

**Consolidated Financial Statement**

Dear Shareholders,

The consolidated financial statement closed at 31.12.2002 which we are submitting to your attention shows a net profit of Euro 3.343.483.

This is a very positive result and much higher than last year's figure of Euro 1.553.328.

In examining the figures and the most important facts which have characterized the year firstly it is important to point out the trend of our market of reference, namely that of fork lift trucks, whose official statistics indicate a 4,9% downturn in Western Europe and a 3% increase in USA.

The consolidated figures of our Group however show a turnover for 2002 amounting to Euro 78.918.083 compared to Euro 76.187.418 the previous year, with a 3,6% increase which is evidence of our increasing market share.

Our production cost, without depreciation, has gone from Euro 72.507.741 in 2001 to Euro 72.969.514 in 2002 giving a EBIT-DA which has passed from 9,96% to 11,65%.

The results of the financial year 2002 have been influenced by some operations of an extraordinary nature and which are described below:

- Our subsidiary company Auramo S.p.A. sold its line of business concerning the production and sale of masts for fork lift trucks to the Lift Tek Elecar Group (not a strategic product for our Group)
This operation corresponds to Euro 711.485 of the result
- Our American subsidiary bought the Brudi tradename (a memorable name in our market sector) and the business line regarding the production of the Brudi Push Pulls.
- The American branches were merged into a single company called Brudi Bolzoni Auramo.
- The sales contracts were cancelled and subsequently transferred to the Group-owned subsidiaries in France, Spain and Great Britain.
- All the subsidiaries have changed their names into Bolzoni Auramo (except for Brudi Bolzoni Auramo in Usa and Canada as well as Auramo OY who has maintained its previous name) and, with the exception of the Estonian and Polish subsidiaries, they have been transferred directly under the parent company Bolzoni S.p.A. who therefore also becomes the holding company for the Group.
- The various productions have been combined, with the Helsinki factory specializing in attachments for paper and pulp industries.
- The new factory in Chicago was opened where the Brudi Push Pulls and integral side shifters for the American market are being manufactured.

Thanks to these activities the Group has further consolidated its position as European leader and moreover, has achieved important results in the American market where its position as the only 'rival' to the American market leader is becoming more and more evident.

Below are details of the aggregated figures of the subsidiary companies (in Euro) which have been included in the Consolidated Financial statement:

Subsidiary	Turnover	Net result
Bolzoni S.p.A.	50.593.462	1.777.686
Bolzoni Auramo SL (Spain)	7.907.947	126.988
Bolzoni Auramo Sud (Italy)	2.079.164	14.139
Bolzoni Auramo Ltd (UK)	1.671.563	-187.723
Bolzoni Auramo Rental (UK)	125.385	-35.112
Bolzoni Auramo sarl (France)	5.773.344	40.264
Bolzoni Auramo GmbH (Germany)	7.406.267	-149.105
Bolzoni Auramo AB (Sweden)	2.962.905	76.055
Bolzoni Auramo PTY (Australia)	1.823.738	197.007
Auramo S.p.A. (Italy)	1.337.417	711.485
Bolzoni Auramo SA (Chile)	335.532	48.109
Brudi Bolzoni Auramo Ltd (Canada)	1.182.606	-34.203
Brudi Bolzoni Auramo Inc (USA)	11.468.868	-241.782
Auramo OY (Finland)	14.046.000	-437.000



For the analysis of each subsidiary's financial statement results please refer to the Management Report of Bolzoni S.p.A.

It is important to highlight the consequences of the sale of Auramo OY'S foreign subsidiaries to Bolzoni S.p.A. which has produced accounting capital losses amounting to Euro 1.629.284 but without any effect on the Group's consolidated result.

We also think it is useful to point out the following important events which have taken place during the first months of this year:

- The merger operation between Auramo S.p.A. and Bolzoni S.p.A. is in progress.
- Our share in Bolzoni Auramo Ltd New Zealand has been sold
- We are in the process of buying Saco GmbH's line of business (memorable Bolzoni dealer for Germany). The acquisition should be made through Bolzoni Auramo GmbH who would then strengthen its position on the German market.
- Even during the first quarter of 2003 and despite the persisting international crisis, sales have maintained a positive level with respect to the same period last year.

We would also like to point out that with regards to all the Group investments in research and development have not been capitalized.

No other important facts were recorded.

Our sincere thanks to the Shareholders for their trust and to all our collaborators for their precious assistance.

PODENZANO, 06.05.2003
The Directors



ASSETS		31.12.2002	31.12.2001
A	1	Share capital proceeds to be received	
		1.291	1.291
B		Fixed assets	
	I	Intangible fixed assets	
	2	0	0
	3	1.038.419	6.634
	4	333.284	358.532
	5	8.630.035	9.105.083
	6	0	28.560
	7	497.653	363.560
		Total intangible fixed costs	9.862.369
	II	Tangible fixed costs	
	1	4.800.680	1.859.140
	2	7.214.362	7.067.328
	3	345.265	398.535
	4	1.881.561	1.942.321
	5	0	229.150
		Total tangible fixed assets	11.496.474
	III	Financial fixed assets	
	1	Investments in	
	a	9.180	224.228
	b	348.222	402.722
	d	52.000	25.000
	2	Amounts receivable	
	d	153.204	185.771
	3	0	0
		Total financial fixed assets	837.721
		Total fixed assets	22.196.565
C		Assets forming part of working capital	
	I	Inventory	
	1	4.483.697	5.139.136
	2	4.630.097	5.464.249
	4	6.281.528	5.274.904
		Total inventory	15.878.289
	II	Receivables	
	1	Trade receivables	
		19.666.988	18.857.392
	3	From associated companies	
		1.467.272	1.519.764
		0	231.000
	5	From others	
		2.167.626	778.037
		1.238.847	1.116.701
		Total receivables	22.502.894
	IV	Liquid funds	
		3.328.776	1.439.885
		Total assets forming part of working capital	39.821.068
D		Prepayments and accrued income	502.910
		365.406	502.910
		TOTAL ASSETS	62.521.835
		68.935.392	62.521.835



