

PRIMA INDUSTRIE GROUP
BOARD OF DIRECTORS' REPORT
ON CONSOLIDATED
FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2002

This is a free translation from Italian into English

Board of Directors
November 13, 2002

PRIMA INDUSTRIE S.p.A.

Paid-up Share Capital Euro 10,375,000
Company House of Turin
Register no. 3549/80
R.E.A. of Turin no. 582421

Registered office: Collegno (Turin)
Via Antonelli, 32
website internet: <http://www.primaindustrie.com>
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BOARD OF DIRECTORS (*)

Chairman of the Board
Aldo Palmeri

Managing Director (CEO)
Gianfranco Carbonato

Directors:

Giulia Della Rosa
Sandro D'Isidoro
Domenico Peiretti
Francesco Takanen

(**) Giuseppe Morfino

(**) Paolo Mazzotto

Secretary

Giuseppe Favalaro

Corporate General Manager

Alberto Delle Piane

General Manager

Ezio Basso

STATUTORY AUDITORS (*)**

President of the Statutory Auditors Committee
Riccardo Formica

Active Auditors

Andrea Mosca
Roberto Petrignani

Substitute Auditors

Roberto Coda
Stefano Maria Ruggeri

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A.

(*) Appointed by the Shareholders' Meeting of May 14, 2002 for the three years term 2002-2004

(**) Independent Directors

(***) Appointed by the Shareholders' Meeting of May 11, 2001 for the three years term 2001-2003

DIRECTORS' POWER

The Board of Directors held on May 14, 2002 appointed Mr Gianfranco Carbonato as the Managing Director granting him all operating powers save those that the law reserves to the Board of Directors. Both, the Chairman and the Managing Director have the Company legal representation in accordance with article 23 of the Company bylaws.

PRIMA INDUSTRIE GROUP

BOARD OF DIRECTORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2002

(Approved by the Company Board of Directors held on November 13, 2002)

INTRODUCTION

This report covers the Group consolidated financial information up to September 30, 2002 prepared and divulged in accordance with article 2.6.2. of the *Nuovo Mercato* of the Italian Stock Exchange regulations and IA 2.4.1 of the Instructions and complies with article 82 of Consob rulings ex resolution 11971 and following amendments. Data related with the quarter under consideration have not been audited by PricewaterhouseCoopers SpA being not compulsory.

The information which follows was prepared on same principles previously used by the Group for its interim and end-of-the year accounts. Therefore the comparison between the two periods 01/01/2002-09/30/2002 and 01/01/2001-09/30/2001 is homogeneous.

All figures are expressed in Euro thousand unless otherwise specified.

The financial statements concerning Prima Industrie S.p.A. (the Group leader) as at September 30, 2002 are also herewith enclosed.

THE GROUP ACTIVITY

During the period under consideration, there have been no changes in the activity performed by Prima Industrie SpA nor by the other companies of the Group.

ACCOUNTING PRINCIPLES

During the period under examination, there have been no changes on the accounting principles and therefore data comparison is consistent with those of the past.

In drawing the accounts have not been made estimations which could have in anyway influenced the overall position of the Group.

However, estimation procedures eventually different from those normally practised still assure reliable information and communication to the market. Through the comment to the schedules which follows, is given explanation of such possible estimating procedures.

As for treasury stock held by the Company (in accordance with the related accounting principles) same have been valued at the lowest between cost and market values, the latter being assessed as average of the listing values of the previous month dates of the closing period.

FORM AND CONTENT OF THE CONSOLIDATED ACCOUNTS

The companies involved with the consolidation process have been consolidated using the line-by-line method. The area of consolidation has not changed in respect of September 30, 2001 and it is therefore homogenous with December 31st, 2001.

Companies directly controlled or controlled through other controlled companies have all been fully consolidated. Other participations have been valued with the net equity method.

The economic transactions between the consolidated companies of the Group and those valued with the net equity method do not generate any significant impact on the Group result.

MOST SIGNIFICANT EVENTS

IMPROVEMENT OF THE GROUP ECONOMIC TREND

The evolution of the 2002 economic trend by quarters and by geographical area (Italy/U.S.A.) shows signals of an economic trend inversion with respect to the recent past.

In fact, the following tables show the first positive effects obtained by the turnover increase and by the costs reduction in consequence of the U.S. restructuring operations.

