,564 thousand euro in the 1st half of 2001)

Total personnel expenses fell by 12,653 thousand euro compared to 30 June 2001, as follows:

	1 st half 2002	1 st half 2001 pro forma	Change	1 st half 2001
Wages and salary	257,200	263,001	(5,801)	263,448
Social security contributions	91,288	94,485	(3,197)	94,712
Employees' leaving entitlements	7,772	9,742	(1,970)	9,742
Pensions and similar obligations	188	1,482	(1,294)	1,482
Other costs	3,463	3,854	(391)	3,854
Total	359,911	372,564	(12,653)	373,238

The average number of employees in the 1st half of 2002 was 18,355 heads (19,491 in the 1st half of 2001), representing 4,423 managers and clerical staff and 13,932 workers. A significant fall in terms of both employee costs and numbers was due to the change in the consolidation method (from line-by-line to equity) of the SAB group.



14) Other operating cost 60,541 thousand euro
(53,436 thousand euro in the 1st half of 2001)

These increased by 7,105 thousand euro compared to the 1st half of 2001, as follows:

	(in thousands of euro)			
	1 st half 2002	1 st half 2001 pro forma	Change	1 st half 2001
Subscriptions	4,941	4,791	150	4,798
Other taxes	32,353	29,422	2,931	29,970
Other costs	23,247	19,223	4,024	19,346
Total	60,541	53,436	7,105	54,114

C - Financial income and charges

15) Income from equity investment 35,076 thousand euro
(31,130 thousand euro in the 1st half of 2001)

These increased by 3,946 thousand euro compared to 06.30.2001 and refer mainly to dividends and tax credits received by the Parent Company, by Italcementi S.p.A. and by its subsidiaries.



16) Other financial income 59,639 thousand euro
(79,194 thousand euro in the 1st half of 2001)

Compared to the 1st half of 2001 this fell by 19,555 thousand euro.

(in thousands of euro)

	1 st half 2002	1 st half 2001 pro forma	Change	1 st half 2001
Financial income				
a) receivables included as fixed assets:				
- subsidiaries	6	38	(32)	38
- associated companies	186	623	(437)	623
- other companies	777	105	672	105
- other	119	138	(19)	138
b) securities included as fixed assets	4,070	8,913	(4,843)	8,920
c) securities included as current assets	12,576	19,155	(6,579)	19,155
d) other income:				
- subsidiaries	107	132	(25)	132
- associated companies	8	17	(9)	17
- related companies	1	2	(1)	2
- other	41,789	50,071	(8,282)	50,898
Total	59,639	79,194	(19,555)	80,028

The sub-heading "Other income: other" includes:

	1 st half 2002	1 st half 2001 pro forma	Change	1 st half 2001
Bank interest income	1,617	5,046	(3,429)	5,046
Interest income on receivables	2,276	3,499	(1,223)	4,326
Translation gains	5,951	9,717	(3,766)	9,717
Translation gains for inflation	18,990	19,450	(460)	19,450
Other income	12,955	12,359	596	12,359
Total	41,789	50,071	(8,282)	50,898



17) Interest and other financial charge 121,754 thousand euro
(140,295 thousand euro in the 1st half of 2001)

These fell by 18,541 thousand euro compared to 30 June 2001, as follows:

	(in thousands of euro)			
	1 st half 2002	1 st half 2001 pro forma	Change	1 st half 2001
Interest and financial charges:				
- subsidiaries	4	4	-	4
- associated companies	3	8	(5)	8
- other charges	121,747	140,283	(18,536)	143,729
Total	121,754	140,295	(18,541)	143,741

"Other charges" includes:

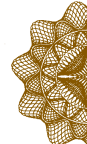
	1 st half 2002	1 st half 2001 pro forma	Change	1 st half 2001
Bank interest expense	14,711	15,317	(606)	15,486
Interest on debentures	14,223	20,567	(6,344)	20,567
Interest on floating rate sub. securities	14,598	14,845	(247)	14,845
Translation losses	31,574	40,537	(8,963)	40,537
Interest on secured payables and medium/long-term payables	37,640	42,104	(4,464)	45,106
Bank charges	4,256	3,274	982	3,513
Other charges	4,745	3,639	1,106	3,675
Total	121,747	140,283	(18,536)	143,729

D - Adjustments to financial asset values

18) Revaluations 21,255 thousand euro
(10,863 thousand euro in the 1st half of 2001)

These rose by 10,392 thousand euro compared to 30 June 2001, as follows:

	1 st half 2002	1 st half 2001 pro forma	Change	1 st half 2001
Revaluations				
- of investments	12,446	9,967	2,479	9,967
- of which equity investments	12,423	9,967	2,456	9,967
- of other financial assets	563	38	525	38
- of securities held as current assets	8,246	858	7,388	858
Totale	21,255	10,863	10,392	10,863



19) Write-down 15,178 thousand euro
(2,792 thousand euro in the 1st half of 2001)

Compared to the 1st half of 2001 these increased by 12,386 thousand euro. They refer to write-downs of equity investments included under fixed assets for 989 thousand euro and securities for 997 thousand euro.

	(in thousands of euro)			
	1 st half 2002	1 st half 2001 pro forma	Change	1 st half 2001
Write-downs				
- of investments	14,269	2,277	11,992	2,277
- of which equity investments	1,847	1,766	81	1,766
- of other financial assets	150	-	150	-
- of securities held as current assets	759	515	244	515
Total	15,178	2,792	12,386	2,792

E - Non-recurring income and charges

20) Income 26,282 thousand euro
(32,932 thousand euro in the 1st half of 2001)

This fell by 6,650 thousand euro compared to 30 June 2001, as follows:

	1 st half 2002	1 st half 2001 pro forma	Change	1 st half 2001
Capital gains on disposal	5,836	14,823	(8,987)	14,823
Other income	20,446	18,109	2,337	19,013
Total	26,282	32,932	(6,650)	33,836

“Capital gains on disposal” refers to 5,364 thousand euro for the sale of tangible assets and 472 thousand euro for the capital gain on the sale of equity investments.

“Other income” basically concerns the Italcementi group.



21) Charge

43,853 thousand euro

(38,280 thousand euro in the 1st half of 2001)

These increased by 5,573 thousand euro compared to 30 June 2001, as follows:

	1 st half 2002	1 st half 2001 pro forma	Change	1 st half 2001
Capital losses on disposal	441	1,024	(583)	1,041
Taxes in respect of prior years	1,429	5,305	(3,876)	5,306
Other charges	41,983	31,951	10,032	32,854
Total	43,853	38,280	5,573	39,201

“Other charges” includes write-downs of buildings and plant of 2.4 million euro, provisions for personnel charges of 6.3 million euro, provisions for risk reserves relating to equity investments of 4.1 million euro and other provisions of 29.2 million euro.

22) Income tax

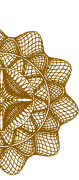
116,157 thousand euro

(111,510 thousand euro in the 1st half of 2001)

These increased by 4,647 thousand euro compared to 30 June 2001, as follows:

	1 st half 2002	1 st half 2001 pro forma	Change	1 st half 2001
Current taxes	119,609	112,784	6,825	112,784
Deferred taxes	(3,452)	(1,274)	(2,178)	(1,274)
Total	116,157	111,510	4,647	111,510

Annexes



The following annexes have been prepared in accordance with Legislative decree no. 127 of 9 April 1991 (as specified in each annex) and Consob communication no. 11971, article 126, of 14 May 1999 which requires listed companies to publish information on their investments in unlisted companies where such investment exceeds 10% of the companies' share capital with voting rights.

Unless otherwise stated, the investments set out in Annexes 'A', 'B', 'C', 'D' and 'E' are all owned by the Group.