LIABILITIES		31.12.2002	31.12.2001
A	Shareholders' equity		
I	Share capital	5.319.149	5.319.149
II	Share premium reserve	5.277.504	5.277.504
III	Revaluation reserve	1.323.314	1.323.314
IV	Legal reserve	316.471	217.232
VII 1	Other reserves	2.754.102	2.232.937
2	Conversion reserve	-617.446	185.573
3	Consolidation reserve	534.854	778.427
IX	Net profit for the year	3.343.483	1.553.328
Total Group Shareholders' equity		18.251.431	16.887.464
Third party share capital and reserves		19.900	19.058
Third party profit (loss)		4.242	16.841
Total Group and Third Party Shareholders' equity		18.275.572	16.923.362
B	Provisions for contingencies and charges		
1	Pension and similar	0	0
2	Taxation	585.062	339.337
3	Other reserves	233.705	122.234
Total provisions for contingencies and charges		818.768	461.571
C	Employees' leaving entitlement	2.479.601	2.237.628
D	Payables:		
3	Due to banks:		
	- due within one year	11.347.066	9.838.650
	-due after one year	16.189.475	11.521.097
4	Due to other financial institutions		
	- due within one year	725.786	731.507
	-due after one year	1.925.780	2.100.338
5	Accounts:		
	- due within one year	35.968	18.863
6	Payables to suppliers:		
	- due within one year	12.971.939	14.598.598
9	Payables to associated companies:		
	- due within one year	0	16.445
11	Payables to taxation authorities:		
	- due within one year	878.716	1.427.683
	-due after one year	0	343.174
12	Social security payables:		
	- due within one year	548.232	513.493
13	Other payables:		
	- due within one year	2.136.085	1.375.592
	-due after one year	363.000	364.000
Total payables		47.122.047	42.849.440
E	Accrued expenses and deferred income	239.406	49.834
TOTAL LIABILITIES		68.935.392	62.521.835
MEMORANDUM AND CONTINGENCY ACCOUNTS		31.12.2002	31.12.2001
Collateral given		14.034.990	14.034.990
Obligation to sell foreign currency		3.255.562	0
TOTAL		17.290.551	14.034.990



PROFIT AND LOSS ACCOUNT		31.12.2002	31.12.2001
A	Production revenues:		
1	Turnover from goods and services	78.918.083	76.187.418
2	Total inventory variations	-628.089	507.456
4	Increases to assets after internal work	64.856	53.478
5	Other revenues and income:		
	- grants for operating expenses	14.541	0
	- others	370.191	511.569
	<i>Total other revenues and income</i>	<i>384.732</i>	<i>511.569</i>
	Total production revenues	78.739.582	77.259.921
B	Production costs:		
6	Purchase of raw material, consumables and supplies	-23.439.971	-24.776.792
7	Purchase of services	-20.909.418	-21.654.409
8	Use of third party assets	-2.422.901	-2.568.568
9	Personnel expenses:		
a	- wages and salaries	-15.805.919	-14.693.640
b	- social security contributions	-4.288.270	-3.976.716
c	- employees' leaving entitlement	-562.506	-496.609
e	- other costs	-301.995	-576.778
	<i>Total personnel costs</i>	<i>-20.958.690</i>	<i>-19.743.743</i>
10	Amortisation, depreciation and write-downs:		
a	- amortisation of intangible fixed assets	-900.511	-733.865
b	- amortisation of tangible fixed assets	-2.501.269	-2.211.000
d	- write-downs of receivables	-65.336	-57.045
	<i>Total amortisation, depreciation and write-downs</i>	<i>-3.467.116</i>	<i>-3.001.910</i>
11	Inventory variations	-170.483	-347.367
12	Provision for contingencies	-57.953	-13.848
13	Other provisions	-219.180	-72.234
14	Other operating costs	-1.323.802	-328.870
	Total production costs	-72.969.514	-72.507.741
	TOTAL (A + B)	5.770.068	4.752.180

**PROFIT AND LOSS ACCOUNT**

		31.12.2002	31.12.2001
C	Financial income and charges		
16	Other financial income:		
a	- receivables classified as fixed assets but are not investments	5.552	6.356
b	- securities included as fixed assets but are not investments	12.330	139.762
d	- other income	648.320	237.874
	<i>Total other financial income</i>	666.202	383.992
17	Interest and other financial charges from:		
	- short-term interest	-760.225	-667.634
	- medium/long term interest	-685.896	-359.132
	-exchange rate losses	-1.133.970	-233.906
	- other	-52.795	-24.796
	<i>Total interest and other financial charges</i>	-2.632.886	-1.285.467
	Total financial income and charges	-1.966.684	-901.475
D	Adjustments to financial asset values:		
18	Revaluations:		
a	- on investments	19.500	0
19	Write-downs:		
a	- on investments	-230.146	-149.772
	Total adjustments to financial asset values	-210.646	-149.772
E	Extraordinary income and expenses:		
20	Income:		
	- other extraordinary income	1.386.063	63.697
21	Expenses:		
	- other extraordinary expenses	-201.828	-35.911
	Total extraordinary income and expenses	1.184.235	27.786
	PROFIT BEFORE TAXATION	4.776.973	3.728.719
22	Taxation on year's profit	-1.429.249	-2.158.550
23	NET PROFIT FOR THE YEAR	3.347.725	1.570.169
	Third party profit / loss	-4.242	-16.841
	GROUP PROFIT	3.343.483	1.553.328



Information regarding the group

The profile and the nature of the Bolzoni Group's activities are described in detail in the management report of the parent company's financial statement, and presented together with the consolidated financial statement and to which reference should be made for further information. The disclosures required by the Civil Code are also given therein

The Bolzoni Group which, on the 31.12.2002 consisted of the parent company Bolzoni S.p.A. and the subsidiaries Bolzoni Auramo Sarl (100%), Brudi Bolzoni Auramo Incorporated (100%), Bolzoni Auramo Limited (100%), Bolzoni Auramo S.L. (100%), Bolzoni Auramo Sud srl (70%), Bolzoni Auramo Rental (100%), Auramo S.p.A. (100%), Bolzoni Auramo Australia Pty Ltd (100%), Bolzoni Auramo Gmbh (100%), Bolzoni Auramo Sa (100%), Brudi Bolzoni Auramo Ltd (100%), Bolzoni Auramo AB (100%), Auramo Oy (100%) which in turn controls the following companies, Auramo Baltic OU (100%), Bolzoni Auramo Polska (100%).

With the aim of providing a complete picture of the group's financial position, the consolidated cash flow statement is enclosed.

Preparation criteria

The consolidated financial statement of the Bolzoni Group, expressed in Euro and prepared in accordance with articles 25 and subsequent of the Legislative decree n° 127/91, consists of the balance sheet, profit and loss account and the supplementary note which forms an integral part thereof. The consolidated financial statement is expressed in units of Euro, omitting the decimals, as allowed by the rules in force.

Consolidation area

In addition to the financial statement of the parent company Bolzoni S.p.A. the consolidated financial statement includes the financial statements of Bolzoni Auramo Limited, Brudi Bolzoni Auramo Incorporated, Bolzoni Auramo SL, Bolzoni Auramo Sud srl, Bolzoni Auramo Sarl, Bolzoni Auramo Rental, Auramo S.p.a, Bolzoni Auramo BV, Bolzoni Auramo Australia Pty Ltd, Bolzoni Auramo Sa, Brudi Bolzoni Auramo Ltd, Bolzoni Auramo Gmbh, Bolzoni Auramo AB, and the sub -

consolidated financial statement of the Auramo OY group with the percentages of control held by the parent company as indicated above. For the first time Auramo SpA's financial statement has been consolidated. There have been no further variations to the consolidation area with respect to previous year.