AGGREGATE PRIMA INDUSTRIE + PRIMA ELECTRONICS (K€)

	1 ST QUARTER	2 ND QUARTER	3 RD QUARTER	TOTAL
SALES	16,800	20,714	21,855	59,369
EBITDA	1,618	959	1,341	3,918
EBIT	1,318	643	897	2,858

AGGREGATE LASERDYNE PRIMA + CONVERGENT PRIMA (K€)

	1 ST QUARTER	2 ND QUARTER	3 RD QUARTER	TOTAL
SALES	5,878	6,719	7,107	19,704
EBITDA	(2,385)	(1,647)	(974)	(5,006)
EBIT	(2,565)	(1,808)	(1,114)	(5,487)

GROUP CONSOLIDATION (K€)

	1 ST QUARTER	2 ND QUARTER	3 RD QUARTER	TOTAL
SALES	21,546	24,652	22,704	68,902
EBITDA	(425)	(466)	247	(644)
EBIT	(1,033)	(1,184)	(513)	(2,730)

The above summarizes the economic trend of both the Italian and the U.S. companies, evidencing the Group consolidation. In particular it must be underlined the following:

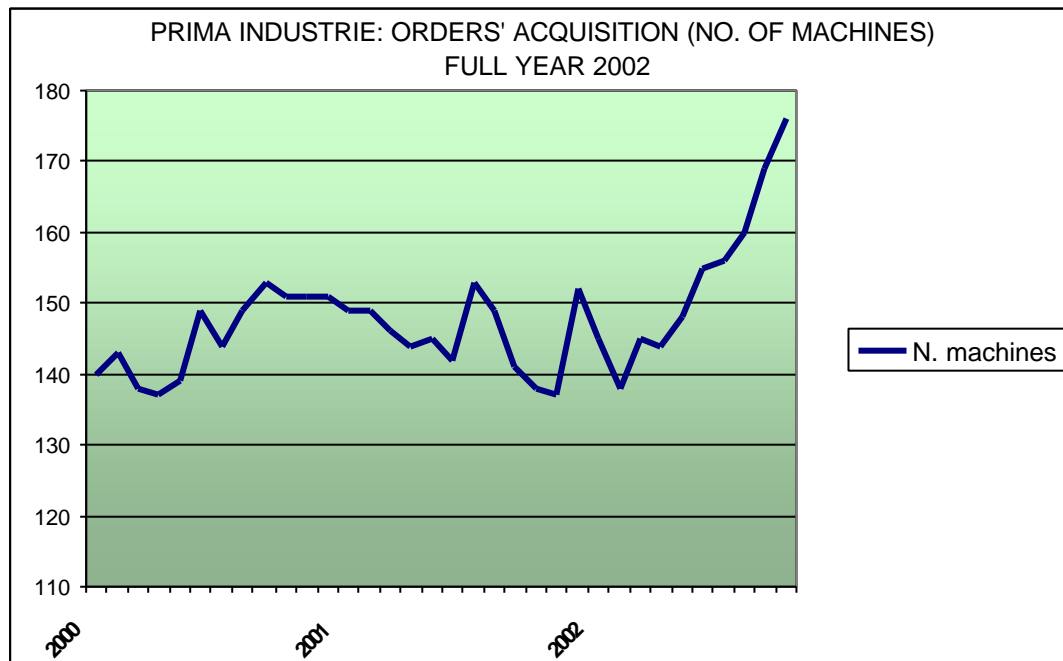
- The 3rd quarter reports an increase of the aggregate sales of all Companies including the month of August, which is statistically proved to be poor;
- The aggregate of EBITDA and EBIT of the Italian companies (after the drop of the second quarter due to the anticipated entry into the first quarter of a rich Prima Electronics job) returned to the average in the third quarter. As regards the U.S. companies, it appears quite clearly the profitability improvement achieved mostly due to costs reduction.

In conclusion, at consolidated level it was obtained a reasonable improvement of the EBITDA (positive for the 3rd quarter) and of the EBIT which, though remaining negative, reduces by 50% in the last quarter under consideration.

COMMERCIAL TREND

During the first 9 months of 2002, the Group leader, Prima Industrie S.p.A., acquired orders for Euro 48,210 thousand as against Euro 46,889 thousand for same period of the previous year, thanks to the excellent acquisition of September, which continued in October.