Annex A

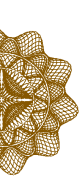
LIST OF COMPANIES CONSOLIDATED ON A LINE-BY-LINE BASIS

(as per article 26 of Legislative decree no. 127 of 9 April 1991)

Company	Registered office	Share capital	% direct	% indirect	Held by Group companies %	Held by:
EUROPEAN UNION						
Italy						
Axim Italia S.p.A.	Sorisole (BG)	€ 104,000	-	100.00	100.00	Nuova Sacelit S.r.l.
Azienda Vendite e Acquisti A.V.A. S.p.A.	Milan	€ 2,550,000	100.00	-	100.00	Italmobiliare Soc. per Az.
BravoSolution S.p.A.	Bergamo	€ 19,050,969	9.33	80.25	80.25	Italcementi S.p.A.
					9.33	Italmobiliare Soc. per Az.
CTG S.p.A.	Bergamo	€ 103,200	-	100.00	50.00	Italcementi S.p.A.
					50.00	Ciments Français S.A.
Calcementi Jonici S.p.A.	Siderno (RC)	€ 9,000,000	-	100.00	100.00	Italcementi S.p.A.
Calcestruzzi S.p.A.	Bergamo	€ 138,000,000	-	100.00	99.90	Italcementi S.p.A.
					0.10	SICIL.FIN.S.r.l.
Cassano Cave S.p.A.	Bergamo	€ 100,000	-	100.00	100.00	Calcestruzzi S.p.A.
Cavecem S.r.l.	S. Egidio alla Vibrata (TE)	€ 10,400	-	100.00	100.00	Cemencal S.p.A.
Cemencal S.p.A.	Bergamo	€ 12,660,000	-	85.00	85.00	Calcestruzzi S.p.A.
Duca d'Este S.r.l.	Milan	€ 49,400	-	100.00	100.00	S.p.A Nuove Costruzioni Edilizie Sance
E.I.C.A. S.r.l.	Norcia (PG)	€ 49,500	-	66.67	66.67	Calcestruzzi S.p.A.
Franco Tosi S.p.A.	Milan	€ 127,500	-	100.00	100.00	Intermobiliare S.p.A.
Gruppo Italsfusi S.r.l.	Savignano s/P. (MO)	€ 156,000	-	100.00	99.50	Italcementi S.p.A.
					0.50	SICIL.FIN. S.r.l.
Intercom S.r.l.	Ortona (CH)	€ 255,000	-	100.00	100.00	Italcementi S.p.A.
Intermobiliare S.p.A.	Milan	€ 5,160,000	100.00	-	100.00	Italmobiliare Soc. per Az.
Intertrading S.r.l.	Bergamo	€ 4,160,000	-	100.00	99.50	Italcementi S.p.A.
					0.50	SICIL.FIN. S.r.l.
Italcementi S.p.A.	Bergamo	€ 282,548,942	36.53		36.53	Italmobiliare Soc. per Az.
						(58,27% voting rights)
Italgen S.p.A.	Bergamo	€ 20,000,000	-	100.00	100.00	Italcementi S.p.A.
Italmobiliare Servizi S.r.l.	Milan	€ 260,000	100.00	-	100.00	Italmobiliare Soc. per Az.
Nuova Sacelit S.r.l.	Sorisole (BG)	€ 22,950,000	-	100.00	99.00	Italcementi S.p.A.
					1.00	Intermobiliare S.p.A.
Popolonia Italica S.r.l.	Milan	€ 1,040,000	100.00	-	100.00	Italmobiliare Soc. per Az.
Progecal S.p.A.	Rome	€ 293,250	-	99.00	82.74	Speedybeton S.p.A.
					16.26	Cemencal S.p.A.
Punta Ala Promoz. e Sviluppo Imm.re S.r.l.	Milan	€ Delib. 2,575,000 Subscribed and paid up: 1,300,000	99.48	0.52	99.48	Italmobiliare Soc. per Az.
					0.52	SICIL.FIN. S.r.l.
S.A.M.A. S.p.A.	Bergamo	€ 1,000,000	-	100.00	100.00	Italcementi S.p.A.
S.p.A. Nuove Costruzioni Edilizie Sance	Milan	€ 139,725	100.00	-	100.00	Italmobiliare Soc. per Az.
SICIL.FIN. S.r.l.	Bergamo	€ 477,360	-	100.00	99.50	Italcementi S.p.A.
					0.50	Intermobiliare S.p.A.
Silos Granari della Sicilia S.r.l.	Bergamo	€ 5,980,000	-	100.00	100.00	Intertrading S.r.l.
Sirap Gema S.p.A.	Verolanuova	€ 12,021,123	100.00	-	100.00	Italmobiliare Soc. per Az.
Società del Gres ing. Sala S.p.A.	Sorisole (BG)	€ 5,858,722.24	-	100.00	100.00	Nuova Sacelit S.r.l.
Speedybeton S.p.A.	Pomezia (RM)	€ 300,000	-	70.00	70.00	Calcestruzzi S.p.A.
Terminal Riuniti S.r.l.	Mantova	€ 255,000		100.00	100.00	Italcementi S.p.A.



Company	Registered office	Share capital	% direct	% indirect	Held by Group companies %	Held by: held by:
France						
Arena S.A.	Guerville	€ 180,000,000	-	99.99	99.99	Ciments Français S.A.
Axim S.A.	Guerville	€ 495,625	-	99.93	99.93	Ciments Calcia S.A.
Béton Contrôle de l'Adour S.A.	Bayonne	€ 150,000	-	59.96	59.96	Béton Contrôle du Pays Basque S.A.
Béton Contrôle du Pays Basque S.A.	Bayonne	€ 120,000	-	59.93	59.93	Unibéton S.A.
Béton Sud Atlantique	Berson	€ 140,000	-	99.93	99.93	Unibéton S.A.
Bonafini S.A.	Argences	€ 40,000	-	99.76	99.76	Tratel S.A.
BravoSolution France S.a.s.	Boulogne Billancourt	€ 3,500,000	-	99.99	99.99	BravoSolution S.p.A.
Carrières Olivier S.A.R.L.	Salon de Provence	€ 80,000	-	100.00	100.00	GSM S.A.
Châtelet S.A.	Cayeux s/M.	€ 118,680	-	99.93	99.93	GSM S.A.
Ciberval S.A.	Le Teil	€ 64,000	-	99.99	99.99	Tratel S.A.
Ciments Calcia S.A.	Guerville	€ 593,836,525	-	99.99	99.99	Ciments Français S.A.
Ciments de l'Adour S.A.	Boucau	€ 421,290	-	99.81	86.20	Ciments Calcia S.A. 13.61 Ciments Français S.A.
Ciments du Littoral S.A.	Bassens	€ 384,300	-	99.89	99.89	Tercim S.A.
Ciments Français S.A.	Puteaux	€ 152,111,748	-	69.80	69.80	Société Int. Italcementi France S.A. 81.58 (overall voting rights)
Compagnie Financière et de Participations S.A.	Puteaux	€ 180,000	-	99.98	99.98	Ciments Français S.A.
Decoux S.A.	Beaucaire	€ 120,000	-	99.99	99.99	Tratel S.A.
Eurarco France S.A.	Les Crotoy	€ 1,520,000	-	64.99	64.99	GSM S.A.
Granulats de la Drôme S.a.s.	Saint Jean de Vedas	€ 40,000	-	63.00	63.00	GSM S.A.
Granulats et Sables Marins S.a.s.	Pessac	€ 40,000	-	99.99	99.99	GSM S.A.
GSM S.A.	Guerville	€ 18,675,840	-	99.99	99.99	Arena S.A.
Immobilière des Technodes S.A.	Guerville	€ 9,629,280	-	99.99	59.97	Ciments Français S.A. 40.02 Ciments Calcia S.A.
Investcim S.A.	Puteaux	€ 124,874,000	-	99.99	99.99	Ciments Français S.A.
Johar S.A.	Luxemont et Villotte	€ 1,056,000	-	99.97	99.97	Tratel S.A.
Larricq S.A.	Airvault	€ 508,000	-	99.98	99.98	Tratel S.A.
Raingeard Carrières Bétons et Compagnie S.n.c.	Bouguenais	€ 705,000	-	100.00	100.00	GSM S.A.
S.A. SOPREFIM in liquidazione	Nice	€ 975,000	-	99.92	99.91	Soc.d'Etudes de Participations et de Courtages 0.01 SCI SCIF
Sables d'Armor S.a.s.	Plerin	€ 56,480	-	50.99	50.99	GSM S.A.
Sables et Gravier de la Garonne GIE	Pessac	-	-	100.00	100.00	GSM S.A.
Sadecib S.A.	Puteaux	€ 40,000	-	99.76	99.76	Ciments Français S.A.
Sax S.a.s.	Guerville	€ 482,800	-	99.99	99.99	Ciments Français S.A.
SC Immobil	Nice	€ 94,518.39	-	99.84	99.84	Soc.d'Etudes de Participations et de Courtages
SCI Le Manet	Nice	€ 1,524.49	-	100.00	99.00	SCI SCIP 1.0 SCI SCIF
SCI Résidence Nice le Paillon	Nice	€ 166,306.63	-	100.00	91.67	SCI SCIF 8.33 Soc.d'Etudes de Participations et de Courtages
SCI SCIF	Nice	€ 15,244.90	-	100.00	99.00	Soc.d'Etudes de Participations et de Courtages 1.0 SCI SCIP



Annex A (continued)

