



**DIRECTORS' COMMENTS
ON THE CONSOLIDATED INFORMATION OF THE
PRIMA INDUSTRIE GROUP
AT MARCH 31, 2004**

Board of Directors
March 14, 2004

PRIMA INDUSTRIE S.p.A. Paid-in Capital Stock 11,500,000 Euro

Registered in the Turin Company Register under No.03736080015
Turin R.E.A. No. 582421

Registered offices in Collegno (Turin)
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**BOARD OF
DIRECTORS (*)**

Chairman
Aldo Palmeri

Chief Executive Officer
Gianfranco Carbonato

Directors
Giulia Della Rosa
Sandro D'Isidoro
Domenico Peiretti
Rafic Y. Mansour
(**) Giuseppe Morfino
(**) Marco Pincioli

Secretary
Giuseppe Favaloro

Corporate General Manager Alberto Delle Piane

General manager Ezio Basso

**BOARD OF STATUTORY
AUDITORS (***)** *Chairman*
Riccardo Formica

Statutory auditors
Andrea Mosca
Roberto Petriagnani

Alternate auditors
Roberto Coda
Stefano Maria Ruggeri

AUDITING COMPANY PricewaterhouseCoopers S.p.A.

(*) Appointed at the Stockholders' Meeting held on May 14, 2002 for the three-year period 2002 - 2004

(**) Independent Directors

(***) Appointed at the Stockholders' Meeting held on May 11, 2001 for the three-year period 2001-2003

POWERS RELATING TO COMPANY APPOINTMENTS

In terms of a resolution dated the May 14, 2002 the Board of Directors appointed Gianfranco Carbonato as the Chief Executive Officer and conferred upon him all executive powers except those that the law expressly reserves for the Board of Directors.

In terms of article 23 of the Articles of Association, the Chairman and the Chief Executive Officer are the legal representatives of the company.

THE PRIMA INDUSTRIE GROUP

DIRECTORS' COMMENTS ON THE CONSOLIDATED INFORMATION OF THE PRIMA INDUSTRIE GROUP AT 03/31/2004

(Approved by the Board of Directors of the Company on May 14, 2004)

INTRODUCTION

The quarterly report at March 31, 2004 on the consolidated information of the Prima Industrie Group was drawn up and is disclosed in compliance with articles 2.6.2. of the Rules of the Nuovo Mercato, as well as I.A. 2.4.1. of the Instructions accompanying the Rules of the Nuovo Mercato, and article 82 of CONSOB Resolution No. 11971 as amended. The quarterly information was not submitted to the independent auditors, PricewaterhouseCoopers S.p.A., for examination because at the date hereof the corresponding appointment has not been made (because it is not compulsory).

The report set out below was prepared using the same criteria as those applied by the Group in the past in the preparation of both the half-yearly and annual accounts. Consequently, there is total constancy and consistency in the accounting principles applied when making the comparison between the two accounting periods (01/01/2004-03/31/2004 and 01/01/2003-03/31/2003).

All amounts are expressed in thousands of Euro, unless otherwise indicated.

The accounting statements of the parent company Prima Industrie SpA at 03/31/2004 are enclosed.

GROUP ACTIVITIES

During the reference period there were no changes in the activities of the parent company, Prima Industrie S.p.A. nor in those of the other companies of the group.

ACCOUNTING PRINCIPLES

There were no changes in the accounting principles during the period under examination. Consequently the comparison between the present and prior information is uniform.

In drawing up the information referred to above no estimates that might have had a significant impact on the financial and equity situation of the group were made.

Any estimating methods used that differ from those normally adopted to draw up the annual accounts nevertheless ensure reliable information, within the limits imposed by the need to provide timely information to the market. Information on these methods, (if they were adopted), is set out in the comments to the accounting statements.

The treasury stock held in portfolio has been valued (in accordance with the accounting principles of reference) at the lower of cost and market value, which value was determined as the average of the listings in the month preceding the date of closure of the period.

FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The companies included in the consolidation have been consolidated using the full consolidation method. The following purely formal changes in the area of consolidation, compared to 03/31/2003, are mentioned.