The trend improvement of the orders' acquisition achieved during the year 2002 is shown by the following chart related to 12 months orders collected (number of machines) by Prima Industrie S.p.A. only.



At the end of the period, orders backlog of Prima Industrie S.p.A. was Euro 22,829 thousand as against Euro 20,276 thousand at September 30, 2001.

During first nine months of 2002, the aggregate orders' acquisition for all companies of the Group was Euro 84,089 thousand as against Euro 82,681 thousand for the previous year same period. Such positive trend for this part of the year confirms the solidity of our reference market also during unfavorable business cycles.

In terms of consolidation, backlog as at September 30, 2002 was Euro 35,087 thousand (September 30, 2001 = Euro 39,541 thousand), reduction due to the unsatisfactory trend of Laserdyne Prima and Convergent Prima reference markets. The above backlog is however sufficient to cover more than 3 months production which is our sector normal standard.

RESEARCH AND DEVELOPMENT

As at September 30, 2002, the overall expense for Research & Development was Euro 5,080 thousand as against Euro 4,008 thousand at September 30, 2001. It was completed the development of our laser, whose prototype is ready for delivery to BETA- TEST during the month of November to Italian and U.S. customers. More units will be delivered during December.

ISO 9001 CERTIFICATION

On July 10, 2002 Prima Industrie was granted with the renewal of the ISO 9001 certification in accordance with UNI EN ISO 9001 : 2000 valid up to July 9th, 2005. The Company is one of the earliest Italian firms in obtaining such updated renewal.

PURCHASES OF TREASURY STOCK

During the third quarter of the year, the Company continued in some purchasing operations of treasury stock as authorized by the Board resolution of December 4th, 2001 for the purpose of assisting listing value dropping far too low because of investors lack of confidence towards the financial market in general.

As at September 30, 2002 treasury stock in Prima Industrie portfolio was 47,000 (23.5% of the limit established by the above resolution and 1.13% of the Company share capital). The average price of acquisition is Euro 6.9126 each.

The purchasing of treasury stock continued in October at the end of which the Company held 71,000 shares (equal to 35.5% of the authorized quantity and 1.71% of the Company share capital). Average price of acquisition was Euro 6.6081 per share.

Current market price as at October 31, 2002 was 6.546 per share.

SHORT TERM EVOLUTION

COMMERCIAL ACTIVITY AND REORGANIZATION OF THE COMPANIES OPERATING IN U.S.A.

In spite of the present difficulties, the U.S. market remains one of the most important as for laser systems. With this view, Prima Industrie introduced some innovating initiatives in order to promote the sales of its products and strengthening its sales organization.

To this effect, an "Italy Tour" was successfully organized in May and again in October, with a view to favour potential customers to visiting Torino and Prima Industrie for a more extensive knowledge of the Company and its products.

The tour was extended to some of the Italian cities of art such as Venice and Rome. The cost of the operation was shared fifty-fifty between Prima Industrie and the participating companies.

Confirmation of the success of this idea is given by the number of the participants (26 in May and 21 in October) and the number of purchasing orders which followed (almost 50% for the tour in May; hopefully the same for the one in October) for delivery end of the current year and first quarter 2003.

A slight improvement of the U.S. situation came also from Laserdyne Prima, which received in October from the U.S. Defense area an order (\$ 2.5 million) for delivery first quarter 2003.

The restructuring of the U.S. companies, started towards the end of last year, is now almost completed. During these 9 months, personnel was further reduced from 154 to 114 units at September 30, 2002 (more than 25%).

By the end of the current year, Convergent Prima and Laserdyne Prima will merge into a single company organized over three manufacturing divisions:

- "Convergent Laser" division, manufacturing and selling Convergent Prima laser generators;
- "Laserdyne Systems" division, manufacturing and selling Laserdyne systems;
- "Prima Laser Tools", marketing and selling Prima Industrie systems throughout the American market.

Laserdyne activity will also be transferred into smaller facilities located in Minnesota where the Company already operates.

By February 2003, will instead materialize the transfer of "Convergent Laser" division and "Prima Laser Tools" into a new building near Springfield (Massachusetts) which was leased for 15 years.

COMMERCIAL ACTIVITY

The trend concerning orders' acquisition recorded during last months of the third quarter continued also in October, when the Group acquired an aggregate number of orders for Euro 9,079 thousand.