Company	Registered office	Share capital	% direct	% indirect	Held by Group companies % held by:
SCI SCIP	Nice	€ 15,244.90	-	100.00	99.00 Soc.d'Etudes de Participations et de Courtages 1.00 SCI SCIP
Sirap Gema France S.A.	Noves	€ 3,520,000	-	100.00	100.00 Sirap Gema S.p.A.
Société Civile Immobilière Berault	Carrières s/P.	€ 3,840	-	99.95	99.95 GSM S.A.
Société Internationale Italcementi France S.A.	Paris	€ 1,448,750,000	-	100.00	82.56 Italcementi S.p.A. 17.43 Société Int. Italcementi (Lux.) S.A.
Socli S.A.	Izaourt	€ 144,960	-	99.93	99.93 Calcia S.A.
Sodecim S.a.s.	Puteaux	€ 228,788,125	-	99.99	99.99 Ciments Français S.A.
Technodes S.A.	Guerville	€ 3,200,000	-	99.99	99.99 Ciments Français S.A.
Tercim S.A.	Puteaux	€ 45,000	-	99.96	99.96 Ciments Français S.A.
Tragor S.A.	Pessac	€ 640,000	-	99.99	99.99 Tratel S.A.
Tratel S.A.	L'Île S. Denis	€ 6,025,580	-	99.99	99.99 Ciments Calcia S.A.
Unibéton - Saba S.A.	Tours	€ 48,000	-	99.60	99.60 Unibéton S.A.
Unibéton Méditerranée S.a.s.	Lambesc	€ 50,000	-	99.96	99.96 Unibéton S.A.
Unibéton Ouest Pays de Loire S.a.s.	Tours	€ 50,000	-	99.96	99.96 Unibéton S.A.
Unibéton S.A.	Guerville	€ 67,899,330	-	99.99	99.99 Arena S.A.
Unibéton Sud-Ouest S.a.s.	Pessac	€ 50,000	-	99.96	99.96 Unibéton S.A.
Unibéton Var S.a.s.	Lambesc	€ 40,000	-	99.96	99.96 Unibéton S.A.
Univrac S.A.	L'Île S. Denis	€ 302,000	-	99.84	99.84 Tratel S.A.
Uniwerbétón S.a.s.	Gambsheim	€ 160,000	-	70.00	70.00 Unibéton S.A.
Belgium					
Ath Béton	Ghilblingren	€ 125,000	-	99.60	99.60 Compagnie des Ciments Belges S.A.
Compagnie des Ciments Belges S.A.	Tournai	€ 300,000,000	-	99.91	36.94 Ciments Français Europe N.V. 29.11 Ciments Français S.A. 25.28 Ciments Calcia S.A. 8.58 Compagnie Financière des Ciments S.A.
Compagnie Financière des Ciments S.A.	Tournai	€ 5,580,000	-	99.99	99.99 Ciments Français S.A.
De Paepe Béton N.V.	Gent	€ 500,000	-	99.98	99.98 Compagnie des Ciments Belges S.A.
Sirap Gema International S.A.	Manage	€ 12,000,000	-	100.00	99.83 Sirap Gema Finance S.A. 0.17 Société de Part. Financière Italmobiliare S.A.
Trabel Transports S.A.	Gaurain	€ 743,680,57	-	100.00	91.00 Tratel S.A. 9.00 Compagnie des Ciments Belges S.A.
Spain					
BravoSolution España S.A.	Madrid	€ 120,400	-	99.99	99.99 BravoSolution S.p.A.
Cementos Capa S.L.	Archidona	€ 1,260,000	-	48.00	48.00 Sociedad Financiera y Minera S.A.
Centro Administrativo y de Servicios de Málaga S.A.	Málaga	€ 60,200	-	99.99	99.99 Sociedad Financiera y Minera S.A.
Companie General de Canteras S.A.	Málaga	€ 463,515.69	-	99.39	99.39 Sociedad Financiera y Minera S.A.
Hormigones y Minas S.A.	S. Sebastián	€ 8,689,378.20	-	99.99	99.99 Sociedad Financiera y Minera S.A.
Inversiones e Iniciativas en Aridos S.L.	Madrid	€ 3,010	-	100.00	100.00 Ciments Français S.A.
Maquinaria y Proyectos Inmobiliarios S.L.	Madrid	€ 738,230	-	100.00	100.00 Sax S.a.s.
Sociedad Financiera y Minera S.A.	Madrid	€ 39,160,000	-	99.73	56.58 Ciments Français S.A. 39.87 Ciments Français Europe N.V. 3.02 Hormigones y Minas S.A. 0.26 Sociedad Financiera y Minera S.A. (voting rights: 56.73 Ciments Français S.A. 39.98 Ciments Français Europe N.V. 3.03 Hormigones y Minas S.A.)
Ventore S.L.	Málaga	€ 6,000	-	99.90	99.90 Sociedad Financiera y Minera S.A.
Greece					
Ammos Quarries of East Attica S.A.	Aspropyrgos	€ 18,671,161.30	-	100.00	100.00 Ciments Français S.A.
Domiki Beton S.A.	Iraklion	€ 2,309,423	-	98.59	98.59 Calcestruzzi S.p.A.
ET Beton	Aspropyrgos	€ 5,192,161.75	-	100.00	100.00 Ammos Quarries of East Attica S.A.
Halyps Building Materials S.A.	Aspropyrgos	€ 27,171,138.96	-	94.02	53.94 Ciments Français S.A. 40.08 Ammos Quarries of East Attica S.A. (voting rights: 53.85 Ciments Français S.A. 41.04 Ammos Quarries of East Attica S.A.)
Germany					
Sirap Gema GmbH	Aalen	€ 26,000	-	100.00	100.00 Sirap Gema Finance S.A.



Company	Registered office		Share capital	% direct	% indirect	Held by Group companies %	Held by: held by:
Ireland							
Italmobiliare International Finance Ltd	Dublin	€	1,300,000	99.99	0.01	99.99 0.01	Italmobiliare Soc. per Az. Intermobiliare S.p.A.
Luxembourg							
Ciments Français International S.A.	Luxembourg	€	8,928,500	-	99.99	50.99 49.00	Ciments Français S.A. Ciments Français Europe N.V.
Sirap Gema Finance S.A.	Luxembourg	€	6,198,000	-	100.0	99.96 0.04	Sirap Gema S.p.A. Intermobiliare S.p.A.
Société de Participation Financière Italmobiliare S.A.	Luxembourg	€	223,424,344	99.94	0.06	99.94 0.06	Italmobiliare Soc. per Az. Intermobiliare S.p.A.
Société Internationale Italcementi (Luxembourg) S.A.	Luxembourg	€	251,553,000	-	100.00	99.87 0.13	Italcementi S.p.A. SICIL.FIN S.r.l.
Holland							
Cimate Finance B.V.	Amsterdam	€	18,160	-	100.00	100.00	Ciments Français Europe N.V.
Ciments Français Europe N.V.	Amsterdam	€	378,503,130	-	100.00	66.80 33.20	Sodecim S.a.s. Ciments Français S.A.
Italmobiliare International BV	Amsterdam	€	Delib. 75,000 Subscribed 19,500	100.00	-	100.00	Italmobiliare Soc. per Az.
NORTH AMERICA							
USA							
Arrowhead Investment Company	Carson City	USD	1,000	-	100.00	100.00	Essroc Corporation
Axim Concrete Technologies Inc.	Middlebranch	USD	1,000	-	100.00	100.00	Essroc Corporation
Berkeley Resource Recovery Ltd	Winchester	USD	1,000	-	100.00	100.00	Riverton Investment Corporation
Capitol Cement Corporation	Winchester	USD	1,000,000	-	100.00	100.00	Riverton Investment Corporation
Consumer Materials Inc.	Winchester	USD	1,000	-	100.00	100.00	Riverton Investment Corporation
ES Cement Co.	Nazareth	USD	100	-	100.00	100.00	Essroc Cement Corp.
Essroc Cement Corp.	Nazareth	USD	8,330,000	-	100.00	100.00	Essroc Corporation
Essroc Corporation	Nazareth	USD	1,000	-	100.00	100.00	Ciments Français S.A.
Essroc Puerto Rico Holdings Inc.	Nazareth	USD	1,000	-	100.00	100.00	Essroc San Juan Inc.
Fincel Inc.	Nazareth	USD	1	-	100.00	100.00	Essroc Corporation
Greyrock Inc.	Nazareth	USD	1,000	-	100.00	100.00	Essroc Cement Corp.
Nadco Inc.	Nazareth	USD	1,000	-	100.00	100.00	Essroc Cement Corp.
Riverton Corporation	Winchester	USD	859,310	-	100.00	100.00	Riverton Investment Corporation
Riverton Investment Corporation	Winchester	USD	8,340	-	100.00	100.00	Essroc Cement Corp.
Riverton Lime&Stone Co. Inc.	Winchester	USD	3,000	-	100.00	100.00	Riverton Corporation
Tomahawk Inc.	Wilmington	USD	1,000	-	100.00	100.00	Essroc Cement Corp.
Canada							
155290 Canada Inc.	Mississauga	CAD	1	-	100.00	100.00	Essroc Canada Inc.
Axim Concrete Technologies (Canada) Inc.	Cambridge	CAD	196	-	100.00	100.00	Axim Concrete Technologies Inc.
Essroc Canada Inc.	Mississauga	CAD	307,936,000	-	100.00	100.00	Essroc Corporation
OTHER COUNTRIES							
Albania							
Eurotech Cement S.h.p.k.	Durres	LEK	270,000,000	-	84.99	84.99	Halyps Building Materials S.A.
Bulgaria							
Devnya Cement A.D.	Devnya	LEV	1,028,557,000	-	99.97	99.97	Marvex
Marvex	Devnya	LEV	89,424,100	-	100.00	100.00	Sociedad Financiera y Minera S.A.
Vulkan A.D.	Dimitrovgrad	LEV	452,967,000	-	70.00	70.00	Ciments Français S.A.
Cyprus							
Italmed Cement Company Ltd	Limassol	CYP	12,318,000	-	99.99	99.99	Ciments Français S.A.
Gambia							
Gacem Company Limited	Serrekunda	GMD	4,500,000	-	80.00	80.00	Tercim S.A.
Morocco							
Betomar S.A.	Casablanca	MAD	84,397,800	-	99.99	99.99	Ciments du Maroc S.A.
Ciments du Maroc	Casablanca	MAD	797,569,200	-	65.44	52.76 3.18 9.50 58.30 3.52	Ciments Français S.A. Procimar S.A. Ciments du Maroc (voting rights: Ciments Français S.A. Procimar S.A.)