- Prima Industrie UK Ltd, (a wholly-owned subsidiary of Prima Industrie), which took over the activities of the pre-existing English branch has been consolidated using the full consolidation method;
- Prima Scandinavia AB (incorporated in September 2003), a directly controlled, wholly-owned subsidiary of Prima Industrie was consolidated using the full consolidation method.

All the subsidiary companies have been consolidated using the full consolidation method. Other associated companies have been valued using the equity method.

The financial transactions between Group companies that have been consolidated using the full consolidation method and the companies valued using the equity method do not have a significant impact on the operating income of the Group.

SIGNIFICANT EVENTS

The Prima Industrie Group recorded a slight growth in sales in the first quarter of 2003 compared to 03/31/03, despite the depreciation of the Dollar.

In fact, consolidated sales increased from 21,523 thousand Euro at 03/31/03 to 21,784 thousand Euro at 03/31/04. This represents an increase of 1.2%. Had the Euro/Dollar exchange rate been equal this would have resulted in an increase of 4.7% because the sales in Dollars at 03/31/04 equal 26% of the consolidated sales.

In addition, during the quarter the pre-tax result of the Group returned to a positive figure of 21 thousand Euro (compared to a loss of 796 thousand Euro at 03/31/03), despite a slight drop in the EBITDA and the EBIT owing to contingent factors.

Finally, there was a considerable improvement in the net financial position, which decreased from 22,323 thousand Euro at 03/31/03 to 18,719 thousand Euro at 03/31/04, thanks to the improved management of the working capital and to a positive cash-flow for the period.

ACQUISITION OF TREASURY STOCK

At the meeting held on 02/27/04, the Board of Directors of Prima Industrie proposed that the previous authorization (given at the Stockholders' Meeting of the 05/15/03) for the acquisition of treasury stock should be revoked at an ordinary Stockholders' Meeting, with a new authorization being given simultaneously, with the same objectives, but with different conditions of implementation.

The resolution currently in force provides that the selling price of the aforesaid stock must not entail negative financial consequences for the company.

During 2003, after this resolution was adopted, the Board of Directors, by means of two separate contracts, appointed Banca Intermobiliare S.p.A. to stabilize the price and support the liquidity of the stock, as provided for by article 2.3 of the Rules of the Nuovo Mercato managed by Borsa Italiana (the so-called "*specialist*" activity).

Banca Intermobiliare S.p.A. therefore acts for the Company as a specialist and also undertakes the activity of stabilizing the Prima Industrie stock based on the Buy-back resolution. Within the scope of the stabilizing activity, it took into full consideration the constraints imposed by the resolution adopted at the meeting of 05/15/2003. In its activity as the Company's *specialist*, it was not always able to act in accordance with the resolution because in fulfilling its mandate it had to comply with the provisions of article 2.3.2. of the Rules of the Nuovo Mercato; these circumstances thus resulted in negative financial consequences for the Company, even though they were very slight.

In other words, a conflict arose between what had been established by the resolution adopted at the meeting and the obligations imposed on the *specialist* by the supervisory authority, because of the need to ensure at every moment adequate liquidity of the stock being traded.

On a more general level, it was also noted that the current limits imposed on the selling price make the activity of stabilizing the stock price less flexible and as a result financially less advantageous, mainly in periods of protracted decline or stagnation of the stock markets.

Thus after an in-depth examination of the issue, the Board of Directors proposes that the resolution adopted at the meeting of the 05/15/2003 (which moreover expires on 11/15/2004) be revoked and that a new resolution be adopted that fixes the minimum and maximum price for the purchase and sale of treasury stock, taking into account, on the one hand the specific requirements connected to the activity of the *specialist* and on the other, making it easier to intervene on the market in order to stabilize the stock.

In particular, it is believed that the minimum price can be equal to the par value (2.5 Euro per share), whereas the maximum price can be around the maximum value recorded by the stock in the last 24 months; the advantage of this choice lies in anchoring the effectiveness to values that are certain and, in the case of the maximum price, to values which express the long-term valuations of the market, which are less subject to sudden fluctuations. Within the scope of the parameters identified, the Board of Directors and the specialist broker will have the power to operate swiftly in compliance with the rules applicable to the *specialist* and to maximize the company's interest with reference to the totality of the transactions.

