

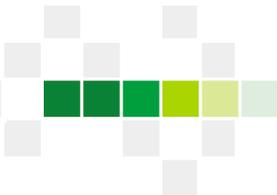
2003

BALANCE SHEETS



**Emak**<sup>®</sup>

MEMBER OF THE YAMA GROUP


**EMAK S.p.A. Balance sheets (values in euro)**

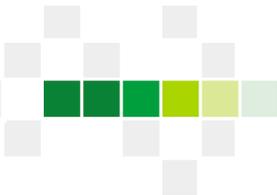
<b>Assets</b>	<b>december 31, 2003</b>	december 31, 2002
<b>B) Fixed assets</b>		
<b>I- Intangible fixed assets:</b>		
1) start-up and expansion costs	-	56,980
2) research, development and advertising costs	97,712	130,282
3) industrial patent and intellectual property rights	719,665	203,408
4) concessions, licenses and similar rights	8,013	1,565
5) goodwill	426,756	-
6) assets under construction and similar rights	511,026	457,060
7) other intangible fixed assets	5,398	16,485
<b>TOTAL</b>	<b>1,768,570</b>	<b>865,780</b>
<b>II- Tangible fixed assets:</b>		
1) land and buildings	3,251,143	3,525,653
2) plant and machinery	1,608,570	1,256,168
3) industrial and commercial equipment	3,337,630	3,697,643
4) other assets	1,003,686	843,689
5) assets under construction and advances	2,051,569	137,097
<b>TOTAL</b>	<b>11,252,598</b>	<b>9,460,250</b>
<b>III- Financial fixed assets, with separate indication for each credit item of the amounts receivable within one year</b>		
1) investments in:		
a) subsidiaries	7,787,572	7,791,532
c) other companies	222,757	150
2) receivables:		
a) from subsidiaries:		
receivable beyond one year	4,394,466	4,595,466
d) from others:		
receivable beyond one year	132,416	186,274
<b>TOTAL</b>	<b>12,537,211</b>	<b>12,573,422</b>
<b>TOTAL FIXED ASSETS</b>	<b>25,558,379</b>	<b>22,899,452</b>
<b>c) Current assets</b>		
<b>I- Inventories:</b>		
1) raw and subsidiary materials and consumables	16,394,713	14,692,319
2) work in progress and semi-finished products	5,036,338	3,956,127
4) finished products and good for resale	10,556,261	10,178,719
5) advances to suppliers for goods	-	10,208
<b>TOTAL</b>	<b>31,987,312</b>	<b>28,837,373</b>
<b>II- Receivables, with separate indication for each credit item of the amounts receivable beyond one year</b>		
1) trade receivables:		
receivable within one year	37,286,830	32.974.834
2) from subsidiaries:		
receivable within one year	4,931,134	3.860.773
5) from others:		
receivable within one year	1,606,077	1,700,790
<b>TOTAL</b>	<b>43,824,041</b>	<b>38,536,397</b>
<b>III- Financial assets not held as fixed assets</b>		
5) treasury stock	72,337	609,659
<b>TOTAL</b>	<b>72,337</b>	<b>609,659</b>
<b>IV- Cash</b>		
1) bank and post office accounts	1,203,444	4,196,999
3) cash and cash equivalents	1,256	1,232
<b>TOTAL</b>	<b>1,204,700</b>	<b>4,198,231</b>
<b>TOTAL CURRENT ASSETS</b>	<b>77,088,390</b>	<b>72,181,660</b>
<b>D) Accruals and deferrals:</b>	<b>336,050</b>	<b>558,522</b>
<b>TOTAL ASSETS</b>	<b>102,982,819</b>	<b>95,639,634</b>