During October, the Company attended the BIMU (Milan) and EUROBLECH (Hannover) exhibitions, so concluding the intense commercial activity which kept the Company busy throughout the year with participation to all main worldwide exhibitions.

STRATEGICAL AGREEMENT WITH DANOBAT GOITI

In October Prima Industrie signed an important agreement with DANOBAT GOITI, a leading Spanish Company in the market of machine tools and sheet-metal manufacturing (Mondragon Corporation group), whose turnover in 2001 was about Euro 130 million.

According to this agreement, DANOBAT GOITI will develop, together with Prima Industrie, a combined laser punching machine which should be marketed all over the world through its sales organization, supported by Prima Industrie commercial network.

Prima will supply DANOBAT GOITI with the laser generator from Convergent Prima together with other mechanical and electronics component for a value exceeding Euro 100,000 per machine.

The intention of this agreement is also the establishing of a long term cooperation between the two companies who are fully complementary in their range of products.

EVENTS

On November 20th, 2002 Prima Industrie will attend the 3rd Road Show of the *Nuovo Mercato* organized by the Italian Stock Exchange. The event will certainly provide an opportunity to meet the financial community.

INFORMATION ON MANAGEMENT

The Group turnover as at September 30, 2002 is Euro 68,902 thousand as against Euro 78,573 thousand of same period of the previous year.

The reduction (12.3%) is due to insufficient invoicing of the U.S. companies which have suffered from the bad performance of the respective reference markets (aerospace and automotive) causing a strong impact on the profitability of the Group in general.

The Group EBITDA is in fact negative (Euro –644 thousand) as against Euro +3,874 thousand of previous year. The EBIT dropped from Euro 2,076 thousand at September 30, 2001 to Euro –2,730 thousand at September 30, 2002.

Of course 2001 did not suffer (as the first 9 months of 2002 did) of the full impact of “September 11th”.

Briefly, consolidated accounts may be summarized as follows:

	30/9/02		30/9/01	
	Euro thousand	%	Euro thousand	%
Sales	68,902	100.0	78,573	100.0
MOL/EBITDA	(644)	(0.9)	3,874	4.9
Operating profit	(2,730)	(4.0)	2,076	2.6
Profit before taxes	(4,802)	(7.0)	1,553	2.0
Number of shares (face value Euro 2.5 each)	4,150,000		3,910,000	
MOL/EBITDA per share	(0.16)		0.99	
Operating profit per share	(0.66)		0.53	
Profit before taxes per share	(1.16)		0.40	

The profit before taxes as at September 30, 2002 is penalised by the losses of the controlled company Rambaudi Industriale S.p.A. (under Receivers' Administration) and by the losses on exchange rates due to the revaluation of the Euro vs. U.S. Dollar.

The following table shows with synthetic information the trend of the four consolidated operating companies: it can be easily noted the positive trend of the two Italian companies, whose results are diluted by the consolidation with the two U.S. companies recently acquired and currently under restructuring.

CONDENSED INDICATION OF MOST SIGNIFICANT PARAMETERS AND PROFITABILITY INDEX
(expressed in Euro thousand excluding number of shares and profit per share)

	Prima Industrie SpA				Prima Electronics SpA				Convergent Prima Inc.				Laserdyne Prima Inc. (formerly Prima US Inc.) (2)			
	09/30/02		09/30/01		09/30/02		09/30/01		09/30/02		09/30/01 (2)		09/30/02		09/30/01	
	Euro thousand	%	Euro thousand	%	Euro thousand	%	Euro thousand	%	Euro thousand	%	Euro thousand	%	Euro thousand	%	Euro thousand	%
Sales	44,745	100.0	47,320	100.0	11,624	100.0	11,686	100.0	8,118	100.0	13,576	100.0	11,586	100.0	13,397	100.0
MOL/EBITDA	1,749	3.9	3,581	7.6	2,169	18.7	2,035	17.4	(1,976)	(24.3)	(730)	(5.4)	(3,030)	(26.2)	(665)	(5.0)
Operating profit (EBIT) (3)	998	2.2	2,905	6.1	1,860	16.0	1,777	15.2	(2,160)	(26.6)	(973)	(7.2)	(3,327)	(28.7)	(1,082)	(8.1)
Core business gross operating profit	401 (1)	0.9	2,840 (1)	6.0	1,831	15.8	1,750	15.0	(2,385)	(29.4)	(1,266)	(9.3)	(3,595)	(31.0)	(1,132)	(8.4)
Extraordinary items	-	-	-	-												
Profit before taxes	401 (1)	0.9	2,840	6.0												