We reiterate that the purchase of treasury stock by the Company represents a strong sign of faith in the financial fundamentals of the company and could thus be interpreted positively by current and potential investors.

The authority that will be sought at the Stockholders' Meeting of the 05/14/04 (the 2nd meeting) will be as follows:

- 1) to buy and sell not more than 200,000 treasury stock (including split purchases and sales of such stock), with a par value of €2.5 per share, for a minimum consideration of €2.5 per share (corresponding to the par value) and a maximum consideration of €15.00 (around the maximum reference price recorded in the last 24 months);
- 2) such authority to buy shall be effective for a period of 18 months from the date of the resolution of the ordinary Stockholders' meeting;
- 3) the number of shares sold shall not exceed the shares purchased held in portfolio.

It is pointed out that as at 03/31/04 Prima Industrie S.p.A. holds 70,200 ordinary shares (equal to approximately 1.5% of the capital) at an average weighted price of 6.5635 Euro per share. These shares were acquired in the performance of the mandate granted at the Ordinary Shareholders' Meeting held on May 15, 2003.

SIMEST FINANCING

During March 2003 the Group concluded a financing agreement with SIMEST, which makes provision for the company to use up to 2,065 thousand Euro to meet expenses incurred to develop the business in North America. This loan, which bears interest at a rate of 1,36% per annum, may be used over the next 2 years and will then be amortized over the following 5 years.

BUSINESS TREND

On a consolidated level, during the first quarter orders with an overall value of 25,041 thousand Euro were acquired, compared to the figure of about 17,231 thousand Euro acquired during the same period in 2003. This represents an increase of over 45%.

This substantial increase arises out of a recovery in the orders obtained by the Parent Company, Prima Industrie, principally during March (also thanks to the orders obtained in the sector relating to the remote welding of motor vehicle components. The company continues to make significant investments in R&D in this sector). The increase is also due to an improvement of the orders obtained in the U.S.A. by the Laserdyne Systems and Prima Laser Tools divisions, compared to the same period in the previous financial year.

This is in contrast to the stagnation in general recorded during the quarter by the constructors of machine tools (the trend in the acquisition of orders for machine tools: +0,1% - source: UCIMU).

Nevertheless the economic context remains generally uncertain and difficult and, in relation to the European and Italian market in particular, the picture that emerged during 2003 namely the tendency of clients to shorten the time between the order being placed and the delivery date, is confirmed.

In consolidated terms at 03/31/2004 the backlog in the order portfolio amounted to 22,710 thousand Euro, an increase compared to both the periods ended 03/31/03 (21,693 thousand Euro) and 12/31/03 (19,050 thousand Euro).

In addition it is emphasized that during the first quarter, the Prima Industrie Group participated in many fairs in the sector. These fairs were held in Bari and Paris and brought the Group into contact with many potential clients and resulted in a number of orders being received.

RESEARCH AND DEVELOPMENT

During the quarter, the research and development activities continued. These activities are aimed at completing the numerous projects undertaken in all the sectors in which the Group operates.

This entailed an investment, which was totally charged to P&L in the period, of 1,669 thousand Euro compared to the 1,600 thousand Euro for the same period in 2003.

In particular we point out that the development of the new DOMINO HS was completed. The machine is being exhibited at the Lamiera fair in Bologna from the 12th to the 15th of May 2004.

COMPLIANCE WITH THE PRIVACY PROVISIONS EX ENCLOSURES B - D OF LEGISLATIVE DECREE No.196 OF 06/30/2003

Prima Industrie S.p.A., the person responsible for the processing (the Data Controller), advises in terms of section 26 of the Technical Specifications relating to the minimum security measures (Enclosure B-D of Legislative Decree No. 196 of 06/30/03 "Code on the protection of personal data") that on March 26, 2004, the Security Policy Document was updated in terms of section 19 of the abovementioned Specifications relating to the minimum security measures, by Dr Massimo Revello the person in charge of the processing (the Data Processor).