## EMAK S.p.A. Balance sheets (values in euro)



<b>Liabilities and Shareholders' equity</b>		<b>december 31, 2003</b>	december 31, 2002
<b>A) Shareholders' equity:</b>			
I	Capital stock	7,189,910	7,189,910
II	Share-premium reserve	21,047,079	21,047,079
III	Revaluation reserve	1,137,770	1,137,770
IV	Legal reserve	1,437,982	1,437,982
V	Treasury stock valuation reserve	72,337	609,659
VII	Other reserve:		
	Extraordinary reserve	19,108,228	14,554,305
	Tax-deferment reserve	523,525	523,525
IX	Profit of the year	8,100,535	7,860,409
	<b>TOTAL</b>	<b>58,617,366</b>	<b>54,360,639</b>
<b>B) Provisions for liabilities and charges:</b>			
	1) for retirement pensions	421,161	399,090
	2) for taxes	516	25,516
	3) others	92,762	157,286
	<b>TOTAL</b>	<b>514,439</b>	<b>581,892</b>
<b>C) Reserve for termination indemnity</b>		<b>5,046,722</b>	<b>4,206,809</b>
<b>D) Payables, with separate indication for each item of the amounts payable beyond one year</b>			
	3) borrowing from banks:		
	a) payable within one year	2,583,616	1,385,000
	b) payable beyond one year	7,415,893	8,724,002
	4) payables to other source of finance:		
	a) payable within one year	78,515	117,600
	5) advance payments:		
	a) payable within one year	25,023	36,534
	6) payables to suppliers:		
	a) payable within one year	22,202,420	22,452,603
	8) payables to subsidiaries:		
	a) payable within one year	3,316,488	401,027
	10) payables to holding company:		
	a) payable within one year	57,463	81,080
	11) tax payables:		
	a) payable within one year	583,845	1,170,546
	12) social security payables:		
	a) payable within one year	891,172	763,552
	13) other payables:		
	a) payable within one year	1,584,293	1,293,025
	<b>TOTAL</b>	<b>38,738,728</b>	<b>36,424,969</b>
<b>E) Accruals and deferrals</b>		<b>65,564</b>	<b>65,325</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>102,982,819</b>	<b>95,639,634</b>

<b>Memorandum accounts</b>		<b>december 31, 2003</b>	december 31, 2002
	Suretyships granted to third parties	210,689	463,000
	Suretyships granted to Group companies	8,708,944	8,584,000
	On-term leasing + redemption	619,613	1,175,000
	Forward contracts for foreign currency to be received	1,968,587	672,759
		<b>11,507,833</b>	<b>10,894,759</b>



## EMAK S.p.A. Balance sheets (values in euro)

<b>Profit and loss account</b>	<b>2003</b>	<b>2002</b>
<b>A) Value of production</b>		
1) revenues from sales and services	126,015,457	118,077,258
2) change in work in progress, semi-finished and finished product inventories	1,457,754	(3,171,158)
5) sundry	561,595	738,873
<b>TOTAL</b>	<b>128,034,806</b>	<b>115,644,973</b>
<b>B) Cost of production:</b>		
6) raw and subsidiary materials, consumables and good for resale	(80,084,722)	(68,936,608)
7) services	(14,131,804)	(14,230,953)
8) hire purchase and leasing charges	(1,196,126)	(930,092)
9) personnel:		
a) wages and salaries	(10,990,799)	(9,368,687)
b) social security contribution	(3,571,868)	(3,104,957)
c) reserve for termination indemnity	(901,042)	(792,289)
e) other costs	(255,213)	(80,216)
10) amortisation, depreciation and write-downs:		
a) amortisation of intangible assets	(592,269)	(269,076)
b) depreciation of tangible assets	(2,809,804)	(2,604,615)
d) write-downs of receivables included among current assets and cash on hand	(289,657)	(231,454)
11) changes in raw and subsidiary materials, consumables and goods inventories	1,702,394	352,716
12) provisions for risks	(72,000)	(93,000)
13) other provisions	-	(35,018)
14) other charges	(446,359)	(149,409)
<b>TOTAL</b>	<b>(113,639,269)</b>	<b>(100,473,658)</b>
<b>DIFFERENCE BETWEEN PRODUCTION VALUE AND COST PRODUCTION</b>	<b>14,395,537</b>	<b>15,171,315</b>
<b>C) Financial income and expenses:</b>		
15) investment income:		
a) from subsidiaries	232,532	196,526
16) other financial income:		
a) from receivables held as fixed assets:		
- from subsidiaries	141,426	241,462
- others	3,796	5,822
c) from securities held as fixed assets other than equity investments	144,659	39,579
d) other income:		
- others	1,115,270	908,417
17) interest and other financial expenses:		
- to holding company	(1,470)	-
- others	(1,342,600)	(1,482,960)
<b>TOTAL</b>	<b>293,613</b>	<b>(91,154)</b>
<b>D) Adjustments to financial assets</b>		
19) write-downs		
a) of equity investments	(740,000)	(1,036,000)
<b>TOTAL ADJUSTMENTS</b>	<b>(740,000)</b>	<b>(1,036,000)</b>
<b>E) Extraordinary income and expenses</b>		
20) income:		
others	442,750	254,731
21) expenses:		
others	(622,289)	(620,082)
<b>TOTAL EXTRAORDINARY ITEMS</b>	<b>(179,539)</b>	<b>(365,351)</b>
<b>PROFIT BEFORE TAXES</b>	<b>13,769,611</b>	<b>13,678,810</b>
22) taxes for the year:		
current	(5,690,399)	(5,941,204)
deferred	21,323	122,803
<b>26) NET PROFIT FOR THE YEAR</b>	<b>8,100,535</b>	<b>7,860,409</b>