Annex A (continued)

Company	Registered office		Share capital	% direct	% indirect	Held by Group companies % held by:	
Industrie Sakia el Hamra "Indusaha" S.A.	Laayoune	MAD	50,000,000	-	99.99	99.99	Ciments du Maroc
Procimar S.A.	Casablanca	MAD	27,000,000	-	99.99	99.99	Ciments Français S.A.
Mauritania							
Mauritano-Française des Ciments	Nouakchott	OUG	1,111,310,000	-	51.11	51.11	Ciments Français S.A.
Montecarlo							
Société d'Etudes de Participations et de Courtages	Montecarlo	€	1,290,000	-	99.84	99.84	Société de Part. Financière Italmobiliare S.A.
Porto Rico							
Essroc San Juan Inc.	Espinosa	USD	10,000	-	100.00	100.00	Essroc Cement Corp.
Interbulk Trading S.A.	Meyrin	CHF	7,470,600	-	99.99	66.75	Ciments Français International S.A.
						18.24	Ciments Français Europe N.V.
						15.00	Intertrading S.r.l.
Thailand							
Asia Cement Products Co., Ltd	Bangkok	BT	10,000,000	-	39.03	39.03	Asia Cement Public Co., Ltd ¹
Asia Cement Public Co., Ltd	Bangkok	BT	7,800,000,000	-	39.03	24.96	Ciments Français S.A.
						14.07	Vaniyuth Co., Ltd ¹
Jalapraphan Cement Public Co., Ltd	Bangkok	BT	1,200,000,000	-	53.87	37.00	Ciments Français S.A.
						9.54	Vesprapat Holding Co., Ltd ¹
						7.33	Asia Cement Public Co., Ltd ¹
Jalapraphan Concrete Products Co., Ltd	Bangkok	BT	100,000,000	-	46.54	46.54	Jalapraphan Cement Public Co., Ltd ¹
Vaniyuth Co. Ltd	Bangkok	BT	100,000	-	48.80	48.80	Investcim S.A.
Vesprapat Holding Co, Ltd	Bangkok	BT	20,000,000	-	49.00	49.00	Sax S.a.s.
Turkey							
Afyon Cimento Sanayi Tas	Istanbul	TRL	120,000,000,000	-	78.49	76.51	Ciments Français S.A.
						1.02	Set group Holding
						0.96	Set Cimento Sanayi ve Tas
Anadolu Cimentolari Tas	Istanbul	TRL	4,147,250,000,000	-	99.74	89.73	Set group Holding
						10.01	Set Cimento Sanayi ve Tas
Marmara Cimento Sanayi Tas	Istanbul	TRL	755,500,000,000	-	99.96	99.96	Anadolu Cimentolari Tas
Set Beton Madencilik Sanayi ve Tas	Istanbul	TRL	7,412,000,000,000	-	99.99	54.51	Set group Holding
						43.98	Set Cimento Sanayi ve Tas
						1.50	Anadolu Cimentolari Tas
Set Betoya Prefabrik Yapi Elemanlari Sanayi ve Ticaret A.S.	Istanbul	TRL	303,400,000,000	-	99.95	78.22	Set group Holding
						21.73	Anadolu Cimentolari Tas
Set Cimento Sanayi ve Tas	Istanbul	TRL	25,890,500,000,000	-	99.81	99.81	Set group Holding
Set group Holding	Istanbul	TRL	18,508,410,000,000	-	99.99	99.99	Ciments Français S.A.
Sri Lanka							
International Cement Traders Ltd	Colombo	LKR	401,416,620	-	80.00	80.00	Ciments Français S.A.

¹ percentage of interest



Annex B

LIST OF COMPANIES CONSOLIDATED WITH THE PROPORTIONAL METHOD

(as per article 26 of Legislative decree no. 127 of 9 April 1991)

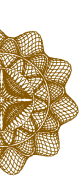
Company	Registered office		Share capital	% direct	% indirect	Held by Group companies %	held by:
EUROPEAN UNION							
France							
Béton Contrôle de Montceau le Creusot S.A.	Montceau Les M.	€	588,000	-	49.99	49.99	Unibéton S.A.
Carrières Bresse Bourgogne	Saint Marcel	€	387,189	-	66.48	66.48	Dragages et Carrières S.A.
Dragages et Carrières S.A.	Saint Marcel	€	1,000,000	-	49.99	49.99	GSM S.A.
Graves de l'Estuaire de la Gironde L.G.E.G.	Saint Jean de Blaignac	-	-	-	50.00	50.00	GSM S.A.
Les Calcaires Girondins S.a.s.	Cenon	€	100,000	-	50.00	50.00	GSM S.A.
Les Graves de l'Estuaire S.a.s.	Le Havre	€	297,600	-	33.33	33.33	GSM S.A.
Société des Calcaires de Château Landon S.n.c.	Souppes sur Loing	€	2,145,000	-	50.00	50.00	GSM S.A.
Société Parisienne des Sablières S.A.	Pont de L'Arche	€	320,000	-	49.99	49.99	GSM S.A.
OTHER COUNTRIES							
India							
Sri Vishnu Cement Ltd	Hyderabad	INR	237,200,000	-	95.58	95.58	Zuari Cement Ltd
Zuari Cement Ltd	Goa	INR	2,579,614,000	-	50.00	50.00	Ciments Français S.A.

Annex C

LIST OF COMPANIES CONSOLIDATED WITH THE EQUITY METHOD

(as per article 36 paragraphs 1 and 3, of Legislative decree no. 127 of 9 April 1991)

Company	Registered office		Share capital	% direct	% indirect	Held by Group companies %	held by:
EUROPEAN UNION							
Italy							
Aliserio S.p.A.	Bergamo	€	2,270,000	10.00	90.00	90.00	Italcementi S.p.A. 10.00 Italmobiliare Soc. per Az.
Betonsud S.r.l. - in liquidation	Foggia	€	1,082,220	-	49.99	49.99	Calcestruzzi S.p.A.
Cementi della Lucania S.p.A.	Potenza	€	619,746	-	30.00	30.00	Italcementi S.p.A.
E.C.I.T. S.r.l.	Ravenna	€	104,208	-	50.00	50.00	Calcestruzzi S.p.A.
General Cave S.r.l.	Fiumicino (RM)	€	31,200	-	50.00	50.00	Speedybeton S.p.A.
GESVIM S.r.l.	Milan	€	820,000	-	50.00	50.00	Azienda Vendite e Acquisti A.V.A. S.p.A.
GIST SRL Gamma Iniziative Sport. Tur.	Firenze	€	612,000	-	50.00	50.00	Intermobiliare S.p.A.
IMES S.r.l.	S. Cipriano Pic. (SA)	€	206,000	-	100.00	100.00	Italcementi S.p.A.
Immobiliare Golf Punta Ala S.p.A.	Punta Ala (GR)	€	5,164,000	-	36.50	24.75	Azienda Vendite e Acquisti A.V.A. S.p.A. 11.75 Punta Ala Prom. e Sviluppo Imm.re S.r.l.
Italconsult S.p.A.	Rome	€	5,404,703.20	-	29.19	29.19	Italcementi S.p.A.
KM S.p.A.	Cremona	€	4,650,000	-	49.00	49.00	SAIA Bus S.r.l.
Mantovana Inerti S.r.l.	Cavriana (MN)	€	702,000	-	50.00	50.00	Calcestruzzi S.p.A.
Mittel S.p.A.	Milan	€	39,000,000	12.91	-	12.91	Italmobiliare Soc. per Az.
Prati Fioriti S.r.l.	Rome	€	86,700	-	62.50	37.50	Cemencal S.p.A. 25.00 Calcestruzzi S.p.A.
SAB Autoservizi S.r.l.	Bergamo	€	22,500,000	99.99	0.01	99.99	Italmobiliare Soc. per Az. 0.01 Intermobiliare S.p.A.
SAFRA S.r.l.	Bologna	€	51,480	-	33.33	33.33	Calcestruzzi S.p.A.
SAL Servizi Automobilistici Lecchesi Srl	Lecco	€	2,550,000	-	100.00	40.00	SAB Autoservizi S.r.l. 40.00 SIA S.p.A. 20.00 SAIA Bus S.r.l.
SIA Società Italiana Autoservizi S.p.A.	Brescia	€	12,000,000	-	100.00	99.14	S.A.B. Autoservizi S.r.l. 0.86 Intermobiliare S.p.A.
SAIA Bus S.r.l.	Brescia	€	1,800,000	-	100.00	99.72	SIA S.p.A. 0.28 SAB Autoservizi S.r.l.
SAIA Trasporti S.p.A.	Brescia	€	5,700,000	-	51.00	51.00	SAIA Bus S.r.l.
Silicalcite S.p.A.	Bergamo	€	4,000,000	-	100.00	100.00	Italcementi S.p.A.