EXCHANGE RATES USED TO TRANSLATE NON EURO CURRENCIES

Currency	Average exchange rate for the period		Period-end exchange rate	
	09/30/02	09/30/01	09/30/02	09/30/01
US dollar	0.92646	0.895676	0.9860	0.913098

- (1) Pro-forma figure gross from depreciation in Laserdyne Prima and Convergent Prima (whose results are represented in their respective columns) and other non consolidated participations.
(2) The figure as at 09/30/2001 concerns 9 months of Prima US activity plus 6 months of activity acquired from Laserdyne.
(3) The total of the operating results (see table) differs from the operating consolidated result because of the consolidation adjustments

SALES

The turnover was Euro 68,902 thousand which compares with Euro 78,573 thousand of the previous year.

As at September 30, sales may be classified as follows (thousand of Euro):

BY PRODUCT AND BY GEOGRAPHICAL AREA

	30/09/02	30/09/01
	Euro thousand	Euro thousand
2D laser systems:		
Italy	8,978	8,123
Europe	9,665	9,907
USA	3,148	447
Rest of the world	3,405	3,078
Total	25,196	21,555
3D laser systems:		
Italy	4,418	2,864
Europe	8,307	14,930
USA	4,315	6,331
Rest of the world	1,547	4,035
Total	18,587	28,160
Other laser systems:		
Italy	-	122
Europe	458	16
USA	-	1,049
Rest of the world	97	633
Total	555	1,820
Electronics systems:		
Italy	2,015	2,914
Europe	6,906	6,414
USA	-	-
Rest of the world	-	26
Total	8,921	9,354

	30/09/02	30/09/01
	Euro thousand	Euro thousand
Laser generators:		
Italy	-	-
Europe	500	1,473
USA	1,090	2,198
Rest of the world	-	1,553
Total	1,590	5,224
After sale service and miscellaneous:		
Italy	3,599	2,505
Europe	3,226	3,046
USA	6,066	5,728
Rest of the world	1,162	1,181
Total	14,053	12,460
Total sales	68,902	78,573

With reference to the above classification, the percentage of the product referred to the turnover was the following:

	30/09/02	30/09/01
2D laser machines	36.57%	27.43%
3D laser machines	26.97%	35.84%
Other systems	0.81%	2.32%
Electronics systems	12.95%	11.90%
Laser generators	2.31%	6.65%
After sales and miscellaneous	20.39%	15.86%
Total	100.00%	100.00%

The above shows the remarkable increase of the 2D laser systems in respect of the previous year. The market of this type of machines, as several times explained, is much more extended. On the contrary, 3D is a much sophisticated machine, mostly devoted to aerospace and automotive applications. Noticeable is the 2D growth in U.S.A., thanks to a renewed marketing structure.

Interesting is also the turnover growth generated by the after-sale and other services offered by the group which, for the period, represents almost 20% of the overall sales and, in particular, it represents 43% of the U.S. companies sales. This is important for its stability and profitability and it is a way to tie customers to the Group.

The reduction registered for the “laser generators” is due to the fact that Convergent Prima is concentrating its production on lasers destined to the Group companies whose deliveries started on the 4th quarter of the year.

The geographical distribution of sales was the following:

	30/09/02		30/09/01	
	Euro thousand	%	Euro thousand	%
Italy	19,010	27.59%	16,528	21.0%
Europe	29,062	42.18%	35,786	45.6%
USA	14,619	21.22%	15,753	20.0%
Rest of the world	6,211	9.01%	10,506	13.4%
Total	68,902	100.0%	78,573	100.0%

The above shows the growth in absolute value and in percentage achieved on the Italian market (Euro 19,010 thousand, i.e. 27.59% as at 30/09/02 against Euro 16,528 thousand, i.e. 21% as at 30/09/01), particularly for the 2D systems, also thanks to government incentives towards investments (Tremonti-bis law).

A moderate improvement of our position was realized on the U.S. market (from 20% to 21.22% as at September 30, 2002) thanks to the strengthening of the selling team of Laserdyne Prima and to the already mentioned Italy Tours which generated a number of orders for Prima Industrie machines to be supplied to U.S. customers.

