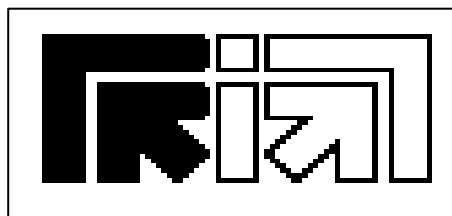


PRIMA INDUSTRIE GROUP

CONSOLIDATED FINANCIAL  
STATEMENTS  
FOR THE SIX MONTHS  
ENDED  
30 JUNE 2000



---

**PRIMA INDUSTRIE GROUP****CONSOLIDATED BALANCE SHEET**

(all amounts are expressed in millions of Italian lire)

	June 30, 2000	December 31, 1999	June 30, 1999
<b>A. CALLED UP SHARE CAPITAL NOT PAID</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>B. FIXED ASSETS</b>			
<b>B.I. INTANGIBLE ASSETS</b>			
2) Research, development and advertising costs	1.152	1.439	1.633
3) Industrial patents, intellectual properties and similar rights	1.041	214	217
4) Concessions, licences, trademarks and similar rights	15	15	16
5) Goodwill	3.487	0	0
7) Other	769	380	528
<b>Total intangible assets</b>	<b>6.464</b>	<b>2.048</b>	<b>2.394</b>
<b>B.II. TANGIBLE ASSETS</b>			
1) Land and buildings	4.330	1.066	1.047
2) Plant and machinery	1.109	778	755
3) Industrial and commercial equipment	1.153	833	797
4) Other	1.960	1.434	1.511
5) Assets under construction and payments on account	0	0	0
<b>Total tangible assets</b>	<b>8.552</b>	<b>4.111</b>	<b>4.110</b>
<b>B.III. FINANCIAL FIXED ASSETS</b>			
1) Investments in:	1.596	1.676	1.000
<i>b) associated companies</i>	576	676	0
<i>c) other companies</i>	1.020	1.000	1.000
2) Financial receivables:	1.159	436	424
<i>e) other companies:</i>	1.159	436	424
3) Other securities	345	345	345
<b>Total financial fixed assets</b>	<b>3.100</b>	<b>2.457</b>	<b>1.769</b>
<b>TOTAL FIXED ASSETS</b>	<b>18.116</b>	<b>8.616</b>	<b>8.273</b>
<b>C. CURRENT ASSETS</b>			
<b>C.I. INVENTORIES</b>			
1) Raw materials, consumables and supplies	21.559	12.115	13.576
3) Contract work in progress	14.119	6.009	8.155
4) Finished goods and merchandise	8.801	5.277	4.002
<b>Total inventories</b>	<b>44.479</b>	<b>23.401</b>	<b>25.733</b>
<b>C.II. RECEIVABLES</b>			
1) Trade receivables	67.968	56.965	44.348
3) Associated companies receivables	1.529	321	0
5) Other receivables	10.011	7.341	4.791
<b>Total receivables</b>	<b>79.508</b>	<b>64.627</b>	<b>49.139</b>
<b>C.III. CURRENT FINANCIAL ASSETS</b>			
3) Investments in other companies	0	0	0
5) Other securities	1.001	8.019	0
<b>Total current financial assets</b>	<b>1.001</b>	<b>8.019</b>	<b>0</b>

---

**PRIMA INDUSTRIE GROUP****CONSOLIDATED BALANCE SHEET**

(all amounts are expressed in millions of Italian lire)

	June 30, 2000	December 31, 1999	June 30, 1999
<b>C.IV. CASH AND BANKS</b>			
1) Bank and postal accounts	6.566	9.284	4.725
3) Cash on hand and cash equivalents	34	27	34
<b>Total cash and banks</b>	<b>6.600</b>	<b>9.311</b>	<b>4.759</b>
<b>TOTAL CURRENT ASSETS</b>	<b>131.588</b>	<b>105.358</b>	<b>79.631</b>
<b>D. ACCRUED INCOME AND PREPAID EXPENSES</b>			
1) Accrued income	91	123	2
2) Prepaid expenses	1.066	669	1.172
<b>TOTAL ACCRUED INCOME AND PREPAID EXPENSES</b>	<b>1.157</b>	<b>792</b>	<b>1.174</b>
<b>TOTAL ASSETS</b>	<b>150.861</b>	<b>114.766</b>	<b>89.078</b>

---

**PRIMA INDUSTRIE GROUP****CONSOLIDATED BALANCE SHEET**

(all amounts are expressed in millions of Italian lire)

