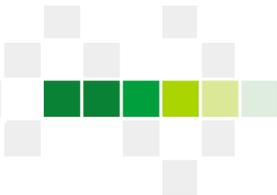


2003
BALANCE SHEETS



Emak[®]

MEMBER OF THE YAMA GROUP


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

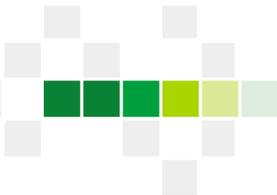
Assets	december 31, 2003	december 31, 2002
B) Fixed assets		
I- Intangible fixed assets:		
1) start-up and expansion costs	-	56,980
2) research, development and advertising costs	97,712	130,282
3) industrial patent and intellectual property rights	719,665	203,408
4) concessions, licenses and similar 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
TOTAL	1,768,570	865,780
II- Tangible fixed assets:		
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
TOTAL	11,252,598	9,460,250
III- Financial fixed assets, with separate indication for each credit item of the amounts receivable within one year		
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
TOTAL	12,537,211	12,573,422
TOTAL FIXED ASSETS	25,558,379	22,899,452
c) Current assets		
I- Inventories:		
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
TOTAL	31,987,312	28,837,373
II- Receivables, with separate indication for each credit item of the amounts receivable beyond one year		
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
TOTAL	43,824,041	38,536,397
III- Financial assets not held as fixed assets		
5) treasury stock	72,337	609,659
TOTAL	72,337	609,659
IV- Cash		
1) bank and post office accounts	1,203,444	4,196,999
3) cash and cash equivalents	1,256	1,232
TOTAL	1,204,700	4,198,231
TOTAL CURRENT ASSETS	77,088,390	72,181,660
D) Accruals and deferrals:	336,050	558,522
TOTAL ASSETS	102,982,819	95,639,634

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



Liabilities and Shareholders' equity		december 31, 2003	december 31, 2002
A) Shareholders' equity:			
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
	TOTAL	58,617,366	54,360,639
B) Provisions for liabilities and charges:			
	1) for retirement pensions	421,161	399,090
	2) for taxes	516	25,516
	3) others	92,762	157,286
	TOTAL	514,439	581,892
C) Reserve for termination indemnity		5,046,722	4,206,809
D) Payables, with separate indication for each item of the amounts payable beyond one year			
	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
	TOTAL	38,738,728	36,424,969
E) Accruals and deferrals		65,564	65,325
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		102,982,819	95,639,634

Memorandum accounts		december 31, 2003	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
		11,507,833	10,894,759



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

Profit and loss account	2003	2002
A) Value of production		
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
TOTAL	128,034,806	115,644,973
B) Cost of production:		
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)
TOTAL	(113,639,269)	(100,473,658)
DIFFERENCE BETWEEN PRODUCTION VALUE AND COST PRODUCTION	14,395,537	15,171,315
C) Financial income and expenses:		
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)
TOTAL	293,613	(91,154)
D) Adjustments to financial assets		
19) write-downs		
a) of equity investments	(740,000)	(1,036,000)
TOTAL ADJUSTMENTS	(740,000)	(1,036,000)
E) Extraordinary income and expenses		
20) income:		
others	442,750	254,731
21) expenses:		
others	(622,289)	(620,082)
TOTAL EXTRAORDINARY ITEMS	(179,539)	(365,351)
PROFIT BEFORE TAXES	13,769,611	13,678,810
22) taxes for the year:		
current	(5,690,399)	(5,941,204)
deferred	21,323	122,803
26) NET PROFIT FOR THE YEAR	8,100,535	7,860,409


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

Assets	december 31, 2003	december 31, 2002
Fixed assets		
Intangible fixed assets:		
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
TOTAL	3,386	2,474
Tangible fixed assets:		
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
TOTAL	28,868	27,879
Financial fixed assets:		
Investments in:		
subsidiaries	529	-
other companies	223	-
Receivables from:		
others	268	301
Other stocks	-	5
TOTAL	1,020	306
TOTAL FIXED ASSETS	33,274	30,659
Current assets		
Inventories:		
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
TOTAL	46,174	42,284
Receivables:		
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
TOTAL	51,663	46,470
Financial assets not held as fixed assets:		
treasury stock	72	610
other stock	734	131
TOTAL	806	741
Cash:		
bank and post office deposits	2,832	4,616
cash and cash equivalents	9	5
TOTAL	2,841	4,621
TOTAL CURRENT ASSETS	101,484	94,116
Accrued income	266	442
TOTAL ASSETS	135,024	125,217

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


Liabilities and Shareholders' equity	december 31, 2003	december 31, 2002
Shareholders' equity		
Group:		
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
total shareholders'equity of the Group	64,517	58,841
minority interests:		
capital stock and reserves	521	443
profit (loss) of the year	54	62
total minority interests	575	505
TOTAL	65,092	59,346
Provisions for risks and charges		
retirement benefits and similar rights	640	613
taxation	458	608
other	179	225
TOTAL	1,277	1,446
Reserve for termination indemnities	5,239	4,345
Payables:		
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
TOTAL	62,590	59,143
Accrued expenses and deferred income	827	937
TOTAL LIABILITIES	135,025	125,217
Memorandum accounts		
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
Value of production:		
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
TOTAL	155,022	144,737
Cost of production		
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)
TOTAL	(137,437)	(127,961)
Difference between the value of production and the cost of production	17,549	16,776
Financial income and expenses:		
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)
TOTAL	(716)	(1,391)
Extraordinary income and expense:		
Income	530	480
Charge	(987)	(588)
TOTAL	(457)	(108)
Profit for the period before taxes	16,376	15,277
Income taxes for the period:		
Current taxes	(6,773)	(5,881)
Deferred taxes	26	(366)
Net profit for the period before minority interests	9,629	9,030
Minority (profit) loss for the period	(54)	(62)
Profit (loss) for the period	9,575	8,968