Reference date

All the subsidiaries' financial statements were balanced on 31st December 2002; the consolidated financial statement is drawn up on the basis of the parent company's draft financial statement balanced on 31st December 2002 and prepared by the Board of Directors on the basis of the draft financial statements at 31st December 2002 approved by the respective Board of Directors of each of the subsidiaries.

Consolidating principles

The financial statements of the single companies, used for the consolidation, have been suitably amended to conform with the group's accounting principles and have been reclassified to comply with the guidelines and the provisions introduced by the Legislative decree n° 127/91.

The companies have been consolidated on the line-by-line basis.

Accordingly, the entry values of the consolidated investments held by the parent company are eliminated against the related portion of the shareholders' equity with the recording of all assets and liabilities. Any difference between the price paid and shareholders' equity on the acquisition date, consisting of the goodwill paid for the acquisition of the investment, is accounted for as 'Goodwill resulting from consolidation', if of future use, and depreciated on the basis of the expected future utility. If the expected future utility is no longer valid the remaining value is entirely written-down. This difference is deducted from the consolidated shareholders' equity when no future utility is possible.

Shareholders' equity towards third parties is shown in a specific caption of the consolidated balance sheet while the result for the financial year is indicated in the profit and loss account.



Dividends and the coverage of intercompany losses have been eliminated from the consolidated profit and loss account and charged to reserves.

Intercompany receivables and payables, income and charges have been eliminated whereas profit and losses arising from intercompany transactions have been eliminated if not yet achieved with third parties.

Deferred tax assets and liabilities are recorded if expected in future.

Conversion of financial statements expressed in foreign currencies

The balance sheet items of the subsidiaries expressed in non EU currencies (pounds sterling, US dollars,

Canadian dollars, Australian dollars, Chilean pesos and Swedish crowns) are converted into Euro using the exchange rates at the end of the financial year, whilst those of the Profit and Loss statement are converted using the average annual rate.

The differences between the year's result converted using average rates and that using the end of year rates, as well as the exchange rate difference resulting from the conversion of the initial shareholders' equity at the rates ruling at the beginning of the year, are recorded under shareholders' equity in the account called 'Conversion reserve'.

The following exchange rates have been applied to convert the financial statements originally prepared in foreign currencies:

PROFIT AND LOSS ACCOUNT – Average 2002 exchange rate at 31.12.2002

Currency	Euro
US Dollar	0,945
Pound sterling	0,629
Australian dollar	1,737
Swedish crown	9,159
Canadian dollar	1,483
Chilean pesos	651,960

BALANCE SHEET – Exchange rates at 31.12.2002

Currency	Euro
US Dollar	1,042
Pound sterling	0,650
Australian dollar	1,856
Swedish crown	9,1593
Canadian dollar	1,655
Chilean pesos	755,064



Evaluation principles

The accounting and evaluation principles are the same as those of the previous year and have been applied all round for all the consolidated companies, in compliance with the current legislative requirements integrated and interpreted by the Accounting Principles issued by the National Council of Professional Accountants. They have been applied in line with the concepts of prudence and accrual, on a going-concern basis.

Positive and negative income components are accounted for on an accruals basis regardless of their collection or payment date, considering risks and losses emerged after the final balance sheet date.

The evaluation and accounting principles adopted for the preparation of the consolidated financial statement, and approved by the Board of Auditors where required by law, are those adopted by the parent company with the exception of, as in the previous financial period, inventory which has been evaluated at the average cost instead of Lifo in order to standardize the evaluation principles within the group and the most significant captions are described below.

Revaluations

No revaluations have been made except those foreseen by the special and specific monetary revaluation laws regarding tangible fixed assets.

Fiscally driven entries

The parent company has calculated accelerated depreciation only in order to obtain the relative tax benefits in the financial statements of year 2002 and previous. This has been eliminated from the consolidated financial statements for the part exceeding that necessary for the allocation of the costs of fixed assets over their expected life, and leading to the recording of deferred tax liabilities.

Intangible fixed assets

Intangible fixed assets are indicated at their cost, including accessory charges where foreseen, subject to the approval of the Board of Auditors, and are included in

the financial statement net of the accumulated annual depreciations expenses.

The depreciation rates applied according to the nature of the intangible fixed assets, and considered suitable for spreading the cost over the expected future period of use, are as follows:

➤ Rights for industrial patents and original works

Depreciation is calculated over three years, corresponding to their expected future utilisation.

➤ Software

Depreciation is calculated on the remaining period of utilisation estimated in three years

➤ Goodwill resulting from consolidation

This refers to the increased cost for the acquisition of Auramo OY with respect to the company's shareholders' equity. This amount, included under caption 'Goodwill resulting from consolidation' and essentially represented by the goodwill paid, is depreciated in 20 years as foreseen by accounting principles where there is an expected long term investment return. This is based on the fact that the company operates in a mature and therefore fundamentally slow developing sector which nonetheless is affected by important changes in the methods of distributing products following the adoption of Internet as a new technology.

All this has resulted in an evolution with regards to the way products are stocked and distributed and subsequent large investments with regards to both property and attachments (which interests us particularly). This evolution, which is positive for us, started a few years ago and its effects will certainly continue to develop for more than ten years.

➤ Other intangible fixed assets

The remaining value refers to costs paid for obtaining medium/long term loans. Depreciation is calculated on the basis of the length of the loan.



Tangible fixed assets

In the financial statement they are accounted for at their buying price which, in the case of assets acquired from third parties, corresponds to price paid plus additional charges sustained until ready for use, excluding financial expenses. In the case of assets produced internally, the cost corresponds to all the production costs, both direct and indirect. For the parent company these figures are increased by the monetary revaluations foreseen by laws 576/75, 72/83, 413/91 and 342/2000.

These values included in the assets are indicated net of accumulated depreciation which is calculated on a straight line basis for all depreciable assets existing at the end of the year, referred to the remaining estimated utilisation of the assets, based on rates considered representative of the life of the assets themselves. These rates are described in the comment to tangible fixed assets.

Depreciation is not calculated for assets not yet in use and a 50% rate is applied to assets acquired or partially used during the year in order to reflect their lesser utilisation. Assets with a unit value of less than Euro 516,46 are fully depreciated during the year of acquisition, given their shorter life.

Ordinary maintenance and repair costs, which do not lengthen the assets' useful life, are recorded as cost in the year in which sustained.

Should the assets produce a permanent loss of value, regardless of the accumulated depreciation, they are accordingly written-down. If during subsequent years the devaluation conditions no longer exist, the assets are booked at their original value.

➤ Leased assets

In the consolidated financial statement, assets acquired with financial leases are accounted for using the financial

method and thus recorded under the tangible fixed assets, according to their contractual value, net of financial charges and depreciated according to the rates applicable to their category. The financial payable due to the leasing company is shown under liabilities with the related interest recorded on an accrual basis.

