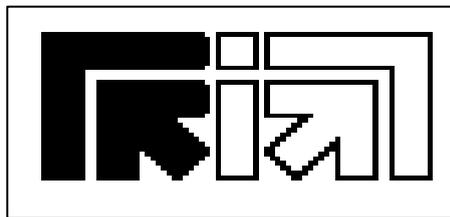


PRIMA INDUSTRIE SPA

FINANCIAL STATEMENTS
FOR THE SIX MONTHS
ENDED
30 JUNE 2000



PRIMA INDUSTRIE S.p.A.**BALANCE SHEET**

(all amounts are expressed in millions of Italian lire)

	June 30, 2000	December 31, 1999	June 30, 1999
A. CALLED UP SHARE CAPITAL NOT PAID	0	0	0
B. FIXED ASSETS			
B.I. INTANGIBLE ASSETS			
2) Research, development and advertising costs	1.211	1.510	1.704
3) Industrial patents, intellectual properties and similar rights	53	146	98
4) Concessions, licences, trademarks and similar rights	11	11	11
7) Other	728	323	511
Total intangible assets	2.003	1.990	2.324
B.II. TANGIBLE ASSETS			
1) Land and buildings	104	25	28
2) Plant and machinery	556	184	195
3) Industrial and commercial equipment	354	269	273
4) Other	490	459	463
5) Assets under construction and payments on account	0	0	0
Total tangible assets	1.504	937	959
B.III. FINANCIAL FIXED ASSETS			
1) Investments in:	2.880	2.980	1.816
<i>a) controlled companies</i>	1.015	1.015	816
<i>b) associated companies</i>	865	965	0
<i>c) other companies</i>	1.000	1.000	1.000
2) Financial receivables:	11.228	820	812
<i>a) controlled companies:</i>	10.434	515	515
<i>d) other companies</i>	794	305	297
3) Other securities	345	345	345
Total financial fixed assets	14.453	4.145	2.973
TOTAL FIXED ASSETS	17.960	7.072	6.256
C. CURRENT ASSETS			
C.I. INVENTORIES			
1) Raw materials, consumables and supplies	12.865	9.606	10.708
3) Contract work in progress	5.943	4.503	6.039
4) Finished goods and merchandise	3.859	4.160	2.700
Total inventories	22.667	18.269	19.447
C.II. RECEIVABLES			
1) Trade receivables	52.175	46.740	38.181
2) Controlled companies receivables	8.847	7.211	5.741
3) Associated companies receivables	912	320	13
5) Other receivables	8.545	6.025	3.313
Total receivables	70.479	60.296	47.248
C.III. CURRENT FINANCIAL ASSETS			
3) Investments in other companies	0	0	199
5) Other securities	1.001	7.021	0
Total current financial assets	1.001	7.021	199

PRIMA INDUSTRIE S.p.A.**BALANCE SHEET**

(all amounts are expressed in millions of Italian lire)

	June 30, 2000	December 31, 1999	June 30, 1999
C.IV. CASH AND BANKS			
1) Bank and postal accounts	3.693	8.078	1.962
3) Cash on hand and cash equivalents	26	22	30
Total cash and banks	3.719	8.100	1.992
TOTAL CURRENT ASSETS	97.866	93.686	68.886
D. ACCRUED INCOME AND PREPAID EXPENSES			
1) Accrued income	86	113	0
2) Prepaid expenses	1.170	811	1.409
TOTAL ACCRUED INCOME AND PREPAID EXPENSES	1.256	924	1.409
TOTAL ASSETS	117.082	101.682	76.551

PRIMA INDUSTRIE S.p.A.**BALANCE SHEET**

(all amounts are expressed in millions of Italian lire)