**EMAK S.p.A. Consolidated balance sheets (values in euro/000)**

<b>Assets</b>	<b>december 31, 2003</b>	december 31, 2002
<b>Fixed assets</b>		
<b>Intangible fixed assets:</b>		
start-up and expansion costs	3	90
research and development	98	130
industrial patents and intellectual property	1,010	498
concessions and licenses	8	2
goodwill	1,191	378
consolidation difference	550	902
assets under construction and advances	521	457
otheraltre	5	17
<b>TOTAL</b>	<b>3,386</b>	<b>2,474</b>
<b>Tangible fixed assets:</b>		
land and buildings	12,130	12,534
plant and machinery	4,506	4,288
industrial and commercial equipment	4,003	4,576
other assets	1,312	1,241
leased assets	4,860	4,962
assets under construction and advances	2,057	278
<b>TOTAL</b>	<b>28,868</b>	<b>27,879</b>
<b>Financial fixed assets:</b>		
Investments in:		
subsidiaries	529	-
other companies	223	-
Receivables from:		
others	268	301
Other stocks	-	5
<b>TOTAL</b>	<b>1,020</b>	<b>306</b>
<b>TOTAL FIXED ASSETS</b>	<b>33,274</b>	<b>30,659</b>
<b>Current assets</b>		
<b>Inventories:</b>		
raw material, supplies and merchandise	19,553	17,897
work in progress and semi-finished products	5,478	4,356
finished products and goods	21,143	20,021
advances	-	10
<b>TOTAL</b>	<b>46,174</b>	<b>42,284</b>
<b>Receivables:</b>		
trade receivables	49,604	43,935
from others	2,059	2,535
due within one year	2,043	2,532
due after one year	16	3
<b>TOTAL</b>	<b>51,663</b>	<b>46,470</b>
<b>Financial assets not held as fixed assets:</b>		
treasury stock	72	610
other stock	734	131
<b>TOTAL</b>	<b>806</b>	<b>741</b>
<b>Cash:</b>		
bank and post office deposits	2,832	4,616
cash and cash equivalents	9	5
<b>TOTAL</b>	<b>2,841</b>	<b>4,621</b>
<b>TOTAL CURRENT ASSETS</b>	<b>101,484</b>	<b>94,116</b>
<b>Accrued income</b>	<b>266</b>	<b>442</b>
<b>TOTAL ASSETS</b>	<b>135,024</b>	<b>125,217</b>

