

EI.En. GROUP

CONSOLIDATED ANNUAL REPORT FOR THE FINANCIAL YEAR ENDING DECEMBER 31st 2000

BALANCE SHEET - ASSETS		31-Dec-00	31-Dec-99
A)	subscribed unpaid capital		
	- Called party		
	- Uncalled party		
	Total subscribed unpaid capital		
B)	FIXED ASSETS:		
I	Intangible fixed assets:		
	1) costs for formation and expansion	2.866.893.436	7.258.480
	2) costs for research, development and advertising		4.373.504
	3) patents and rights to use patents of others		
	4) concessions, licenses, trademarks and similar rights	5.218.588	7.423.419
	5) goodwill		
	6) intangible assets in progress and payments on accounts		
	7) other	27.897.330	41.790.350
	8) difference from consolidation		
	Total	2.900.009.354	60.845.753
II	Tangible fixed assets:		
	1) land and buildings	5.080.721.197	5.210.070.957
	2) equipment and machinery	575.418.034	312.967.220
	3) industrial and commercial equipment	569.120.605	512.188.085
	4) other	925.078.835	573.432.963
	5) intangible assets in progress and payments on accounts	22.520.669	
	Total	7.172.859.340	6.608.659.225
III	Investments:		
	1) <i>Equity investments in:</i>		
a)	subsidiary companies		
b)	associated companies	1.858.720.188	1.754.794.965
c)	parent companies		
d)	other companies	82.435.340	60.723.219
	2) <i>Credits:</i>	<i>due and payable by the next fiscal year</i>	
		31-Dec-00	31-Dec-99
	a) non-consolidated subsidiary companies of the group		
	b) non-consolidated associated companies of the group		
	c) parent companies		
d)	other companies		
	3) other investments	169.086.750	169.086.750
	4) own shares		
	Total	2.110.242.278	1.984.604.934
	Total fixed assets	12.183.110.972	8.654.109.912

CONSOLIDATED BALANCE SHEET -ASSETS (follows)			31-Dec-00	31-Dec-99		
C)	CURRENT ASSETS					
I	Stocks:					
1)	raw material, consumables and goods for sale		6.057.537.653	3.694.054.289		
2)	work in progress and components		3.637.780.468	1.573.522.879		
3)	contracts in progress					
4)	finished products and goods for resale		3.063.293.894	2.438.179.602		
5)	payments on accounts		301.542.853	91.158.666		
Total			13.060.154.868	7.796.915.436		
II	debtors:	due and payable by the next fiscal year				
		31-Dec-00	31-Dec-99			
1)	trade debtors			13.720.956.136	9.366.286.032	
2)	amounts owed by non-consolidated subsidiary companies					
3)	amounts owed by non consolidated associated companies			134.468.392	167.501.000	
4)	amounts owed by parent companies					
5)	other debtors	815.066.208	603.009.896	3.656.344.680	4.977.608.603	
Total			815.066.208	603.009.896	17.511.769.208	14.511.395.635
III	Investments which are not permanent					
1)	subsidiary companies					
2)	associated companies					
3)	parent companies					
4)	other companies					
5)	own shares					
6)	other investments			2.222.944.171	2.142.624.171	
Total			2.222.944.171	2.142.624.171		
IV	cash at bank and in hand:					
1)	bank and postal current accounts			67.181.010.327	7.076.003.195	
2)	bank cheques					
3)	cash on hand			22.589.582	17.809.434	
Total			67.203.599.909	7.093.812.629		
Total current assets			99.998.468.156	31.544.747.871		
D)	PREPAYMENTS AND ACCRUED INCOMES:					
	prepayments and accrued income assets			43.612.902	92.394.383	
	premium on loans					
Total prepayments and accrued income			43.612.902	92.394.383		
TOTAL ASSETS			112.225.192.030	40.291.252.166		