	June 30, 2000	December 31, 1999	June 30, 1999
LIABILITIES AND SHAREHOLDERS' EQUITY			
A. SHAREHOLDERS' EQUITY			
A.I. SHARE CAPITAL	17.140	17.140	11.140
A.II PAID-IN CAPITAL RESERVE	11.252	11.252	0
A.IV. LEGAL RESERVE	249	127	127
A.VII. OTHER RESERVES	3.219	911	911
A.VIII. RETAINED EARNINGS	0	0	0
A.XI. PROFIT before income taxes (net at 31/12/1999)	6.073	2.430	1.297
TOTAL SHAREHOLDERS' EQUITY	37.933	31.860	13.475
B. PROVISIONS FOR LIABILITIES AND EXPENSES			
2) Provisions for taxes	386	386	0
3) Other	6.183	4.287	4.131
TOTAL PROVISIONS FOR LIABILITIES AND EXPENSES	6.569	4.673	4.131
C. EMPLOYEES' SEVERANCE INDEMNITY			
	3.565	3.469	3.657
D. PAYABLES			
3) Bank borrowings	12.110	3.793	20.663
4) Borrowings from other financial institutions	17.856	18.247	1.903
5) Payments on account	1.813	3.401	1.113
6) Trade payables	29.202	27.078	24.090
8) Payables to controlled companies	2.337	1.590	3.363
9) Payables to associated companies	0	308	588
11) Taxes payable	1.761	3.858	497
12) Social security agencies payable	1.095	1.091	534
13) Other payables	1.904	1.054	2.304
TOTAL PAYABLES	68.078	60.420	55.055
E. ACCRUED LIABILITIES AND DEFERRED INCOME			
1) Accrued liabilities	397	351	30
2) Deferred income	540	909	203
TOTAL ACCRUED LIABILITIES AND DEFERRED INCOME	937	1.260	233
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	117.082	101.682	76.551

PRIMA INDUSTRIE S.p.A.**INCOME STATEMENT**

(all amounts are expressed in millions of Italian lire)

	June 30, 2000	June 30, 1999	December 31, 1999
A. PRODUCTION REVENUES			
1) Revenues from sales and services	57.948	42.123	95.487
2) Changes in work in progress, semifinished and finished goods	-302	-360	1.100
3) Change in contract work in progress	1.441	3.845	2.308
4) Increase in internal work capitalized under fixed assets	165	25	562
5) Other revenues and income	1.298	1.241	1.785
TOTAL PRODUCTION REVENUES	60.550	46.874	101.242
B. PRODUCTION COSTS			
6) Purchase of raw materials, consumables and supplies	-32.779	-25.687	-51.530
7) Service expenses	-11.467	-9.322	-19.906
8) Lease and rent costs	-621	-584	-1.225
9) Personnel expenses:	-10.121	-8.047	-16.259
<i>a) salaries and wages</i>	-7.168	-5.650	-11.317
<i>b) social security contributions</i>	-2.320	-1.907	-3.891
<i>c) employees' severance indemnity</i>	-375	-328	-671
<i>e) other</i>	-258	-162	-380
10) Amortization, depreciation and write-downs:	-1.072	-807	-2.000
<i>a) amortization of intangible assets</i>	-450	-469	-974
<i>b) depreciation of tangible assets</i>	-160	-141	-292
<i>d) write-down of current receivables</i>	-462	-197	-734
11) Changes in raw materials, consumables and supplies	3.259	462	-640
12) Accruals to provisions for liabilities and expenses	-1.896	-238	-646
13) Other accruals	0	0	0
14) Other operating expenses	-564	-274	-1.324
TOTAL PRODUCTION COSTS	-55.261	-44.497	-93.530
Difference between production revenues and costs	5.289	2.377	7.712
C. FINANCIAL INCOME AND EXPENSES			
15) Investment income	185	185	500
d. income other than the above	185	185	500
16) Other financial income	1.576	780	1.756
d. income other than the above	1.576	780	1.756
17) Interest and other financial expenses	-2.643	-1.322	-3.015
a. controlled companies financial expenses	0	-33	-59
d. others financial expenses	-2.643	-1.289	-2.956
TOTAL FINANCIAL INCOME AND EXPENSES	-882	-357	-759

PRIMA INDUSTRIE S.p.A.**INCOME STATEMENT**

(all amounts are expressed in millions of Italian lire)

	June 30, 2000	June 30, 1999	December 31, 1999
D. ADJUSTMENTS TO FINANCIAL ASSETS			
18) Revaluations	0	0	0
a. investments	0	0	0
19) Write-downs:	-100	-723	-725
a. investments	-100	-230	-230
b. financial fixed assets	0	-493	-495
TOTAL ADJUSTMENTS TO FINANCIAL ASSETS	-100	-723	-725
E. EXTRAORDINARY INCOME AND EXPENSES			
20) Extraordinary income	1.766	0	0
<i>b) other extraordinary income</i>	1.766	0	0
21) Extraordinary expenses	0	0	-3.721
<i>a) losses on disposal</i>	0	0	-3.721
TOTAL EXTRAORDINARY INCOME AND EXPENSES	1.766	0	-3.721
Profit before income taxes	6.073	1.297	2.507
22) Income taxes	0	0	-77
22.1) Current income taxes	0	0	-2.253
22.2) Deferred taxes	0	0	2.176
23) PROFIT	6.073	1.297	2.430