On the opposite, a slowing down was recorded during this 3rd quarter for the European and the overseas markets, due to some delayed deliveries together with a real drop in sales by the U.S. companies towards the aerospace world market.

MOL (EBITDA) AND OPERATING RESULT (EBIT)

The gross operating profit as at September 30, 2002 was negative by Euro 644 thousand (-0.9% on sales) as against Euro 3,874 thousand (4.9% on sales) for same period of the previous year.

The operating profit as at September 30, 2002 was negative by Euro 2,730 thousand (-4% on sales) as against Euro 2,076 thousand (2.6% on sales) for same period of 2001.

Such remarkable reductions are due to the general downward trend of the world economy of the moment, which determined a drastic change of the mix towards products less profitable.

In our case margins of profit suffer also the dilution caused by the consolidation of Laserdyne Prima and of Convergent Prima which, as mentioned, are in a final phase of reorganization aimed to costs reduction and improvement of production efficiency.

PROFIT BEFORE TAXES

Gross profit was negative by Euro 4,802 thousand (-7% on turnover) as against Euro +1,553 thousand (2% on turnover) of previous year.

Besides the above, the Group performance before taxes suffered also the U.S. dollar depreciation vis-à-vis the Euro together with a major need of financing sources which affect the financial result of the period.

Furthermore, during the year, the Group cancelled its participation into Rambaudi Industriale SpA, now under a Receivers' Administration.

NET FINANCIAL POSITION

	30/09/02	30/06/02	31/12/01
Liquidity available	3,089	6,885	8,174
Short term loans towards financial institution	(16,828)	(17,609)	(17,950)
Medium-long term loans towards banks and others	(25,548)	(22,277)	(19,427)
Total position towards banking system	(39,287)	(33,001)	(29,203)

The net financial position suffered a deterioration which, to a certain extent, is to be related to the much more difficult sales operating conditions bearing a heavy influence on the net working capital (sales with differed payment terms). To this we must add the “seasonal-factor” of deliveries tending to concentrate towards the end of the year which requires an additional effort on working capital (increase due to semi-finished goods inventory) and, in consequence, a major use of financial resources.

Finally we must remind that the Group invested \$ 630,000 to repurchase the 10% of Convergent Prima from ACD Technologies S.p.A. (formerly Pluritec S.p.A.). The remaining 10% will be repurchased and paid during the incoming December.

For the Board of Directors
The Managing Director
Gianfranco Carbonato

PRIMA INDUSTRIE GROUP

FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2002

(all amounts are expressed in Euro thousand)

BALANCE SHEET

	30/09/2002	30/06/2002	31/12/2001
	Unaudited	Limited review	Audited
ASSETS			
Intangible assets	5,069	5,342	6,443
Tangible assets	5,567	5,828	5,830
Financial assets	1,184	1,235	2,086
Total assets	11,820	12,405	14,359
Working capital			
Inventories	33,072	30,935	33,040
Trade receivables	47,087	43,411	43,778
Other receivables	9,619	8,615	9,472
Cash and banks	3,089	6,885	8,174
Total working capital	92,867	89,846	94,464
Accrued income and prepaid expenses	137	236	170
Total assets	104,824	102,487	108,993
LIABILITIES			
Net Capital			
Net Group Capital	(*) 27,465	(*) 28,192	32,433
Capital and reserve of third party	(*) 639	(*) 1,263	1,430
Consolidated total Net Capital	28,104	29,455	33,863
Employees severance pay	3,564	3,422	3,204
Contingent liabilities fund	4,727	3,813	5,374
Loans			
Medium-long term loans	25,548	22,277	19,427
Short term loans	16,828	17,609	17,950
Trade payables	19,618	19,240	22,879
Other payables	5,777	5,818	5,161
Total loans	67,771	64,944	65,417
Accrued liabilities and deferred income	658	853	1.135
Total liabilities	104,824	102,487	108,993

(*) before income tax of the period

PRIMA INDUSTRIE GROUP

STATEMENT OF INCOME AS AT SEPTEMBER 30, 2002

(all amounts are expressed in Euro thousand)