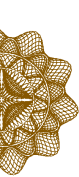
Annex C (continued)

Company	Registered office		Share capital	% Direct	% Indirect	Held by Group companies held by:	
Travel Sia S.r.l.	Brescia	€	100,000	-	100.00	92.00	SIA S.p.A.
						8.00	SAIA Bus S.r.l.
Trieste Trasporti S.p.A.	Trieste	€	17,000,000	-	29.93	10.91	SAB Autoservizi S.r.l.
						9.01	SAIA Bus S.r.l.
						10.01	SIA Società Italiana Autoservizi S.p.A.
France							
Béton Contrôle des Abers S.A.	Lannilis	€	104,000	-	34.00	34.00	Unibéton S.A.
Béton Saône S.A.	Macon	€	40,000	-	35.00	35.00	Unibéton S.A.
Dragages Transports & Travaux Maritimes S.A.	La Rochelle	€	1,702,272	-	39.99	39.99	GSM S.A.
Finter Bank France S.A.	Paris	€	20,000,000	-	100.00	65.49	Soparfinter S.A.
						32.50	Finter Bank Zürich S.A.
						1.61	Fincomind S.A.
						0.40	Soc. d'Etudes de Part. et de Courtages
Finter Gestion S.A.	Paris	€	150,000	-	99.37	99.37	Finter Bank France
S.A. Dijon Béton	Dijon	€	184,000	-	15.00	15.00	GSM S.A.
Stinkal S.a.s.	Ferques	€	1,120,000	-	35.00	35.00	GSM S.A.
Ireland							
Kayward Limited	Dublin	€	1,608	-	99.94	99.94	Soparfinter S.A.
Luxembourg							
Soparfinter S.A.	Luxembourg	CHF	17,700,000	-	100.00	97.85	Fincomind S.A.
						2.15	Société de Part. Financière Italmobiliare S.A.
NORTH AMERICA							
Canada							
Ciment Quebec Inc.	St. Basile	CAD	19,461,000	-	100.00	100.00	Groupe Ciment Quebec Inc.
Groupe Ciment Quebec Inc.	St. Basile	CAD	4,202,000	-	50.00	50.00	Essroc Canada Inc.
Innocon Inc.	Richmond Hill	CAD	14,134,000	-	50.00	50.00	Essroc Canada Inc.
OTHER COUNTRIES							
Bahamas							
Finter Bank & Trust (Bahamas) Ltd	Nassau	USD	2,000,000	-	100.00	100.00	Finter Bank Zürich S.A.
Cyprus							
Vassiliko Cement Works Ltd	Nicosia	CYP	13,434,018.75	-	33.00	20.00	Italmed Cement Company Ltd
						13.00	Comp. Financière et de Participations S.A.
Principality of Monaco							
Crédit Mobilier de Monaco S.A.	Monaco	€	5,355,000	-	99.91	99.91	Société de Part. Financière Italmobiliare S.A.
Switzerland							
Delphinia Soc.di Navigazione Marittima S.A.	Coira	CHF	1,000,000	-	100.00	100.00	Finter Bank Zürich S.A.
Fincomind S.A.	Zollikon	CHF	10,010,000	69.93	30.07	69.93	Italmobiliare Soc. per Az.
						30.07	Société de Part. Financière Italmobiliare S.A.
Finconsult AG	Zürich	CHF	500,000	-	100.00	100.00	Finter Bank Zürich S.A.
Finter Bank Zürich S.A.	Zürich	CHF	45,000,000	-	100.00	100.00	Fincomind S.A.
Egypt							
Suez Cement Company	Cairo	LE	640,000,000	-	34.08	34.08	Ciments Français S.A.

LIST OF OTHER INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES VALUED WITH THE COST METHOD

(as per article 36 of Legislative decree no. 127 of 9 April 1991)

Company	Registered office	Share capital	% direct	% indirect	Held by Group companies % held by:
EUROPEAN UNION					
Italy					
Azienda Agricola Lodoletta S.r.l.	Bergamo	€ 10,400	-	75.00	75.00 Italcementi S.p.A.
Betongenova S.r.l. - in liquidazione	Genova	€ 10,400	-	36.12	22.68 Calcestruzzi S.p.A. 13.44 Cemencal S.p.A.
Calcestruzzi e Inerti S.r.l.	Civita Castellana (VT)	€ 11,000	-	50.00	50.00 Calcestruzzi S.p.A.
Cantiere Navale di Punta Ala S.p.A. in liquidazione	Milan	€ 516,000	-	100.00	100.00 Punta Ala Promoz.ne e Sviluppo Imm.re S.r.l.
Cartiere Burgo S.p.A. (già Dieci S.r.l.)	Cuneo	€ 156,279,377.28	-	15.36	15.36 Société de Part. Financière Italmobiliare S.A.
Cava delle Capannelle S.r.l.	Bergamo	€ 31,200	-	49.00	49.00 Calcestruzzi S.p.A.
Cava Rossetti Oreste S.r.l.	Cingoli (MC)	€ 62,400	-	50.00	50.00 Calcestruzzi S.p.A.
Cementi e Calci di S. Marinella S.r.l.	Bergamo	€ 10,000	-	66.67	66.67 Italcementi S.p.A.
E.S.A. Monviso S.p.A.	Casalgrasso (CN)	€ 1,340,000	-	100.00	59.00 Calcestruzzi S.p.A. 41.00 Cemencal S.p.A.
Ecoinerti S.r.l.	Recanati (MC)	€ 91,800	-	50.00	50.00 Calcestruzzi S.p.A.
FAP Autoservizi S.p.A.	S. Donà di Piave	€ 2,582,275	-	20.00	20.00 SAB Autoservizi S.r.l.
Gres Dalmine Resine Wavin S.c.a r.l.	Sorisole (BG)	€ 91,800	-	35.00	35.00 Società del Gres Ing. Sala S.p.A.
Immobiliare Lido di Classe S.p.A. in liq.	Rome	€ 255,000	18.04	-	18.04 Italmobiliare Soc. per Az.
Immobiliare Salesiane S.r.l.	Bergamo	€ 350,000	-	100.00	100.00 Italcementi S.p.A.
Italcementi Ingegneria S.r.l.	Bergamo	€ 266,220	-	100.00	100.00 Italcementi S.p.A.
La Ghiaia S.r.l. - in liquidazione	S. Egidio alla Vibrata (TE)	€ 25,500	-	100.00	100.00 Cemencal S.p.A.
Q.T.S. S.r.l.	Rome	€ 10,400	-	60.00	60.00 Cemencal S.p.A.
Riviera Trasporti Linea S.p.A.	Imperia	€ 150,000	-	80.00	80.00 SAB Autoservizi S.r.l.
Sigesa S.p.A.					
Soc. Italiana Gestione Servizi Ambientali	Cinisello B. (MI)	€ 40,578,554	29.00	-	29.00 Italmobiliare Soc. per Az.
Sipac S.p.A. - in liquidazione	Milan	€ 1,033,000	-	27.00	27.00 Calcestruzzi S.p.A.
Sirap Gema Insulation Systems S.p.A.	Verolanuova	€ 10,000	-	100.00	100.00 Sirap Gema S.p.A.
Soc. Editrice Siciliana S.E.S. S.p.A.	Messina	€ 5,112,900	33.00	-	33.00 Italmobiliare Soc. per Az.
Universal Imballaggi Sr.l.	Palermo	€ 1,131,588	-	24.90	24.90 Sirap Gema S.p.A.
France					
Agrégats & Bétons du Languedoc S.a.s.	Bessan	€ 40,000	-	99.96	99.96 Unibéton S.A.
Arden'Pompage S.A.R.L.	Les Ayvelles	€ 9,146.94	-	100.00	100.00 Unibéton S.A.
Armement Secam S.A.	Paris	€ 306,000	-	34.95	34.95 Tratel S.A.
Béton Contrôle de Gascogne S.A.	Soorts Hossegor	€ 40,000	-	37.00	37.00 Béton Contrôle du Pays Basque S.A.
Béton Service Artésien S.a.s.	Ronchin	€ 40,000	-	99.80	99.80 Unibéton S.A.
Bureau Engineering Travaux Publics (S.A. BETP)	Guérande	FF 3,432,000	-	99.94	79.94 Comp. Financière et de Participations S.A. 20.00 Arena S.A.
Carrières de Mazaugues S.A.R.L.	Maubec	€ 76,224.51	-	50.00	50.00 GSM S.A.
Ciments Français Participations S.n.c.	Puteaux	€ 1,500	-	100.00	50.00 Ciments Français S.A. 50.00 Comp. Financière et de Participations S.A.
Commingeoise de Restauration du Patrimoine S.A.R.L.	Saint Gaudens	€ 7,622	-	100.00	100.00 Socli S.A.
Dunkerque Ajouts Snc	Paris	€ 6,000	-	33.34	33.34 Ciments Calcia S.A.
Elco S.a.s.	Courbevoie	€ 397,373.61	-	24.99	24.99 Ciments Calcia S.A.
Entreprise Lorraine d'Agriculture - ELDA S.A.R.L.	Heillecourt	€ 10,000	-	100.00	100.00 GSM S.A.
Fraimbois Granulats S.A.R.L.	Moncel les Luneville	€ 75,000	-	50.00	50.00 GSM S.A.
GIE d'exploitation du chenal de Saintonge	Pessac	€ 8,384.70	-	75.00	75.00 GSM S.A.
GIE des Terres de Mayocq	St. Firmin	-	-	50.00	50.00 Eurarco France
GIE Gisamo	Carrières s/P.	-	-	100.00	99.00 GSM S.A. 1.00 Sables et Gravieres de la Garonne GIE
GIE GM	Reims	-	-	63.00	63.00 GSM S.A.
GIE Les Sables	Mehun sur Yevre	€ 1,500	-	50.00	50.00 GSM S.A.
Gitec - GIE	Paris	-	-	49.00	49.00 Ciments Français S.A.
Les Calcaires Sud Charentes	Cherves Richemont	€ 1,524.49	-	34.00	34.00 GSM S.A.
Matériaux Routiers du Béarn S.A.R.L.	Rebenacq	€ 15,000	-	33.30	33.30 GSM S.A.
Neyrtec Industrie S.A.	Le Pont de Claix	FF 10,000,000	100.00	-	100.00 Italmobiliare Soc. per Az.
Port St. Louis Aménagement S.n.c.	Carrières s/P.	€ 7,622.45	-	51.00	51.00 GSM S.A.