	June 30, 2000	December 31, 1999	June 30, 1999
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>A. SHAREHOLDERS' EQUITY</b>			
A.I. SHARE CAPITAL	17.140	17.140	11.140
A.II: PAID-IN CAPITAL RESERVE	9.066	9.066	0
A.IV. LEGAL RESERVE	249	198	198
A.VII. OTHER RESERVES	4.474	1.271	910
A.VIII. RETAINED EARNINGS	2.765	1.422	1.784
A. IX. CONSOLIDATION RESERVE	0	0	0
A. X CUMULATIVE TRANSLATION ADJUSTMENTS	405	471	-204
A.XI. PROFIT before income taxes (net at 31/12/1999)	6.829	4.597	2.364
<b>TOTAL SHAREHOLDERS' EQUITY - GROUP</b>	<b>40.928</b>	<b>34.165</b>	<b>16.192</b>
MINORITY INTERESTS	5.171	1.978	1.720
<b>TOTAL CONSOLIDATED SHAREHOLDERS' EQUITY</b>	<b>46.099</b>	<b>36.143</b>	<b>17.912</b>
<b>B. PROVISIONS FOR LIABILITIES AND EXPENSES</b>			
2) Provisions for taxes	1.146	989	0
3) Other	7.395	3.098	2.424
<b>TOTAL PROVISIONS FOR LIABILITIES AND EXPENSES</b>	<b>8.541</b>	<b>4.087</b>	<b>2.424</b>
<b>C. EMPLOYEES' SEVERANCE INDEMNITY</b>			
	<b>4.930</b>	<b>4.806</b>	<b>5.100</b>
<b>D. PAYABLES</b>			
3) Bank borrowings	14.694	5.316	25.136
4) Borrowings from other financial institutions	21.620	18.726	2.474
5) Payments on account	3.607	3.416	1.113
6) Trade payables	40.223	33.386	29.537
9) Payables to associated companies	0	308	575
11) Taxes payable	1.894	4.772	844
12) Social security agencies payable	1.346	1.296	626
13) Other payables	6.868	1.396	2.986
<b>TOTAL PAYABLES</b>	<b>90.252</b>	<b>68.616</b>	<b>63.291</b>
<b>E. ACCRUED LIABILITIES AND DEFERRED INCOME</b>			
1) Accrued liabilities	766	452	132
2) Deferred income	273	662	219
<b>TOTAL ACCRUED LIABILITIES AND DEFERRED INCOME</b>	<b>1.039</b>	<b>1.114</b>	<b>351</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>150.861</b>	<b>114.766</b>	<b>89.078</b>

---

**PRIMA INDUSTRIE GROUP****CONSOLIDATED INCOME STATEMENT**

(all amounts are expressed in millions of Italian lire)

	June 30, 2000	June 30, 1999	December 31, 1999
<b>A. PRODUCTION REVENUES</b>			
1) Revenues from sales and services	75.625	50.271	115.264
2) Changes in work in progress, semifinished and finished goods	2.110	180	3.429
3) Change in contract work in progress	0	4.266	0
4) Increase in internal work capitalized under fixed assets	254	364	665
5) Other revenues and income	1.282	905	2.192
<b>TOTAL PRODUCTION REVENUES</b>	<b>79.271</b>	<b>55.986</b>	<b>121.550</b>
<b>B. PRODUCTION COSTS</b>			
6) Purchase of raw materials, consumables and supplies	-43.718	-29.424	-59.065
7) Service expenses	-14.249	-10.847	-23.044
8) Lease and rent costs	-716	-616	-1.206
9) Personnel expenses:	-14.972	-10.714	-21.639
<i>a) salaries and wages</i>	-10.907	-7.651	-15.182
<i>b) social security contributions</i>	-3.211	-2.405	-5.042
<i>c) employees' severance indemnity</i>	-504	-435	-888
<i>e) other</i>	-350	-223	-527
10) Amortization, depreciation and write-downs:	-1.700	-1.303	-2.673
<i>a) amortization of intangible assets</i>	-653	-471	-983
<i>b) depreciation of tangible assets</i>	-565	-416	-867
<i>d) write-down of current receivables</i>	-482	-416	-823
11) Changes in raw materials, consumables and supplies	4.891	600	-849
12) Accruals to provisions for liabilities and expenses	-1.270	28	-714
13) Other accruals	0	0	0
14) Other operating expenses	-644	-316	-1.365
<b>TOTAL PRODUCTION COSTS</b>	<b>-72.378</b>	<b>-52.592</b>	<b>-110.555</b>
<b>Difference between production revenues and costs</b>	<b>6.893</b>	<b>3.394</b>	<b>10.995</b>
<b>C. FINANCIAL INCOME AND EXPENSES</b>			
15) <b>Investment income</b>	<b>185</b>	<b>185</b>	<b>185</b>
d. income other than the above	185	185	185
16) <b>Other financial income</b>	<b>1.637</b>	<b>1.077</b>	<b>1.957</b>
d. income other than the above	1.637	1.077	1.957
17) <b>Interest and other financial expenses</b>	<b>-2.702</b>	<b>-1.095</b>	<b>-3.137</b>
<b>TOTAL FINANCIAL INCOME AND EXPENSES</b>	<b>-880</b>	<b>167</b>	<b>-995</b>

---

**PRIMA INDUSTRIE GROUP****CONSOLIDATED INCOME STATEMENT**

(all amounts are expressed in millions of Italian lire)

	June 30, 2000	June 30, 1999	December 31, 1999
<b>D. ADJUSTMENTS TO FINANCIAL ASSETS</b>			
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
<b>TOTAL ADJUSTMENTS TO FINANCIAL ASSETS</b>	<b>-100</b>	<b>-723</b>	<b>-725</b>
<b>E. EXTRAORDINARY INCOME AND EXPENSES</b>			
20) Extraordinary income	1.766	0	198
b) other extraordinary income	1.766	0	198
21) Extraordinary expenses	0	0	0
b) other extraordinary expenses	0	0	0
<b>TOTAL EXTRAORDINARY INCOME AND EXPENSES</b>	<b>1.766</b>	<b>0</b>	<b>198</b>
<b>Profit before income taxes</b>	<b>7.679</b>	<b>2.838</b>	<b>9.473</b>
22) Income taxes	0	0	-4.144
22.1) Current income taxes	0	0	-5.534
22.2) Deferred taxes	0	0	1.390
<b>23) NET PROFIT</b>	<b>7.679</b>	<b>2.838</b>	<b>5.329</b>
24) Minority interests	-850	-474	-732
<b>25) NET PROFIT FOR THE YEAR - GROUP</b>	<b>6.829</b>	<b>2.364</b>	<b>4.597</b>