LIABILITIES		31-Dec-00	31-Dec-99
A)	CAPITAL AND RESERVES: of the Group		
I	Subscribed capital	4.600.000.000	2.400.000.000
II	Share premium account	66.272.731.513	
III	Revaluation reserve		
IV	Legal reserve	302.819.695	104.503.014
V	Reserve for own shares		
VI	Reserves provided for by the articles of association		
VII	<i>Other reserves:</i>		
-	Extraordinary reserve	2.388.737.307	284.336.669
-	Reserve for contributions on capital account	826.123.000	1.545.068.562
-	Reserve for deposits on loss covering account		
-	Reserve for anticipated exceeding depreciations		
-	Reserve for contribution on capital account		
-	Reserve for evaluation of investments in shareholders' equity		
-	Reserve for difference of currency conversion		
-	Undivided profits of parent companies and other reserves	1.935.466.173	
-	Reserve of consolidation	2.518.788.962	2.820.438.763
i)	Other reserves		
VIII	Profits (loss) brought forward		
IX	Profit (loss) for the financial year	5.817.144.021	5.574.526.433
	<i>Net total capital and reserves of the Group</i>	84.661.810.671	12.728.873.441
	Of third parties:		
X	Capital and reserves of third parties	1.524.222.504	864.034.669
XI	Profit (loss) of third parties	1.017.262.320	1.179.937.833
	<i>Net total balance sheet of third parties</i>	2.541.484.824	2.043.972.502
	<i>Net total balance sheet</i>	87.203.295.495	14.772.845.943
B)	PROVISIONS FOR RISKS AND CHARGES:		
1)	provisions for pensions and similar obligations	445.208.488	381.735.870
2)	provisions for taxation	424.827.924	412.381.821
3)	others	1.618.451.197	812.927.501
4)	consolid. provision for risks and future charges		
	<i>Total provisions for risks and charges</i>	2.488.487.609	1.607.045.192
C)	EMPLOYEE SEVERANCE INDEMNITY	1.095.839.847	894.805.272
D)	CREDITORS	<i>due and payable after the next fiscal year</i>	
		31-Dec-00	31-Dec-99
1)	debenture loans	1.200.000.000	1.200.000.000
2)	convertible debenture loans		
3)	amounts owed to banks	2.017.715.744	2.434.360.841
4)	amounts owed to other financiers	1.430.816.715	1.783.356.558
5)	advances		
6)	amounts owed to suppliers		
7)	debts represented by bills of exchange		
8)	amounts owed to non-consolidated subsidiary companies		
9)	amounts owed to non consolidated associated companies	1.170.000.000	1.170.000.000
10)	amounts to parent companies		
11)	amounts owed to tax administration		
12)	amounts owed to Social Security institutions		
13)	other creditors		
	<i>Total creditors</i>	5.818.532.459	6.587.717.399
		21.104.082.431	22.961.674.959
E)	ACCRUALS AND DEFERRED INCOME		
	accruals and deferred incomes - liabilities	333.486.648	54.880.800
	discount on loans		
	<i>Total accruals and deferred incomes</i>	333.486.648	54.880.800
	TOTAL LIABILITIES	112.225.192.030	40.291.252.166

MEMORANDUM ACCOUNTS		31-Dec-00	31-Dec-99
A)	Guarantees lent:		
1)	to third parties:		
d)	real guarantees	6.569.086.750	6.548.530.000
	<i>Total</i>	6.569.086.750	6.548.530.000
B)	OTHER MEMORANDUM ACCOUNTS		
	- Inventory at third parties	2.360.573.192	1.213.308.525
	- Sources of income at third parties	866.894.562	681.856.728
	<i>Total</i>	3.227.467.754	1.895.165.253
	Total memorandum accounts	9.796.554.504	8.443.695.253