Annex D (continued)

Company	Registered office		Share capital	% direct	% indirect	Held by Group companies %	Held by:
Port St. Louis Remblaiement S.A.R.L.	Carrières s/P.	€	7,622.45	-	51.00	51.00	GSM S.A.
Provence Aménagement S.A.	Port Fréjus	€	480,000	-	35.00	35.00	Arena S.A.
Saint Remy Aggrégats S.A.R.L.	Salon de Provence	€	7,622.50	-	100.00	100.00	GSM S.A.
Sas des Grésillons	Paris	€	38,112.25	-	50.00	50.00	GSM S.A.
SCI Batlongue	Arudy	€	53,504	-	100.00	100.00	GSM S.A.
SCI Coralie	Allonnes	€	3,048.98	-	100.00	80.00	Bonafini S.A. 20.00 Larricq S.A.
SCI Delrieu Frères	Fumel	€	17,379.19	-	100.00	50.00	Ciments Français S.A. 50.00 Soci S.A.
SCI des Granets	Cayeux sur M.	€	4,573.47	-	47.33	47.33	GSM S.A.
SCI du Colombier	Rungis	€	2,000	-	63.00	63.00	GSM S.A.
SCI du Domaine de Saint Louis	Carrières s/P.	€	6,720	-	99.76	99.76	GSM S.A.
SCI Lepeltier	S. Douillard	€	6,150	-	99.76	99.76	GSM S.A.
SCI Triel Carrières	Le Vesinet	€	13,500	-	99.89	99.89	GSM S.A.
SnC Rouennaise de Transformation	Grand Couronne	€	7,500	-	60.00	60.00	Ciments Calcia S.A.
Société Civile Bachant le Grand Bonval	Carrières s/P.	€	1,500	-	80.00	80.00	GSM S.A.
Société Civile Carrière de Maraval	Fréjus	€	1,524.49	-	100.00	100.00	GSM S.A.
Société Civile d'Exploitation Agricole de l'Avesnois	Reims	€	3,000	-	90.00	50.00	Société Civile Bachant le Grand Bonval 40.00 GSM S.A.
Société de la Grange d'Etaule	Gray	€	3,750	-	99.60	99.60	Ciments Calcia S.A.
Société Foncière de la petite Seine S.a.s.	Saint Sauveur les Bray	€	50,000	-	40.00	40.00	GSM S.A.
Unibéton Est S.a.s.	Heilcourt	€	40,000	-	100.00	100.00	Unibéton Holding S.A.
Unibéton Holding S.A.	Guerville	€	45,000	-	99.88	99.88	Arena S.A.
Unibéton Ile de France S.a.s.	L'île Saint Denis	€	40,000	-	100.00	100.00	Unibéton Holding S.A.
Unibéton Med S.a.s.	Lambesc	€	40,000	-	100.00	100.00	Unibéton Holding S.A.
Unibéton Nord S.a.s.	Hellemmes - Lille	€	40,000	-	100.00	100.00	Unibéton Holding S.A.
Unibéton Normandie S.a.s.	Rouen	€	40,000	-	100.00	100.00	Unibéton Holding S.A.
Unibéton Pays de Loire S.a.s.	Tours	€	40,000	-	100.00	100.00	Unibéton Holding S.A.
Unibéton Region Express S.a.s.	Guerville	€	40,000	-	99.96	99.96	Unibéton S.A.
Unibéton S.O. S.a.s.	Pessac	€	40,000	-	100.00	100.00	Unibéton Holding S.A.
Belgium							
Société des Carrières du Tournais S.C.T. S.A.	Tournai	€	61,973.38	-	65.00	65.00	Compagnie des Ciments Belges S.A.
Spain							
Asociación de Empresas de Transporte a Granel	S. Sebastián	ESP	3,850,000	-	92.86	92.86	Sociedad Financiera y Minera S.A.
Atlántica de Graneles y Moliendas S.A.	Vizcaya	€	299,890.61	-	50.00	50.00	Sociedad Financiera y Minera S.A.
Canteras Aldoyar S.L.	Olazagutia	€	1,508,510	-	20.00	20.00	Hormigones y Minas S.A.
Cisnel Descargas S.L.	Madrid	€	3,010	-	100.00	100.00	Sodecim S.a.s.
Conglomerates Hidráulicos Especiales S.A.	Madrid	€	120,200	-	51.00	51.00	Sociedad Financiera y Minera S.A.
Eurosfaltes y Construcción S.A.	Málaga	€	60,500	-	100.00	99.00	Sociedad Financiera y Minera S.A. 1.00 Companie General de Canteras S.A.
Eurocalizas S.L.	Cantabria	€	18,030	-	33.33	33.33	Hormigones y Minas S.A.
Exportaciones de Cemento del Norte de España S.A.	Bilbao	ESP	10,000,000	-	45.00	45.00	Sociedad Financiera y Minera S.A.
Hormigones Olatzi S.A.	Olazagutia	ESP	47,222,000	-	25.00	25.00	Hormigones y Minas S.A.
Hormigones Txingudi S.A.	San Sebastián	ESP	10,000,000	-	50.00	50.00	Hormigones y Minas S.A.
Maquinaria para Hormigones A.I.E.	Bilbao	€	258,435.21	-	37.50	37.50	Sociedad Financiera y Minera S.A.
Neuciclaje S.A.	Bilbao	€	60,101.21	-	30.00	30.00	Sociedad Financiera y Minera S.A.
Novhorvi S.A.	Vitoria	€	180,300	-	25.00	25.00	Hormigones y Minas S.A.
Nugra S.A.	Madrid	€	60,100	-	100.00	100.00	Sociedad Financiera y Minera S.A.
Transagrox Pasajes S.A.	Guipúzcoa	€	1,652,783.29	-	100.00	100.00	H.C. Plasier Beheer B.V.
Universal de Hormigones Unidos S.L.	Madrid	€	3,010	-	99.80	99.80	Sociedad Financiera y Minera S.A.
Greece							
Betodomi S.A.	Iraklion	€	117,200,000	-	30.00	30.00	Domiki Béton S.A.
Skyra S.r.l.	Mandra	GRD	3,000,000	-	100.00	100.00	Ammos Quarries of East Attica S.A.
Germany							
Saarlandische Zementgesellschaft MBH	Saarbrücken	€	52,000	-	80.00	80.00	Ciments Français International S.A.
Great Britain							
Gecocem Limited	London	GBP	50,000	-	100.00	100.00	Ciments Français S.A.