MANAGEMENT INFORMATION

The consolidated sales at 03/31/2004, totaling 21,784 thousand Euro are slightly higher than those for the same period of the previous financial year (+1.2%). As already mentioned, this is in spite of the fact that the increase was penalized by the depreciation of the dollar.

On a profitability level, the pre-tax result is again positive, despite a slight drop in the EBITDA and EBIT owing to contingent factors. In fact, the EBITDA and EBIT of the Group are fixed at 668 thousand Euro (925 thousand Euro at 03/31/03) and 263 thousand Euro (387 thousand Euro at 03/31/03) respectively.

This result takes account of the following factors:

- A significant improvement in the profitability of the Parent Company Prima Industrie, arising out of improved margins on work orders and after-sales assistance services
- A decrease in the profitability of Prima Electronics compared to the same period in 2003 which was affected by a work order with particularly high margins.
- A decrease in the margins of Prima North America essentially as a result of the postponement in the delivery of a highly profitable Laserdyne machine.

The pre-tax result for the period returned to a positive figure of 21 thousand Euro compared to the loss of 796 thousand Euro at 03/31/03. This loss included financial expenses totaling 553 thousand Euro (compared to 188 thousand Euro at 03/31/04) owing to the increased financial indebtedness and greater exchange losses, in addition to extraordinary expenses totaling 630 thousand Euro arising from the relocation of Prima North America and the take-over bid.

The most important consolidated information can be summarized as follows:

	03/31/2004		03/31/2003	
	Thousands of Euro	%	Thousands of Euro	%
Sales	21,784	100.0	21,523	100.0
MOL/EBITDA	668	3.1	925	4.3
Operating income	263	1.2	387	1.8
Income (loss) before tax	21	0.1	(796)	(3.7)
Number of shares at the end of the period (par value of 2.5 Euro)	4,600,000		4,600,000	
Average number of shares for the period	4,600,000		4,375,000	
MOL/EBITDA per share	0.15		0.21	
Operating income per share	0.06		0.09	
Income (loss) before tax per share	-		(0.18)	

The table below gives a summary of the trend of the operating companies included in the consolidation.

SUMMARY OF THE MORE SIGNIFICANT INCOME PARAMETERS AND INDICES (in thousands of Euro. Information relative to the number of shares and the income (loss) per share has been excluded.)

	Prima Industrie SpA				Prima Electronics SpA				Prima North America Inc.				Other subsidiary companies			
	03/31/04		03/31/03		03/31/04		03/31/03		03/31/04		03/31/03		03/31/04		03/31/03 ⁽⁵⁾	
	'000s of Euro	%	'000s of Euro	%	'000s of Euro	%	'000s of Euro	%	'000s of Euro	%	'000s of Euro	%	'000s of Euro	%	'000s of Euro	%
Sales	14,410	100.0	13,077	100.0	3,410	100.0	3,910	100.0	5,890	100.0	7,986	100.0	782	100.0		
MOL/EBITDA	609	4.2	168	1.3	472	13.8	787	20.1	(458)	(7.8)	(62)	(0.8)	(116)	(14.8)		
Operating income (loss) (EBIT) ⁽²⁾	463	3.2	5	0.0	388	11.4	698	17.9	(520)	(8.8)	(180)	(2.3)	(120)	(15.3)		
Gross income (loss): Main activity	336 ⁽¹⁾	2.3	(398) ⁽¹⁾	(3.0)	392	11.5	680	17.4	(583)	(9.9)	(302)	(3.8)	(129)	(16.5)		
Extraordinary items	(6)	0.0	(170) ⁽³⁾	(1.3)	-	-	-	-	(21)	(0.4)	(268) ⁽⁴⁾	(3.4)	-	-		
Income (loss) before tax	330 ⁽¹⁾	2.3	(568) ⁽¹⁾	(4.3)	392	11.5	680	17.4	(604)	(10.3)	(571)	(7.2)	(129)	(16.5)		