Deferred taxes are recorded in the consolidated financial statement for leased assets, registered using the prevailing method established by the Civil code, which determines that the assets are accounted for under tangible fixed assets only when redeemed and when the lease instalments are taken to the profit and loss account on a pro rata temporis basis.

Financial fixed assets

The financial fixed assets regarding investments in the subsidiaries are calculated at cost, and where necessary, amended in the case of permanent losses of value.

The financial fixed assets regarding investments in affiliated companies are calculated according to the equity method except for those whose value is considered irrelevant and which have therefore been recorded and calculated at cost, and possibly amended in the case of permanent losses of value.

In compliance with Law 342/2000, the parent company has revalued a majority investment during the previous financial period. The amount of the revaluation, exceeding the shareholders' equity of the subsidiary included in the consolidated financial statement of the previous financial period, has been deducted from the consolidation reserves.

The amounts receivable consist of guarantee deposits and tax advances on employees' leaving entitlement. They are accounted for at their nominal value, corresponding to their estimated realisable value.



Inventory

Inventory is evaluated at the lowest of the following costs: purchase (including additional charges), production and the estimated realisable value (replacement costs for raw material) based on the market trend. Purchase cost includes the prices paid to suppliers, net of discounts and rebates. Production costs include costs for transport and to bring the asset to the condition in which it is at the end of the financial year, as well as the specific costs for each asset or category and the total costs for their preparation.

The normal production capacity of the plant is taken into account for the allocation of the general production expenses necessary for the calculation of the product's cost. All the stock categories have been evaluated using the average annual purchase or production cost most similar to the current cost. In order to align all the values according to this principle, the parent company's inventory has been adjusted with respect to the value shown in its financial statement. In order to provide for any losses in value, a stock devaluation provision has been established to cover obsolescence risks based on the items scrapped during the year.

Receivables and payables

Receivables are indicated at the estimated realisable value, obtained through a provision for bad debts, thus reducing their nominal value.

The amount of this provision is proportionate to the risks related to the specific bad debts and also to the general risk of non-collection on all receivables, which for precaution, is estimated by taking into account past experience, the solvency of the debtors and considering that the companies within the group have insurance coverage for most of the receivables existing at the date of the balance sheet.

Payables are indicated at their nominal value, corresponding to their estimated settlement value.

Receivables and payables in non-Euro currencies, are converted to Euro using the official exchange rate ruling on the date of the related transaction. Their value, if still existing at the end of the period, is adjusted to the exchange rates ruling at the end of the year, according to Accounting Principle 26.

Exchange rate differences arising from the settlement of receivables and payables and also from their conversion into short term foreign currency towards third parties are debited or credited to the profit and loss account as financial income or charges.

There were no medium or long term receivables or payables in foreign currencies at the end of the financial period 31.12.2002.

Prepayments and accrued income, accrued expenses and deferred income

Accrued income and expenses represent the counter entries to income and costs, related to at least 2 financial periods, for which the corresponding variations have not yet taken place at the date of the balance sheet. They are accounted for according to their economic and temporal competence and in obedience to the general principle of correlation regarding income and costs.

Prepayments and deferred income respectively represent the portion of costs or income related to at least 2 years, not however connected to the result for the year in which the corresponding variations have taken place.

Provisions for risks and charges

Allocations to risks and charges provisions are made to cover certain or probable liabilities of the consolidated companies, according to realistic estimates, not related to specific asset items, and whose due date or amount are unknown at the end of the financial period.

Employees' leaving entitlement

The employees' leaving entitlement is calculated for Italian companies according to the related, ruling legislation (art. 2120 of the Civil code), the national labour contracts and internal agreements. It represents the payable due to employees, matured to the date of the annual report on the basis of length of service, net of any advance payments made.

Taxation

Income tax for the financial period is calculated on the basis of a realistic estimate of tax payable by each of the consolidated companies, in accordance with ruling legislation and considering all the due tax credits.

As for the previous year, deferred and prepaid tax arising from consolidation adjustments aimed at highlighting the related tax effect and from the temporary differences between the value indicated in the financial statement and the tax value of the assets and liabilities, have been accounted for on an accrual basis, matching costs and income to the related taxes to be paid or recovered in future years.



The Italian companies have not considered the DIT relief when calculating prepaid taxes as it is not certain that this benefit may be used when differences arise.

At the end of each financial year, the company checks if and to what extent the conditions exist for recording the prepaid tax assets and deferred tax liabilities in the financial statement.

Income and costs

They are cautiously included in the financial statement on an accruals basis and indicated with the related

prepayments and accrued income, accrued expenses and deferred income. Revenue and income, costs and charges are accounted for net of returns, discounts, rebates and premiums. All commercial transactions with the affiliated companies Eurolift PTY Ltd, Hydronika, Auramo South Africa and Auramo New Zealand, have taken place at normal market conditions. The relative statements of assets and liabilities are indicated below while the financial statement is included in the management report, to which reference should be made.

Grants for the running year are recorded on an accruals basis when their collection is certain.



Analysis of the main captions of the Balance Sheet and Profit and Loss Account

For easier reading, figures are indicated in thousands of Euro.

The main variations in the captions, which have taken place during the year, are described in the following paragraphs.

We would like to point out that in comparing the financial statements the variation in the consolidation period for the Auramo group should be considered as, in the previous financial statement Auramo's profit and loss account was consolidated for 10 months whilst during the last financial statement it covered the full 12 month period. However, due to the combined effect between the longer consolidation period of the Auramo group and the effects of the sale of Auramo SpA's main business, the values of the Profit and Loss account may be considered substantially homogeneous.

Balance Sheet - Assets

Shareholders' payment account

The amount of Euro 1.291, unvaried with respect to last year, refers to payment still to be made by the shareholder of Bolzoni Auramo Sud srl.

Intangible fixed assets

The balance of intangible fixed assets at the start and end of the financial year were as follows:

	Historic cost	Depreciation provisions 31.12.01	31.12.01	Increases	Depreciation	31.12.02
Research	140	140	0	0	0	0
Patents	40	33	7	1.080	49	1.038
Software	847	489	358	193	218	333
Goodwill	9.501	396	9.105	0	475	8.630
Assets under construction	29	0	29	-29	0	0
Incorp. Bolzoni Auramo sarl	20	20	0	0	0	0
Others	746	383	363	294	159	498
Total	11.323	1.461	9.862	1.538	901	10.499

The increase in patents during 2002 is due to the acquisition of the Brudi tradename by our American subsidiary and will be depreciated over a ten year period in consideration of the residual possibility of utilisation of the asset. The other patent costs are expenses for deposit applications. The above items have been registered with the approval of the Board of Auditors and will be depreciated over three financial years starting from the year in which they become operative.

Software investments made during the financial year refer to purchase of new programmes or to customization of existing ones and are depreciated over three years in consideration of the residual possibility of utilisation of the asset.