Company	Registered office		Share capital	% direct	% indirect	Held by Group companies %	held by:
Luxembourg							
Omniun des Arts et Techniques S.A.	Luxembourg	€	1,338,456	-	99.99	99.99	Ciments Français International S.A.
Unibéton Luxembourg S.A.	Luxembourg	€	35,000	-	99.71	99.71	Unibéton S.A.
Holland							
H.C. Plasier Beheer B.V.	Vlaardingen	€	18,151.21	-	100.00	100.00	Rular Trading B.V.
R.G. Aggregates B.V.	Vlaardingen	€	18,151.21	-	100.00	100.00	Ruler International
Rular Trading B.V.	Vlaardingen	€	18,151.21	-	100.00	100.00	Ruler International

NORTH AMERICA

USA							
Miron USA Ltd	Nazareth	USD	200	-	100.00	100.00	Essroc Cement Corp.
Canada							
Concrete Systems International Ltd	Kitchener	CAD	1,000	-	50.00	50.00	Essroc Canada Inc.

OTHER COUNTRIES

Dutch antilles							
Ruler International	Curaçao	USD	6,000	-	100.00	100.00	Compagnie des Ciments Belges S.A.
Bulgaria							
Devnya Finance	Devnya	LEV	50,000,000	-	50.00	50.00	Devnya Cement A.D.
Dobrotitsa BSK A.D.	Dobritsch	LEV	100	-	26.00	26.00	Devnya Cement A.D.
Ljulyaka A.D.	Devnya	LEV	759,372	-	80.00	80.00	Devnya Cement A.D.
Kazakhstan							
Shymkent Cement	Shymkent	TEN	350,000,000	-	99.75	99.75	Ciments Français S.A.
Morocco							
Asment (Ciments de Temara)	Temara	MAD	171,875,000	-	37.01	19.99 17.02	Ciments Français S.A. Procimar S.A.
Les Ciments de Laayoune	Laayoune	MAD	50,000	-	79.20	79.20	Ciments du Maroc
Société Immobilière Marguerite VIII	Casablanca	MAD	100,000	-	94.00	94.00	Ciments du Maroc
Société Immobilière Marguerite X	Casablanca	MAD	100,000	-	94.00	94.00	Ciments du Maroc
Thailand							
JTC	Bangkok	BT	1,000,000	-	46.42	46.42	Jalaprathan Products Concrete Co., Ltd ¹
Sukanit	Bangkok	BT	500,000	-	46.12	46.12	Jalaprathan Products Concrete Co., Ltd ¹
Turckey							
Altas Ambarlı Liman Tesisleri Tas	Istanbul	TRL	100,000,000,000	-	21.78	10.89 10.89	Anadolu Cimentolari Tas Marmara Cimento Sanayi Tas
Met Teknik Servis ve Maden Sanayi Ticaret A.S.	Istanbul	TRL	5,000,000,000	-	99.99	99.99	Set group Holding
Egypt							
Suez Bag Company	Cairo	LE	9,000,000	-	56.68	53.32 3.36	Suez Cement Company Tourah Portland Cement Company
Tourah Portland Cement Company	Cairo	LE	238,414,000	-	66.12	66.12	Suez Cement Company

¹ percentage of interest



Annex E

LIST OF OTHER INVESTMENTS GREATER THAN 10%

(as per article 126 of CONSOB communication no. 11971 of 14 May 1999)

Company	Registered office		Share capital	% direct	% indirect	Held by Group companies % held by:	
EUROPEAN UNION							
Italy							
Compagnia Fiduciaria Nazionale S.p.A.	Milan	€	312,000	16.67	-	16.67	Italmobiliare Soc. per Az.
Ecoserio S.r.l.	Bergamo	€	48,960	-	12.50	12.50	Calcestruzzi S.p.A.
Fin.Priv. S.r.l.	Milan	€	20,000	14.28	-	14.28	Italmobiliare Soc. per Az.
I.GE.PO. - Impresa Gestione Porti S.r.l.	Vibo Valentia	ITL	50,000,000	-	18.00	18.00	Italcementi S.p.A.
Janua Marittima S.p.A.	Genova	€	2,205,000	-	10.71	10.71	Italcementi S.p.A.
LUXVIDE S.p.A.	Rome	€	4,128,000	10.81	-	10.81	Italmobiliare Soc. per Az.
Musone S.r.l. ²	Civitanova Marche (MC)	€	102,960	-	100.00	100.00	Calcestruzzi S.p.A.
Procalmi S.r.l. - in liquidazione	Milan	€	51,000	-	11.52	11.52	Cemencal S.p.A.
Francia							
Granulats Marins de Normandie - GIE	Le Havre	-	-	-	11.05	11.05	GSM S.A.
Scori S.A.	Plaisir	€	1,092,800	-	13.95	13.95	Ciments Calcia S.A.
Gran Bretagna							
Sirio Vide Ltd	London	GBP	100	11.00	-	11.00	Italmobiliare Soc. per Az.

² held as usufruct

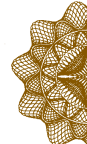
■ Additional
information



Annex F

VARIATIONS IN SHAREHOLDERS' EQUITY

	(in thousands of euro)								
	Share capital	Legal reserve	Monetary revaluation reserve	Share premium reserve	Reserve for purchase of own shares	Other reserves of the company	Other consolidation reserves	Net result for the period	Group shareholder's equity
Balance at 12.31.2001	100,167	20,033	86,760	177,191	21,120	454,995	539,330	143,112	1,542,708
Allocation of income at 12.31.2001									
Board of Directors								(647)	(647)
Dividends								(36,623)	(36,623)
Legal reserve									
Extraordinary reserve									
Carried forward						29,561		(29,561)	
Prescribed dividends/waiver of dividends						2			2
Transfer of reserves							76,281	(76,281)	
Exchange rate differences and consolidation adjustments							(34,802)		(34,802)
Net income for the period								63,405	63,405
Balance at 06.30.2002	100,167	20,033	86,760	177,191	21,120	484,558	580,809	63,405	1,534,043



Annex G

RECONCILIATION BETWEEN SHAREHOLDERS' EQUITY AND RESULT FOR THE PERIOD OF THE HOLDING COMPANY AND CONSOLIDATED SHAREHOLDERS' EQUITY AND CONSOLIDATED RESULT FOR THE PERIOD

	(in thousands of euro)			
	06.30.2002		12.31.2001	
A) Net income for the period of Italmobiliare S.p.A.	39,958		66,831	
Consolidation adjustments				
Net results of consolidated companies (Group portion)	52,826		79,972	
Adjustment to Group accounting policies (Group portion)	(907)		(1,336)	
Adjustment to value of investments stated using the equity method	7,716		5,186	
Adjustment of the gain on equity investments sold	(1,249)		13,382	
Elimination of dividends received during the period	(33,540)		(29,539)	
Elimination of write-downs of consolidated equity investments	311		4,661	
Elimination of intercompany income or losses and other variations	(1,710)		3,955	
Group net income	63,405		143,112	
Shareholders' equity				
B) Shareholders' equity of Italmobiliare S.p.A.	929,789		927,099	
Adjustment to Group accounting policies	6,613		6,610	
Elimination of the book value of consolidated equity investments				
- in subsidiary companies consolidated on a line-by-line basis	(1,003,690)		(1,012,253)	
- in subsidiary and associated companies consolidated on an equity basis	(57,928)		(1,061,618)	
			(37,778)	
			(1,050,031)	
Elimination of shareholders' equity of consolidated equity investments				
- in subsidiary companies consolidated on a line-by-line basis	1,492,416		1,533,518	
- in subsidiary and associated companies consolidated on an equity basis	138,451		1,630,867	
			95,514	
			1,629,032	
Gains posted to shareholders' equity of subsidiary and associated companies	35,661		34,369	
Elimination of the effects of infragroup operations	(7,269)		(4,371)	
Group consolidated shareholders' equity	1,534,043		1,542,708	