**EMAK S.p.A. Consolidated balance sheets (values in euro/000)**


Liabilities and Shareholders' equity	december 31, 2003	december 31, 2002
<b>Shareholders' equity</b>		
<b>Group:</b>		
capital	7,190	7,190
share-premium reserve	21,047	21,047
revaluation reserves	1,138	1,138
legal reserve	1,438	1,438
treasury stock valuation	72	610
other	19,632	15,077
translation difference reserve	4	19
consolidation reserve	763	763
retained earnings	3,658	2,591
profit of the year	9,575	8,968
<b>total shareholders'equity of the Group</b>	<b>64,517</b>	<b>58,841</b>
<b>minority interests:</b>		
capital stock and reserves	521	443
profit (loss) of the year	54	62
<b>total minority interests</b>	<b>575</b>	<b>505</b>
<b>TOTAL</b>	<b>65,092</b>	<b>59,346</b>
<b>Provisions for risks and charges</b>		
retirement benefits and similar rights	640	613
taxation	458	608
other	179	225
<b>TOTAL</b>	<b>1,277</b>	<b>1,446</b>
<b>Reserve for termination indemnities</b>	<b>5,239</b>	<b>4,345</b>
<b>Payables:</b>		
amounts payables to banks	23,567	22,125
due within one year	12,786	10,121
due afetr one year	10,781	12,004
amounts payable to other source of finance	1,118	1,775
due within one year	795	729
due afetr one year	323	1,046
advances	585	540
payables to suppliers	31,607	29,531
payables to suppliers	206	-
payables to parent company	57	81
tax payables	1,588	2,054
social security payables	1,769	1,273
due within one year	1,619	1,273
due afetr one year	150	-
other	2,093	1,764
<b>TOTAL</b>	<b>62,590</b>	<b>59,143</b>
<b>Accrued expenses and deferred income</b>	<b>827</b>	<b>937</b>
<b>TOTAL LIABILITIES</b>	<b>135,025</b>	<b>125,217</b>
<b>Memorandum accounts</b>		
Suretyships granted to others	210	463
Purchase commitments for assets	4.291	281
Forward contracts for foreign currency to be received	6,056	2,632

**Consolidated profit and loss accounts for the periods ending at 31 december 2003 and 2002 (values in euro/000)**

	2003	2002
<b>Value of production:</b>		
Revenues from sales and services	152,681	146,969
Changes in inventories of work in progress, semi-finished and finished products	1,499	(3,243)
Other revenues and income	842	1,011
<b>TOTAL</b>	<b>155,022</b>	<b>144,737</b>
<b>Cost of production</b>		
Raw materials, consumables and good for resale	(92,542)	(84,273)
Services	(18,302)	(18,475)
Use of third-party assets	(1,031)	(830)
Personnel:	(21,003)	(18,197)
- wages and salaries	(14,959)	(13,042)
- social security charges	(4,624)	(4,159)
- termination indemnities	(972)	(847)
- retirement pensions	(29)	(31)
- other costs	(419)	(118)
Amortisation, depreciation and write-down	(6,291)	(5,957)
- amortisation of intangible fixed assets	(1,269)	(827)
- depreciation of tangible fixed assets	(4,662)	(4,805)
- write-down of receivables included under assets forming part of working capital	(360)	(325)
Changes in inventory of raw materials, consumables and good for resale	2,411	234
Allocation to risk provisions	(82)	(93)
Other provisions	-	(35)
Sundry operating cost	(633)	(335)
<b>TOTAL</b>	<b>(137,437)</b>	<b>(127,961)</b>
<b>Difference between the value of production and the cost of production</b>	<b>17,549</b>	<b>16,776</b>
<b>Financial income and expenses:</b>		
Financial income:		
from receivables included under fixed assets	4	6
from securities held as current asset other than equity	145	40
from others	1,357	1,034
Other financial income	(2,222)	(2,471)
to subsidiaries	(1)	-
other	(2,221)	(2,471)
<b>TOTAL</b>	<b>(716)</b>	<b>(1,391)</b>
<b>Extraordinary income and expense:</b>		
Income	530	480
Charge	(987)	(588)
<b>TOTAL</b>	<b>(457)</b>	<b>(108)</b>
<b>Profit for the period before taxes</b>	<b>16,376</b>	<b>15,277</b>
Income taxes for the period:		
Current taxes	(6,773)	(5,881)
Deferred taxes	26	(366)
<b>Net profit for the period before minority interests</b>	<b>9,629</b>	<b>9,030</b>
<b>Minority (profit) loss for the period</b>	<b>(54)</b>	<b>(62)</b>
<b>Profit (loss) for the period</b>	<b>9,575</b>	<b>8,968</b>