Tangible fixed assets

During the year have been the following:

	31.12.01	Net increases	Depreciation	31.12.02
Land and buildings	1.859	3.041	99	4.801
Plant and machinery	7.068	1.635	1.489	7.214
Equipment	399	170	223	346
Other assets	1.942	629	690	1.881
Assets under construction	229	-229	0	0
TOTAL	11.497	5.246	2.501	14.242

Investments regarding buildings refer to the new plant of our American subsidiary, the renovation of the offices and the new factory building in Piacenza.

The other items mainly refer to technological upgrading of existing equipment.

During the previous financial period, the parent company took advantage of the possibility to reassess the net value of some assets belonging to similar categories, present in the financial statement at 31.12.1999 and still existing at 31.12.2000, according to Law 342/2000, by reviewing their historic cost and relative depreciation provision.

These revised values are lower than the assets' current value as determined by external appraisals. The revaluations amount to a total of € 2.103 thousand which, net of € 401 thousand substitute tax, is included for the amount of € 1.702 thousand in a specific shareholders' equity reserve.

Variations in the cost of tangible fixed assets during the year are as follows:

	31.12.01	Increases	Decreases ⁱ	31.12.02
Land and buildings	2.432	3.041	0	5.473
Plant and machinery	17.414	1.542	502	18.454
Equipment	3.221	124	24	3.321
Other assets	4.612	627	14	5.225
Assets under construction	229	0	229	0
Total	27.908	5.334	769	32.473

Variations in tangible fixed assets depreciation reserves are as follows:

	31.12.01	Depreciation	Utilisation	31.12.02
Land and buildings	573	99	0	672
Plant and machinery	10.347	1.489	596	11.240
Equipment	2.823	223	71	2.975
Assets under construction	2.670	690	16	3.344
Total	16.413	2.501	683	18.231



The following depreciation rates are applied:

Asset	Rate
Buildings	3%
Plants and machinery	10 - 14%
Equipment	25 - 30%
Cars	20 - 25%
Office furniture and equipment	10 -12%
Vehicles	20 -25%
Electronic equipm ent	20 - 25%

The tangible fixed assets are subject to the following collateral security for financing received:

	31.12.01	31.12.02
Mortgages on buildings	14.035	14.035

Financial fixed assets

➤ Investments in subsidiary companies

This caption includes the investment (51%) in the subsidiary company Bolzoni Auramo BV established on 18.12.2002

➤ Investments in affiliated companies

	Historic cost	Previous Write-down	31.12.01	Write-down	31.12.02
Eurolift	47	0	47	0	47
Hydronika	79	0	79	0	79
Auramo France	150	0	150	-75	75
Auramo New Zealand	1	0	1	0	1
Auramo South Africa	126	0	126	20	146
Total	403	0	403	-55	348

Eurolift PTY Ltd (24,5% holding)

Reg.Office: 9 Pasadena Crescent
Pasaden S.A. 5042 Australia

Currency	Aus \$	€000	€ 000 Hist.exch.rate
Share capital	300.200	171	189
2002 result	148.310	80	93
2002 shareholders' equity	482.751	260	304
2002 our part of shareh.equity	118.274	64	74
Book value		47	47
Difference		17	27



Supplementary Notes to Bolzoni Consolidated Financial Statement

Hydronika BV (24,5% holding)

Reg. Office: Rootakkers 57
5708 BA Helmond Holland

Currency	€ 000
Share capital	16
2002 result	30
2002 shareholders' equity	327
2002 our part of shareh. equity	80
Book value	79
Difference	1

Auramo France (25% holding)

Reg. Office: 8 rue des Cailles
Ruelisheim ZA France

Currency	€ 000
Share capital	40
2002 result	-121
2002 shareholders' equity	719
2002 our part of shareh. equity	180
Book value	75
Difference	105

Auramo New Zealand (49% holding)

Reg. Office: P.O.Box 34941
Birkenhead Auckland New Zealand

Currency	NZ \$	€ 000
Share capital	999	1
2002 result	-47.286	22
2002 shareholders' equity	-236.116	-110
2002 our part of shareh. equity	-115.697	-54
Book value		1
Difference		-55

Auramo South Africa (40% holding)

Reg. Office: P.O.Box 915
Benoni 1500 – South Africa

Currency	Rand	€ 000
Share capital	100	0,009
2002 result	910.866	101
2002 shareholders' equity	1.041.700	116
2002 our part of shareh. equity	416.680	46
Book value		146
Difference		-100



➤ **Investments in other companies**

	31.12.01	Previous Write-down	Purchase	Sale	Write-down	31.12.02
Helsingen Puhelin OY	10	0	0	1	0	9
Helsinkihalli OY	15	0	0	1	0	14
DV – Kinnisvara AS	0	0	29	0	0	29
Total	25	0	29	2	0	52

➤ **Receivables**

Variations in receivables during the financial period are as follows:

	31.12.01	Increases	Decreases	31.12.02
From others	53	0	6	47
Income tax advance on employees' leaving benefit	133	0	27	106
Total	186	0	33	153

Inventory

Following is the analysis of inventory:

	31.12.02	31.12.01	Variation
Raw materials and supplies	4.582	5.237	- 655
Provision for obsolete raw material and supplies	-98	-98	0
Total raw material and supplies	4.484	5.139	- 655
Work in progress and semi-completed products	4.943	5.729	- 786
Provision for obsolete semi-complete products	- 313	- 265	-48
Total WIP and semi-completed products	4.630	5.464	- 834
Finished goods	6.356	5.350	1.006
Provision for obsolete finished goods	- 75	- 75	0
Total finished goods	6.281	5.275	1.006
TOTAL	15.395	15.878	- 483

The caption 'Variations in inventory' in the profit and loss account is affected by the exchange rate differences arising from the conversion of the financial statements drawn up in foreign currencies, as described in the paragraph regarding the consolidation principles.

Following an analysis of slow moving material in stock an obsolescent stock provision has been set up for a total of Euro 486 thousand (Euro 438 thousand at 31st December 2001) and the details are below:

Obsolescent stock provision	31.12.01	Utilisation	Accrual	31.12.02
Raw materials and supplies	98	0	0	98
Work in progress and semi-completed products	265	0	48	313
Finished goods	75	0	0	75
Total	438	0	48	486

**Receivables**

➤ Trade receivables	31.12.02	31.12.01	Variations
Trade receivables	14.512	14.024	488
Bills subject to collection	5.314	5.088	226
Provision for bad debts	-159	-255	96
Total	19.667	18.857	810
of which - due within the following year	19.667	18.857	810
- due after the following year	0	0	0

The bad debt provision at 31st December 2002 does not include any taxed items and appears adequate with respect to total receivables existing at that date, also in consideration of the fact that the group companies have taken out an insurance policy to cover an important part of the receivables.

Variations in the provision for bad debts during 2002:

Balance at 31.12.01	255
Utilisation	161
Accrual	65
Balance at 31.12.02	159

➤ Receivables from affiliated companies	31.12.02	31.12.01	Variations
Eurolift	128	258	-130
Hydronika	88	110	-22
Auramo New Zealand	571	590	-19
Auramo South Africa	289	113	176
Auramo France	391	680	-289
Total	1.467	1.751	-284
of which - due within the following year	1.467	1.520	-53
- due after the following year	0	231	-231

These receivables are solely of a commercial nature for transactions performed at normal market conditions.