Reclassified consolidated balance sheet

(in thousands of euro)	06.30.2002	%	12.31.2001	%	Change 2002/2001
Fixed assets					
Intangible assets	1,469,900		1,366,389		103,511
Tangible assets	2,948,673		2,987,866		(39,193)
Investments and other financial assets *	1,145,915		1,109,320		36,595
Total	5,564,488	84.9	5,463,575	86.8	100,913
Working capital					
Inventories	436,864		445,970		(9,106)
Trade receivables	1,146,190		955,721		190,469
Trade payables	(649,952)		(662,055)		12,103
Other assets	481,184		462,100		19,084
Other liabilities	(427,376)		(374,331)		(53,045)
Total	986,910	15.1	827,405	13.2	159,505
Net invested capital	6,551,398	100.0	6,290,980	100.0	260,418
Shareholders' equity					
Pertaining to the Group	1,534,043		1,542,708		(8,665)
Minority interest	2,001,528		2,171,313		(169,785)
Total	3,535,571	54.0	3,714,021	59.0	(178,450)
Floating rate subordinated securities	88,470	1.3	100,505	1.6	(12,035)
Provisions					
Employees' leaving entitlements	83,774		102,634		(18,860)
Other provisions	692,896		671,938		20,958
Total	776,670	11.9	774,572	12.3	2,098
Net debt					
Liquid funds and current financial assets	(835,525)		(890,954)		55,429
Short-term financing	973,240		970,575		2,665
Short-term indebtedness	137,715	2.1	79,621	1.3	58,094
Medium/long-term financial assets	(54,534)		(55,514)		980
Medium/long-term financial liabilities	2,067,506		1,677,775		389,731
Medium to long term indebtedness	2,012,972	30.7	1,622,261	25.8	390,711
Net debt	2,150,687	32.8	1,701,882	27.1	448,805
Total financing	6,551,398	100.0	6,290,980	100.0	260,418

* net of the part included in net debt

Reclassified consolidated income statement



(in thousands of euro)	06.30.2002	%	06.30.2001 pro forma	%	Change	%	12.31.2001	%
Net sales	2,159,741	100.0	2,097,967	100.0	61,774	2.9	4,206,727	100.0
Variation in inventories	(14,377)	(0.7)	(17,103)	(0.8)	2,726	(15.9)	(8,552)	(0.2)
Increase in internal work	8,475	0.4	7,787	0.4	688	8.8	15,012	0.4
	2,153,839	99.7	2,088,651	99.6	65,188	3.1	4,213,187	100.2
Other revenues	19,884	0.9	42,870	2.0	(22,986)	(53.6)	91,751	2.1
Net sales and other operating income	2,173,723	100.6	2,131,521	101.6	42,202	2.0	4,304,938	102.3
Consumables	548,437	25.4	541,622	25.8	6,815	1.3	1,054,237	25.1
Services	677,082	31.3	661,049	31.5	16,033	2.4	1,336,057	31.7
Other operating costs	60,541	2.8	53,436	2.6	7,105	13.3	112,340	2.7
Value added	887,663	41.1	875,414	41.7	12,249	1.4	1,802,304	42.8
Personnel expenses	359,911	16.7	372,564	17.8	(12,653)	(3.4)	729,170	17.3
Provisions and write-downs	13,139	0.6	10,672	0.5	2,467	23.1	24,473	0.6
Gross operating profit	514,613	23.8	492,178	23.5	22,435	4.6	1,048,661	24.9
Amortization and depreciation	193,591	8.9	196,426	9.4	(2,835)	(1.4)	395,612	9.4
Operating income	321,022	14.9	295,752	14.1	25,270	8.5	653,049	15.5
(difference between production value/costs)								
Financial income and charges	(27,039)	(1.3)	(29,971)	(1.4)	2,932	(9.8)	6,476	0.2
Adjustments to financial asset values	6,077	0.3	8,071	0.4	(1,994)	(24.7)	(32,929)	(0.8)
Non-recurring income and charges	(17,571)	(0.8)	(5,348)	(0.3)	(12,223)	228.6	(24,154)	(0.6)
Income before taxes	282,489	13.1	268,504	12.8	13,985	5.2	602,442	14.3
Income taxes	(116,157)	(5.4)	(111,510)	(5.3)	(4,647)	4.2	(249,090)	(5.9)
Income before minority interest	166,332	7.7	156,994	7.5	9,338	5.9	353,352	8.4
Minority interest	102,927	4.8	95,355	4.6	7,572	7.9	210,240	5.0
Group net income	63,405	2.9	61,639	2.9	1,766	2.9	143,112	3.4
Cash flow	359,923	-	353,420	-	6,503	-	748,964	-



Consolidated statement of cash flows*

(in thousands of euro)	06.30.2002	06.30.2001 pro forma
A) Cash and cash equivalents at beginning of the period	157,438	219,039
B) Cash flow from operating activities		
Group net income	63,405	61,639
Minority interest	102,927	95,355
Depreciation	193,591	196,426
Change from companies valued using the equity method	(8,775)	(6,471)
Dividends from companies valued using the equity method	846	(740)
Write-downs/revaluations of fixed assets	7,648	611
Capital (gain) loss on sales of fixed assets	(7,547)	(17,349)
Interest on debenture loan	4,741	9,909
Interest income on floating rate subordinated securities	(12,035)	(10,407)
Change in employees' leaving entitlements	1,035	1,206
Change in other provisions	6,880	1,638
	352,716	331,817
Change in working capital		
Inventories	12,488	8,864
Trade receivables	(191,860)	(191,834)
Payables	310	23,180
Other assets/liabilities	(21,843)	24,623
Investments not held as fixed assets	768	(6,501)
	(200,137)	(141,668)
Total B)	152,579	190,149
C) Cash flow from investing activities		
Investments in fixed assets:		
Intangible	(9,749)	(15,334)
Tangible	(160,694)	(139,751)
Financial (equity investments)	(375,655)	(121,217)
Change in payables for purchase of fixed assets	(13,968)	(10,092)
Change in payables for purchase of fixed asset	64,357	(62)
Share buyback	-	-
	(495,709)	(286,456)
Change in receivables for sale of financial assets	9,460	-
Proceeds from sales of fixed assets	24,809	30,178
Total C)	(461,440)	(256,278)
D) Cash flow from financial activities		
Change in financial receivables	180,735	17,545
Change in financial payables	396,235	331,801
Change in financial assets not included in net debt	(15,539)	(14,554)
Total D)	561,431	334,792
E) Cash flow from variations in shareholders' equity		
Share capital increases	2,998	2,955
Grants related to assets	-	50
Dividends paid to minority interest	(126,007)	(99,747)
Share capital repayments	-	-
Total E)	(123,009)	(96,742)
F) Change in consolidation and translation differences	999	(84,098)
G) Cash flow for the period	130,560	87,823
H) Cash and cash equivalents at the period end	287,998	306,862

* the statement of cash flows set out above shows the changes in cash and cash equivalents

**AUDITORS' REPORT ON THE REVIEW
OF THE MANAGEMENT REPORT
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2002 OF
ITALMOBILIARE S.p.A.
(Translation from the original Italian version)**

To the Shareholders of
Italmobiliare S.p.A.

1. We have performed the review of the Management Report of Italmobiliare S.p.A. for the semi-annual period ended June 30, 2002, represented by the Balance Sheets and the Statements of Income and related Notes of Italmobiliare S.p.A (Parent Company Statements) and of the Italmobiliare Group (Consolidated Statements). We have also reviewed that part of the financial information presented by the Board of Directors in the Management Report with respect of their discussions and analyses of the operations, solely for the purpose of evaluating its consistency with the above mentioned statements and related Notes.
2. Our review was conducted in accordance with auditing standards governing review of interim financial statements recommended by CONSOB (the Italian Stock Exchange Regulatory Agency) in its resolution No. 10867 of July 31, 1997. The review of the data related to the six months period ended June 30, 2002 of certain subsidiary companies, which represents approximately 10,5% of the consolidated assets and 10,9% of the consolidated revenues, was performed by other auditors who supplied us with their review reports. A review consists mainly of obtaining information with respect to the accounts included in the statements identified in paragraph 1 of this report and the consistency of the accounting principles applied through discussions with appropriate members of management, and analytical procedures applied to the financial data presented in such statements. A review does not include performing auditing procedures such as tests of compliance of internal controls and substantive procedures on assets and liabilities. Consequently, the scope of a review engagement provides significantly less assurance than a full scope audit performed in accordance with generally accepted auditing standards. Accordingly, we do not express an audit opinion on the statements and related Notes identified in paragraph 1 of this report of Italmobiliare S.p.A. as of and for the six months period ended June 30, 2002 as we do in connection with reporting on our full scope audits of the annual Parent Company and Consolidated financial statements of Italmobiliare S.p.A.
3. With respect to the parent company and the consolidated comparative data as of and for the year ended December 31, 2001 and for the six months period ended June 30, 2001, reference should be made to our audit and review reports issued on April 15, 2002 and on September 20, 2001 respectively.

4. Based on our review, we did not become aware of any significant modifications that should be made to the statements and related Notes identified in paragraph 1 of this report, in order for them to be in conformity with the criteria for the presentation of the semi-annual Management Report, stated by art. 81 of CONSOB regulations as approved in its resolution No. 11971 of May 14, 1999 and subsequent modifications.

Milan, September 20, 2002

Reconta Ernst & Young S.p.A.
Signed by: Alberto Caglia