PROFIT AND LOSS ACCOUNT		31-Dec-00	31-Dec-99
A)	(+) VALUE OF PRODUCTION:		
1)	net turnover from sales and services	50.256.242.730	46.224.707.503
2)	variation in stocks of finished goods and in work in progress	2.689.371.881	2.039.154.386
3)	variations on contracts in progress		
4)	work performed for own purposes and capitalised	77.744.343	214.752.128
5)	other revenues and incomes		
a)	Other revenues and incomes	312.108.413	492.628.412
b)	Grants received pertaining to the current year	73.333.334	73.333.333
	<i>Total</i>	53.408.800.701	49.044.575.762
B)	Costs of production:		
6)	for raw materials, consumables and goods for sale	-21.974.347.939	-17.932.272.014
7)	for services	-11.635.810.538	-10.656.694.866
8)	for use of assets owned by others	-186.048.755	-172.420.157
9)	for staff costs:		
a)	wages and salaries	-4.622.508.941	-4.320.811.275
b)	social security costs	-1.496.532.099	-1.428.299.726
c)	provisions for severance indemnity	-273.833.283	-230.053.194
d)	pension costs and similar		
e)	other costs relating to staff	-100.362	
10)	value adjustment:		
a)	amortisation of intangible assets	-757.914.197	-172.806.498
b)	depreciation of tangible assets	-929.931.312	-669.995.003
c)	other depreciations of assets		
d)	Allowance for doubtful debtors included in current assets and other accounts included in cash at bank	-179.754.129	-97.087.153
11)	variations in stock of raw materials, consumables and goods for sale	2.363.483.364	1.219.560.661
12)	amounts provided for risk provisions	-805.523.696	-103.277.783
13)	other accruals		
14)	other operating charges	-858.286.668	-1.235.797.204
	<i>Total</i>	-41.357.108.555	-35.799.954.212

(A - B)	Difference between value and costs of production	12.051.692.146	13.244.621.550
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C)	FINANCIAL INCOMES AND CHARGES:		
15)	(+) incomes from equity investments:		
16)	(+) other financial income		
a)	from loans forming part of fixed assets:		
b)	from other permanent investments other than equity investments	6.527.877	5.279.415
c)	from other investments which are not permanent	122.099.123	122.815.737
d)	from other investments than the previous ones:		
-	to third parties	667.728.900	151.785.000
17)	financial incomes and charges		
a)	to third parties	-401.568.705	-384.369.646
b)	to non-consolidated subsidiary companies	-50.999.178	-55.262.466
c)	to parent companies		
	<i>Total</i>	343.788.017	-159.751.960

CONSOLIDATED PROFIT AND LOSS ACCOUNT (cont'd.)		31-Dec-00	31-Dec-99
D)	VALUE ADJUSTMENTS OF FINANCIAL ACTIVITIES		
18)	(+) <i>revaluations:</i>		
a)	of equity investments	91.917.423	
c)	of non-permanent investments which are not equity investments	10.730.667	
19)	(-) <i>devaluations:</i>		
a)	of equity investments		-161.425.059
c)	of non-permanent investments which are not equity investments		-187.395.622
	<i>Total</i>	102.648.090	-348.820.681
E)	EXTRAORDINARY INCOME AND CHARGES		
20)	(+) <i>extraordinary income:</i>		
a)	income	61.551.645	23.467.362
b)	capital gains from disposal of assets		195.720
21)	(-) <i>extraordinary charges:</i>		
a)	charges	-23.667.893	-2.621.775
b)	capital losses from disposal of assets		-82.305
c)	taxes pertaining to prior years		-299.299.476
	<i>Total</i>	37.883.752	-278.340.474
	Profit and loss before income taxes	12.536.012.005	12.457.708.435
22)	-) <i>Income taxes on the income of the period:</i>		
a)	current	-5.864.688.168	-5.948.956.327
b)	deferred	163.082.504	245.712.158
23)	Net total profit and loss	6.834.406.341	6.754.464.266
	(profit) loss of the fiscal year of third parties	-1.017.262.320	-1.179.937.833
	Profit (loss) of the fiscal year of the Group	5.817.144.021	5.574.526.433

for the Board of Directors

President

Ing. Gabriele Clementi