➤ Receivables from others	31.12.02	31.12.01	Variations
Taxation authorities	269	122	147
Deferred tax assets	1.434	434	1.000
Loans to employees	14	19	-5
Advances to suppliers	141	134	7
Others	1.548	1.186	362
Total	3.406	1.895	1.511
of which - due within the following year	2.167	778	1.389
- due after the following year	1.239	1.117	122

Receivables due after one year refer to ILOR (Local income tax) and IRPEG (Corporation tax) refunds requested in previous years by the parent company and for whose collection date is unknown plus a deposit made by subsidiary Auramo OY to company Tapiola Oy.

Deferred tax assets relate to temporarily increasing variations calculated for tax purposes and mainly refer to the parent company and the subsidiary Auramo OY:

As required by point 6 , article 2427 of the Civil Code, it should be noted that receivables due after one year are however considered due within five years.

➤ Liquid funds	31.12.02	31.12.01	Variations
Bank depositis	3.315	1.425	1.890
Cash-in-hand and cash equivalents	14	15	-1
Total	3.329	1.440	1.889

➤ Prepayments and accrued income	31.12.02	31.12.01	Variations
Prepayments:			
- others	365	503	-138
Total prepayments:	365	503	-138
Total	365	503	-138
of which - due within the following year	365	503	-138
- due after the following year	0	0	0

The amount of Euro 365 thousand under 'other prepayments' refers to costs incurred during the financial year but belonging to the following year, and which also include costs for bank guarantees and insurance contracts.



Liabilities

➤ Shareholders' equity

The table below shows the variations in this account during the year:

	Balance 31.12.01	Profit Allocation	Conversion adjustment	Other variations	Year's net profit	Balance 31.12.02
Share capital	5.319	0	0	0	0	5.319
Share premium reserve	5.278	0	0	0	0	5.278
Legal reserve	217	100	0	0	0	317
Revaluation reserve	1.323	0	0	0	0	1.323
Other reserves	2.233	822	0	-301	0	2.754
Conversion reserve	186	0	0	-803	0	-617
Consolidation reserve	778	-432	-113	301	0	534
Year's net profit	1.553	-1.553	0	0	3.343	3.343
Group shareholders' Equity	16.887	-1.063	-113	-803	3.343	18.251
Third party share capital and reserves	19	1	0	0	0	20
Third party profit/loss	17	-16	0	0	4	5
Shareholders' equity	16.923	-1.078	-113	-803	3.347	18.276

A part of the previous year's profit amounting to Euro 1.079 thousand was distributed to shareholders following the Shareholders' resolution during the meeting for the approval of the financial statement.

Both the share capital and the share premium reserve correspond to those resulting from the parent company's financial statement, details of which can be found in the note to the parent company's financial statement presented together with this consolidated financial statement.

The column headed 'Conversion Adjustment' represents the reserve for converting the subsidiaries' Financial statements from local currencies to Euro.

The following table shows a summary of the differences between the parent company's financial statement and the consolidated version, with reference to those areas affecting the year's net result and shareholders' equity.

	Shareholders' equity	Year's net result
Parent company's financial statement	17.775	1.778
Recording of leased assets (net of taxation)	466	170
Elimination of accelerated depreciation (net of taxation)	248	6
Elimination of profit on intercompany inventory (net of taxation)	-1.297	134
Net effect of adjustment to consolidation accounting principles	-150	-198
Effect of evaluating consolidated companies using the equity method	1.828	1.453
Conversion reserve	-618	0
CONSOLIDATED GROUP FINANCIAL STATEMENT	18.252	3.343
Minority interests	24	4
CONSOLIDATED FINANCIAL STATEMENT	18.276	3.347



Provisions for contingencies and charges

➤ Pension for administrators

Variations to this provision have been the following:

	31.12.02	31.12.01	Variations
Opening balance	0	83	-83
Utilisation	0	83	-83
Accrual	0	0	0
Closing balance	0	0	0

This provision has been completely utilised for paying the end of term benefit to resigning administrators of the parent company, in compliance with the Board of Directors' resolution. No resolution has been taken regarding a similar benefit for new administrators.

➤ Taxation provision

	31.12.01	Accrual	Utilisation	31.12.02
For consolidation adjustments	304	277	27	554
For appreciation (art. 54 Tax Law)	35	9	13	31
Total	339	286	40	585

This provision mainly includes deferred taxes calculated on consolidation adjustments.

Moreover, this provision has also been set up to cover foreseeable future tax to be paid on deferred tax payment for appreciation and grants, as well as the recording of accelerated depreciation in the parent company's financial statement, which being a taxable item, has been cancelled in the consolidated financial statement, as established by the Group's accounting principles.

None of the group companies have pending litigations.

➤ Other provisions for risks and charges

	31.12.01	Accrual	Utilisation	31.12.02
Agents' termination benefit	50	13	0	63
Warranties	72	171	72	171
Other risks	0	0	0	0
Total	122	184	72	234

The warranty provision was set up to cover warranty charges on products sold during year 2002 and which are expected to incur the following year. The accrual is accounted for in line B13 of the profit and loss account. The balance existing on 31.12.2001 was used to adjust the warranty costs paid during 2002.



➤ **Employees' leaving entitlement**

Variations have been the following:

	31.12.02	31.12.01	Variations
Opening balance	2.238	1.994	244
Utilisation	156	155	1
Advances	124	77	47
Accrual	522	476	46
Closing balance	2.480	2.238	338

This provision refers only to the parent company and the subsidiary Bolzoni Auramo Sud, as the foreign group companies do not have a similar legal obligation.

The greater amount of accrual indicated in the profit and loss account compared to the above balance corresponds to the the leaving entitlement matured during the year by resigned employees and amounts to Euro 48 thousand.

Payables

➤ **Payables to banks**

	31.12.02	31.12.01	Variations
Current account overdrafts	5.039	5.377	-338
Mortgage loans	8.148	8.328	-180
Loans in foreign currency	0	221	-221
Other financing	14.350	7.434	6.916
Total:	27.537	21.360	6.177
of which due:			
- within the following year	11.347	9.839	1.508
- after the following year	16.190	11.521	4.669

The larger amount of payables towards banks due after more than one year belongs to the parent company Bolzoni SpA and became necessary in order to finance investments in Italy and USA:

The existing mortgage loans have been obtained at the following conditions:

- ◆ Mediocredito Padano, principal Euro 1.007.091 obtained in 1996, outstanding payable on 31st December 2002 Euro 345.381, floating interest rate (4,38% at 31st December 2002) repayable in half-yearly instalments starting from 1997 and ending on 15.12.2005;
- ◆ Mediocredito Padano, principal Euro 267.008 obtained in 1996, outstanding payable on 31st December 2002 Euro 53.402, floating interest rate (5,20% at 31st December 2002), repayable in half-yearly instalments starting from 1999 and ending on 5.10.2003.
- ◆ Intesa BCI Mediocredito, principal Euro 7.750.000 obtained in 2001, outstanding payable at 31st December 2002 Euro 7.750.000, floating interest rate (3,63% at 31st December 2002), repayable in half-yearly instalments starting from 31.03.2004 and ending on 30.09.2010.