RATES OF EXCHANGE USED FOR THE CONVERSION OF NON-EURO CURRENCIES

Currency	Average exchange for the period		Current exchange at the end of the period	
	03/31/04	03/31/03	03/31/03	03/31/02
United States Dollar	1.2507	1.0734	1.2224	1.0895
Pound sterling	0.6801	-	0.6659	-
Swedish Krone	9.1826	-	9.2581	-

- (1) Pro forma figures, gross of the writedown of the stakes in Prima North America and Prima Scandinavia, whose financial results have been highlighted in the relevant column.
- (2) The sum of the individual operating incomes (as shown in the table) differs from the consolidated operating income as a result of the consolidation adjustments.
- (3) Extraordinary expenses incurred by the Parent Company relative to the take-over bid.
- (4) Extraordinary expenses incurred by Prima North America for the transfer to the new premises.
- (5) The information relates to Prima Industrie UK Ltd. and Prima Scandinavia AB. The Prima Industrie UK figures for the previous financial period are included in the figures relative to the Parent Company because the company was incorporated with effective from 01/01/04. In the previous financial period the company was merely a branch of Prima Industrie. Prima Scandinavia was consolidated using the full consolidation method for the first time with effect from 01/01/04. The results as at 03/31/04 take into consideration the activity carried from the date of incorporation (September 2003). For the previous period the results are included in those of the Parent Company, which operated in Scandinavia directly from Italy or via the U.K. branch.

DISTRIBUTION OF SALES

At March 31, sales can be analyzed as follows (information expressed in thousands of Euro):

PER PRODUCT AND PER GEOGRAPHICAL AREA

	03/31/04	03/31/03
	Thousands of Euro	Thousands of Euro
2D laser systems:		
Italy	1,567	256
Europe	3,451	3,280
USA	329	2,769
Rest of the world	1,729	1,512
Total	7,075	7,817
3D laser systems:		
Italy	1,373	604
Europe	1,732	2,244
USA	2,512	2,257
Rest of the world	1,442	923
Total	7,059	6,028
Electronic systems:		
Italy	540	378
Europe	1,853	2,339
USA	-	-
Rest of the world	-	-
Total	2,393	2,717
Laser generators		
Italy	-	-
Europe	-	-
USA	118	429
Rest of the world	182	-
Total	300	429

	03/31/04	03/31/03
	Thousands of Euro	Thousands of Euro
Assistance and other services:		
Italy	1,792	1,149
Europe	1,470	1,386
USA	1,332	1,412
Rest of the world	364	585
Total	4,957	4,532
Total sales	21,784	21,523

In relation to what is set out in the table, it is possible to highlight in summary that the percentage distribution of product sales, was as follows:

	03/31/04	03/31/03
2D laser machines	32.5%	36.3%
3D laser machines	32.4%	28.0%
Electronic systems	11.0%	12.6%
Laser generators	1.4%	2.0%
Assistance and other services	22.7%	21.1%
Total	100.0%	100.0%

Compared to the same period in 2003, the distribution of Group sales among the individual categories of products shows an increase in the sales of 3D laser systems (7,059 thousand Euro compared to 6,028 thousand Euro). This is contrasted by a slight decrease in the sales of 2D machines (7,059 thousand Euro compared to the 7,817 thousand Euro), essentially tied to the reduction of sales in the U.S.A., which was only partially offset by the recovery in the Italian market.

The income from after-sales assistance shows a good trend and their percentage weight remains in excess of 20% of the consolidated sales. This is a positive factor as for the Group the after-sales service traditionally represents a stable component of turnover, with high margins.

The distribution of sales in terms of geographical area is as follows:

	03/31/04		03/31/03	
	Thousands of Euro	%	Thousands of Euro	%
Italy	5,272	24.2%	2,387	11.1%
Europe	8,505	39.0%	9,249	43.0%
USA	4,290	19.7%	6,867	31.9%
Rest of the world	3,717	17.1%	3,020	14.0%
Total	21,784	100.0%	21,523	100.0%

The data, in spite of the fact that it highlights significant variations compared to 03/31/03, is in line with the distribution of the sales that was recorded on average throughout the 2003 financial year.