	As at 09/30/2002	As at 09/30/2001	Third quarter 2002	Third quarter 2001
Revenue from sales and services	68,902	78,573	22,704	27,424
Variation in WIP and finished goods	1,176	5,500	437	1,223
Increase from internal work (assets)	126	60	29	24
Other revenues and incomes	1,136	1,804	539	678
TOTAL VALUE OF PRODUCTION	71,340	85,937	23,709	29,349
Purchase of raw materials and suppliers	(36,453)	(46,869)	(11,932)	(17,156)
Purchases of services	(13,975)	(15,729)	(4,557)	(5,120)
Lease and rent costs	(1,524)	(1,544)	(537)	(617)
Other operating expenses	(491)	(728)	(745)	250
TOTAL COSTS OF PRODUCTION	(52,443)	(64,870)	(17,771)	(22,643)
ADDED VALUE	18,897	21,067	5,938	6,706
Personnel expenses	(19,541)	(17,193)	(5,691)	(6,087)
MOL (EBITDA)	(644)	3,874	247	619
Amortisation and depreciations	(2,086)	(1,798)	(760)	(597)
OPERATING PROFIT (EBIT)	(2,730)	2,076	(513)	22
Financial income and depreciations	(1,192)	(523)	(353)	(726)
Adjustments to financial assets	(880)	-	(41)	-
Net extraordinary items	-	-	-	-
PROFIT BEFORE INCOME TAX	(4,802)	1,553	(907)	(704)
- of which third party	-	376	-	27
- of which Group	(4,802)	1,177	(907)	(731)

PRIMA INDUSTRIE SPA

**FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2002**

PRIMA INDUSTRIE SPA

FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2002

(all amounts are expressed in Euro thousand)

BALANCE SHEET

	30/09/2002	30/06/2002	31/12/2001
	Unaudited	Limited review	Audited
ASSETS			
Intangible assets	788	889	1,120
Tangible assets	1,624	1,677	1,669
Financial assets	7,136	7,926	13,254
Total fixed assets	9,548	10,492	16,043
Working capital			
Inventories	16,919	14,785	13,843
Trade receivables	40,669	36,699	37,638
Other receivables	6,623	6,538	6,933
Cash and banks	2,482	5,271	6,385
Total working capital	66,693	63,293	64,799
Accrued income and prepaid expenses	571	623	347
Total assets	76,812	74,408	81,189
LIABILITIES			
Net Capital			
Net Capital	(*) 25,699	(*) 26,797	31,797
Employees' severance indemnity	2,616	2,508	2,360
Contingent liabilities fund	3,858	3,504	3,508
Debts			
Medium-long term loans	17,166	17,382	11,708
Short-term loans	5,403	3,393	7,279
Trade payables	17,447	15,842	21,235
Other payables	3,970	4,133	2,491
Total loans	43,986	40,750	42,713
Accrued liabilities and deferred income	653	849	811
Total liabilities	76,812	74,408	81,189

(*) before income tax of the period

PRIMA INDUSTRIE SPA

STATEMENT OF INCOME AS AT SEPTEMBER 30, 2002

(all amounts are expressed in Euro thousand)

	As at 09/30/2002	As at 09/30/2001	Third quarter 2002	Third quarter 2001
Revenues from sales and services	44,745	47,320	15,011	16,279
Variations in WIP and finished goods	1,856	4,542	1,061	1,712
Increase from internal work (assets)	43	-	43	-
	953	1,223	353	428
TOTAL VALUE OF PRODUCTION	47,597	53,085	16,468	18,419
Purchase of raw materials and suppliers	(25,624)	(27,941)	(9,020)	(10,212)
Purchases of services	(9,933)	(11,500)	(3,223)	(3,607)
Lease and rent costs	(832)	(877)	(297)	(317)
Other operating expenses	(789)	(929)	(581)	(477)
TOTAL COSTS OF PRODUCTION	(37,178)	(41,247)	(13,121)	(14,613)
ADDED VALUE	10,419	11,838	3,347	3,806
Personnel expenses	(8,670)	(8,257)	(2,700)	(2,660)
MOL (EBITDA)	1,749	3,581	647	1,146
Amortization and depreciations	(751)	(676)	(337)	(256)
OPERATING PROFIT (LOSSES) (EBIT)	998	2,905	310	890
Financial income and depreciations	(597)	(65)	19	(582)
Adjustments to financial assets	(6,499)	(2,112)	(1,428)	(982)
Extraordinary items	-	-	-	-
PROFIT (LOSS) BEFORE INCOME TAX	(6,098)	728	(1,099)	(674)