Other financing mainly relates to loans obtained at the following conditions:

- ◆ principal Euro 2.065.828 obtained in 1999, outstanding payable on 31st December 2002 Euro 293.348, floating interest rate (3,867% at 31st December 2002), repayable in half-yearly instalments starting from 31.12.1999 and ending on 30.06.2003; no collateral has been given for this loan.



- ◆ Unicredito, principal Euro 1.800.000 obtained in 2002, outstanding payable at 31st December 2003 Euro 1.800.000, floating interest rate 3,307%.
- ◆ principal Euro 7.000.000 obtained in 2002, outstanding payable at 31st December 2002 Euro 7.000.000, floating interest rate (3,86 % at 31st December 2002), repayable in half-yearly instalments starting from 30.09.2004 and ending on 31.03.2007; no collateral has been given for loan.
- ◆ The amount of Euro 5.257.000 refers to advances obtained by the subsidiaries.

➤ **Payables towards other financial institutions**

	31.12.02	31.12.01	Variations
Financing – Law 46/82	28	56	-28
Financing - Law 388/81	206	0	206
Tapiola loan	1.343	1.753	-410
Finnvera loan	587	624	-37
Others	488	399	89
Total	2.652	2.832	-180
Of which due: within the next year	726	732	-6
after the next year	1.926	2.100	-174

It should be noted that in the amount due after one year, there are no payables for medium to long term loans repayable for a period exceeding 5 years.

➤ **Payments on account**

	31.12.02	31.12.01	Variations
To customers	36	19	17

➤ **Payables to suppliers**

	31.12.02	31.12.01	Variations
Italian suppliers	9.377	10.080	-703
Foreign suppliers	3.595	4.518	-923
Total	12.972	14.598	-1.626

➤ **Payables to affiliated companies**

	31.12.02	31.12.01	Variations
Auramo New Zealand	0	16	-16

These payables are solely of commercial nature for transactions performed at normal market conditions.



➤ Payables to taxation authorities	31.12.02	31.12.01	Variations
For wages and salaries	382	479	-97
Income tax	54	785	-731
VAT	332	161	171
Others	111	346	-235
Total	879	1.771	-892
- due within the following year	879	1.428	-549
- due after the following year	0	343	-343

➤ **Social Security payables**

This includes social security contributions to be paid by both the consolidated companies and the employees on the wages and salaries referring to month of December 2002, including holidays and year-end bonus, all payable within the following year.

➤ Other payables:	31.12.02	31.12.01	Variations
Due to employees:			
- for wages and salaries	693	655	38
- for matured but unused holidays	977	992	-15
Sundry payables	829	93	736
Total	2.499	1.740	759
of which due - within the following year	2.136	1.376	760
- after the following year	363	364	-1

Payables to staff for wages and salaries refer the December 2002 salaries paid out in January 2003.

Payables to staff for deferred wages are made up of the accrual for unused holidays.

➤ Accrued expenses and deferred income:	31.12.02	31.12.01	Variations
Accrued expenses			
- interest payable	3	7	-4
- other	236	43	193
Total accrued expenses	239	50	189
Deferred income	0	0	0
TOTAL	239	50	189
of which due - within the following year	239	50	189
- after the following year	0	0	0



➤ Receivables and payables due after more than 5 years

Further to the above, there are no other receivables and payables due after more than 5 years.

➤ Memorandum accounts

They are described in detail at the end of the balance sheet.

Collateral given for financing is described in the note to tangible fixed assets.

The group does not have any purchase or sale commitments outside the normal business operations at the date of this report.

Guarantees received from third parties have been cancelled as the sureties have been returned by the financial institutions.

Conto Economico

Considering the analytical breakdown of the captions of the profit and loss account and the comments to the balance sheet, extensive details are not given below.

Reference should be made to the management report for information on transactions with subsidiary and affiliated companies.

Production income

➤ Turnover, goods and services

Following is the breakdown of this caption according to geographical area

	31.12.02	31.12.01	Variations
Italy	17.080	15.736	1.344
EU	42.653	48.634	-5.981
Non EU	19.185	11.817	7.368
Total	78.918	76.187	2.731



➤ **Other income and revenues**

	31.12.02	31.12.01	Variations
Grants for operating expenses	15	0	15
Other income	275	343	-68
Ordinary capital gain	95	169	-74
Totale	385	512	-127

'Other income' refers mainly to charges made to suppliers not belonging to the group following warranty problems on delivered components and fringe benefits charged to employees.

'Ordinary capital gain' refers to the normal sale of industrial assets.

Production costs

➤ **Purchasing costs**

Detail of purchasing costs:	31.12.02	31.12.01	Variations
Raw materials	9.036	10.929	-1.893
Commercial goods	3.849	3.700	149
Semi-finished products	6.032	7.323	-1.291
Other purchases for production	3.570	1.817	1.753
Sundry purchases	404	307	97
Additional expenses	289	295	-6
Finished goods	260	405	-145
Total	23.440	24.776	-1.336

➤ **Service costs**

Detail is as follows:	31.12.02	31.12.01	Variations
Subcontracting	10.067	9.863	204
Commercial expenses	1.708	1.270	438
Directors' fees	577	545	32
Commission	800	945	-145
Transport on sales	1.823	1.484	339
Transport on purchases	716	647	69
Other	5.218	6.900	-1.682
Total	20.909	21.654	-745

'Other costs' include expenses for insurance, plant and machinery maintenance, telephone, canteen and legal and professional expenses.



➤ **Use of third party assets**

Detail is the following:	31.12.02	31.12.01	Variations
Renting of premises	1.634	1.611	23
Hiring of vehicles	345	311	34
Others	444	647	-203
Total	2.423	2.569	-146

➤ **Other operating costs**

Details is the following:	31.12.02	31.12.01	Variations
Tax and duty	58	42	16
Others	1.266	287	979
Total	1.324	329	995

Financial income and charges

The group did not produce income deriving from investments.

➤ **Other financial income**

Includes:	31.12.02	31.12.01	Variations
Exchange rate gains	646	209	437
Interest income from clients	4	2	2
Interest income from bank current accounts	16	27	-11
Interest income from bonds	0	140	-140
Interest income on fixed credits	0	6	-6
Total	666	384	282

➤ **Interest and other financial charges**

Includes:	31.12.02	31.12.01	Variations
Short term payable interest	760	668	92
Medium -long term payable interest	646	301	345
Exchange rate losses	1.134	234	900
Interest payable on lease contracts	40	58	-18
Others	53	24	29
Total	2.633	1.285	1.348

Excluding exchange rate losses, net financial charges account for 1,63% of turnover compared to 1,07% in 2001.