Among growing markets, it must be noted the excellent performance of China (more than 9% of the Company consolidated sales). During the quarter, China was the Group third market after Italy and United States, having for the first time overcome very important traditional countries such as Germany and Spain (both up to 7% of consolidated sales).

FINANCIAL POSITION

In the quarter under examination the Group continued its activities to optimize the management of the financial position, which showed an additional decrease from 22,323 thousand Euro at 12/31/2003 to 18,719 thousand Euro at 03/31/2004. This significant reduction is the result of the generation of cash in the period arising out of improved management of the working capital, in addition to a positive cash-flow for the period (the income before tax + amortization, depreciation and writedowns).

In particular during the quarter and within the scope of the reduction of the financial indebtedness, we highlight the decrease in the amounts due to banks which, net of liquidity, decreased from 19,281 thousand Euro at 12/31/03 to 15,805 thousand Euro at 03/31/04.

	03/31/04	12/31/03	03/31/03
Cash and cash equivalents	5,873	3,607	4,928
Short-term payables to banks	(9,389)	(10,538)	(19,659)
Medium/long-term payables to banks and other lenders (*)	(15,203)	(15,392)	(16,957)
Net financial position	(18,719)	(22,323)	(31,688)

(*) = also includes the recalculation of the Leasing charges according to the IAS and the debt entries relating to the Sabatini pro-solvendo transactions in existence. These items amount to 3,749 thousand Euro at 03/31/2004 (4,035 thousand Euro at 12/31/2003 and 4,538 thousand Euro at 03/31/03)

SHORT-TERM DEVELOPMENTS

At the end of April 2004 the number of orders obtained by the Group is significantly higher than those for the corresponding period in the previous financial year (33,315 thousand Euro compared to 24,819 thousand Euro at 03/31/04). In particular, the number of orders obtained during March and April 2004 was very positive. Consequently, at 04/30/04 the portfolio increased even further to 26,425 thousand Euro. Although it is not possible to state with certainty that there is a definite recovery in the market, the positive trend in the orders over the last few months allows the Group to forecast a favorable trend in the second quarter of 2004.

During April and May the Group is exhibiting at the most important fairs in the sector, which are being held in Birmingham (Metalworking), Bologna (Lamiera) and Moscow (Metalloobrabotka).

At the end of April, Prima Industrie S.p.A. finalized an assessment with the financial administration relating to the 1997 and 1998 financial years, which were the subject of a tax audit at the end of 2002. The amount due by the company was in line with the estimates made and is thus covered by the provision made in the 2002 Financial Statements.

on behalf of the Board of Directors
Chief Executive Officer
Gianfranco Carbonato



THE PRIMA INDUSTRIE GROUP

ACCOUNTING STATEMENT AT MARCH 31, 2004

(amounts expressed in thousands of Euro)

BALANCE SHEET

	03/31/2004	12/31/2003	03/31/2003
	Not subject to audit	Subject to audit	Not subject to audit
ASSETS			
Fixed assets			
Intangible fixed assets	3,882	3,845	4,949
Tangible fixed assets	5,052	5,054	5,518
Financial fixed assets	1,396	1,533	1,073
Total fixed assets	10,330	10,432	11,540
Current assets			
Inventories	23,417	21,565	29,629
Trade receivables	35,835	40,352	46,302
Other sundry assets	9,616	9,620	9,934
Cash and cash equivalents	5,873	3,607	4,928
Total current assets	74,741	75,144	90,793
Accrued income & prepaid expenses	249	164	154
Total assets	85,320	85,740	102,487
LIABILITIES			
Stockholders' equity			
Group stockholders' equity	27,784 (*)	27,729	(*) 30,379
Total Group stockholders' equity	27,784 (*)	27,729	(*) 30,379
Employees' severance pay	3,928	4,164	3,784
Provision for risk and charges	5,098	5,027	4,329
Payables			
Medium/long-term borrowings	15,203	15,392	16,957
Short-term borrowings	9,389	10,538	19,659
Trade payables	20,032	19,007	21,409
Other payables	3,511	3,436	5,469
Total payables	48,135	48,373	63,494
Accrued expenses & deferred income	375	447	501
Total liabilities	85,320	85,740	102,487

(*) gross of the tax effect for the period

THE PRIMA INDUSTRIE GROUP**ACCOUNTING STATEMENT AT MARCH 31, 2004**

(amounts expressed in thousands of Euro)

INCOME STATEMENT

	At 03/31/2004	At 03/31/2003
Revenues from sales and services	21,784	21,523
Changes in inventories of semi finished and finished products	53	829
Increases in fixed assets for internal work	106	297
Other income and revenues	623	223
TOTAL VALUE OF PRODUCTION	22,566	22,872
Purchase of materials (net change invent.)	(10,829)	(11,015)
Acquisition of services	(4,503)	(4,265)
Leases and rentals	(375)	(405)
Sundry operating expenses (net)	(204)	191
TOTAL COSTS OF PRODUCTION	(15,911)	(15,494)
ADDED VALUE	6,655	7,378
Personnel	(5,987)	(6,453)
MOL (EBITDA)	668	925
Amortization, depreciation and writedowns	(405)	(538)
OPERATING INCOME (LOSS) (EBIT)	263	387
Net financial income and expenses	(188)	(553)
Adjustments to the value of financial assets (net)	(27)	-
Net extraordinary items	(27)	(630)
INCOME (LOSS) BEFORE TAX	21	(796)

PRIMA INDUSTRIE SpA

ACCOUNTING STATEMENT AT MARCH 31, 2004

PRIMA INDUSTRIE SpA

ACCOUNTING STATEMENT AT MARCH 31, 2004

(amounts expressed in thousands of Euro)

BALANCE SHEET

	03/31/2004	12/31/2003	03/31/2003
	Not subject to audit	Subject to audit	Not subject to audit
ASSETS			
Fixed assets			
Intangible fixed assets	507	479	615
Tangible fixed assets	1,743	1,692	1,871
Financial fixed assets	14,995	14,943	8,536
Total fixed assets	17,245	17,114	11,022
Current assets			
Inventories	12,120	11,391	16,623
Trade receivables	27,785	32,601	40,545
Other sundry receivables	7,268	7,595	7,872
Cash and cash equivalents	4,467	2,228	4,066
Total current assets	51,640	53,815	69,106
Accrued income & prepaid expenses	400	377	474
Total assets	69,285	71,306	80,602
LIABILITIES			
Stockholders' equity			
Stockholders' equity	27,766 (*)	28,065 (*)	29,577
Employees' severance pay	2,772	3,046	2,770
Provisions for risks and charges	4,017	4,166	3,559
Payables			
Medium/long-term borrowings	9,076	9,077	10,848
Short-term borrowings	4,991	6,701	8,844
Trade payables	18,260	17,523	19,980
Other payables	2,120	2,328	4,445
Total payables	34,447	35,629	44,117
Accrued expenses & deferred income	283	400	579
Total liabilities	69,285	71,306	80,602

(*) gross of the tax effect for the period

PRIMA INDUSTRIE SpA**ACCOUNTING STATEMENT AT MARCH 31, 2004**

(amounts expressed in thousands of Euro)

INCOME STATEMENT

	At 03/31/2004	At 03/31/2003
Revenues from sales and services	14,410	13,077
Changes in inventories of semi finished and finished products	635	2,136
Increases in fixed assets for internal work	93	286
Other income and revenues	615	263
TOTAL VALUE OF PRODUCTION	15,753	15,762
Purchase of materials (net change invent.)	(8,033)	(9,172)
Acquisition of services	(3,611)	(3,362)
Leases and rentals	(241)	(278)
Sundry operating expenses (net)	(107)	332
TOTAL COSTS OF PRODUCTION	(11,992)	(12,480)
ADDED VALUE	3,761	3,282
Personnel	(3,152)	(3,114)
MOL (EBITDA)	609	168
Amortization, depreciation and writedowns	(146)	(163)
OPERATING INCOME (LOSS) (EBIT)	463	5
Net financial income and expenses	(102)	(403)
Adjustments to the value of financial assets (net)	(656)	(562)
Net extraordinary items	(6)	(362)
INCOME (LOSS) BEFORE TAX	(299)	(1,322)