Financial charges recorded in the consolidated companies' financial statements have been adjusted to include, in the consolidate profit and loss account, the effect of interest on the financial payables incurred for acquiring assets under financial leasing.



➤ **Investment write-down**

This refers to the decreased investment of Auramo France due to permanent loss of value.

Extraordinary income and expenses

➤ **Extraordinary income**

This includes:	31.12.02	31.12.01	Variations
Contingent assets	106	64	42
Capital Gain	1.280	0	1.280
Total	1.386	64	1.322

The capital gain amounting to Euro 1.280 thousand refers to the sale of Auramo SpA's main business to Lift Tek Elecar.

➤ **Extraordinary expenses**

They include:	31.12.02	31.12.01	Variations
Contingent liabilities	186	5	181
Capital loss	16	31	-15
Total	202	36	166

➤ **Taxation**

Taxation for the year is calculated on the taxable profit of each single company and in accordance with the relevant tax legislation in the respective countries.

Deferred taxes have been calculated on consolidation adjustments.

The break down is as follows:

	2002	2001	Variations
Current taxes	1.978	2.055	-77
Net deferred tax	55	173	-118
Net prepaid tax	-604	-69	-535
Taxation on the year's profit	1.429	2.159	-730



Other information

Remuneration for directors and auditors

The Shareholders' meeting of 28th November 2001 and 20th September 2001 agreed to a remuneration of Euro 455 thousand for the parent company's Board of Directors.

The remuneration of the parent company's Board of Auditors was decided during the Shareholders' meeting of 2nd February 2001 and amounts to Euro 35 thousand.

Amongst the subsidiaries remuneration has been established only for the Board of Directors of Bolzoni Auramo Sud (amounting to Euro 41 thousand) and Auramo OY (amounting to Euro 81 thousand).

Dividend bearing shares and bonds issued by the company

None of the group companies has issued dividend bearing shares, bonds convertible in shares, securities or similar..

This consolidated financial statement has been fairly prepared and complies with the accounting records of the consolidated companies.

Podenzano, 6th May 2003

The Directors

**Annex 1 – Cash flow statement**

	31.12.02	31.12.01
Cash flows generated by operating activities:		
Net profit for the year	3.343	1.553
Adjustments on items not affecting liquidity:		
- Depreciation for the year	3.402	2.945
- Employees' leaving benefit accrued in the year	563	497
- Utilisation of employees' leaving benefit in the year	- 321	- 253
- Accrual (utilisation) of risk and charges provisions	357	32
Total	4.001	3.221
Variations in current assets and liabilities:		
- Receivables from clients	-757	-5.530
- Other receivables	-1.479	-466
- Inventory	714	- 4.830
- Prepayment and accrued income	138	- 382
- Payables to suppliers	-1.627	2.050
- Other payables	452	1.214
- Accrued expenses and deferred income	190	- 3
- Sums payable to taxation authorities	- 550	- 9
Total	2.919	-7.956
Total cash flows generated by operating activities:	4.425	-3.182
Cash flows generated by investments:		
- Net book value of sold assets	0	0
- Purchase of technical fixed assets	-5.247	- 5.829
- Increase in intangible assets	- 1.538	- 10.419
- Increase in investments	243	- 1.516
Total	-6.542	-17.764
Cash flows generated by financing activities:		
- New loans	7.507	8.387
- Paying back loans	- 3.013	- 837
- Share capital increases and other variations	-927	10.225
- Dividends paid out	- 1.064	- 950
- Decreases in other fixed assets	0	0
Total	2.503	16.825
Increase in bank accounts and cash-in-hand	386	-4.121
Cash and banks at the beginning of the year	- 9.130	- 5.009
Cash and banks at the end of the year	- 8.744	- 9.130

BOARD OF AUDITORS REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT AT 31.12.2002

Gentlemen,

we have examined and checked, from the Civil Law viewpoint, the Consolidated Financial Statement, the Supplementary Note and the Management Report, prepared by the Board of Directors of BOLZONI S.p.A. in accordance with art. 25 of the Law 127/91 and submitted to us according to the law.

In accordance with provisions laid down in art, 41 of the above mentioned Law, we have analytically examined all the accounting items, the Management report and the enclosures.

Our report follows.

The financial statement shows a total profit of € 3.347.725 consisting of a group profit corresponding to € 3.343.483 and a third party profit of € 4.242 (shareholder with a 30% stake in Bolzoni Sud) and may be summarized as follow:

BALANCE SHEET

Assets	€ <u>68.935.392</u>
Liabilities and funds	€ 50.659.819
Capital and group reserves	€ 18.251.431
Capital, reserves and third party results	€ <u>24.142</u>
Total liabilities, funds and capital	€ <u>68.935.392</u>

PROFIT AND LOSS ACCOUNT

Production value	€ 78.739.582
Production costs	- € <u>72.969.514</u>
Diff.between production value and costs	€ 5.770.068
Income and financial charges	- € 1.966.684
Financ.assets value adjustments	- € 210.646
Income and extraordinary charges	€ <u>1.184.236</u>
Result before tax	€ 4.776.973
Income tax for the financial period	- € <u>1.429.249</u>
Net profit of the year	€ 3.347.725
Third party profit	- € <u>4.242</u>
Group result	€ <u>3.343.483</u>

The period to which the values refer is the year ending 31st December 2002, the date on which the financial statements of the companies forming

the Group were closed, all 100% owned by Bolzoni Spa except for Bolzoni Auramo Sud srl where Bolzoni Spa has a 70% stake.

Following the audit and the analysis of the bookkeeping entries, the documents and the information transmitted by the companies involved in the consolidation, we can declare that the Financial Statement presented to you is in order and corresponds to the bookkeeping entries.

The ample and exhaustive Management Report prepared by the Directors, corresponds to the contents of the Consolidated Financial Statement. It offers a clear and precise overall situation of the entire Group, together with management trend as a whole and, analytically, also in the various areas in which the companies forming the group operate.

The consolidation principles used, and which we consider to be correct, are the following:

- a) the total consolidation of those companies where the parent company directly or indirectly (Auramo Baltic OU and Bolzoni Auramo Polska) detains the majority of the voting rights;
- b) the shareholders' equity method for the associated companies following the Auramo OY investment and the cost method for the directly associated companies where the percentage of ownership goes from 20 to 50%.

We moreover confirm that the Management Report and the Supplementary Note provide complete and exhaustive information regarding management performance, consolidation principles, important events which have occurred to date since the end of the financial year and the expected development of the management.

Piacenza, 6th May 2003

BOARD OF AUDITORS

(original in Italian signed by)

Dott. Benvenuto Girometti

Dott. Giorgio Picone

Dott. Fiorenzo Salvini

AUDITORS' REPORT
(Translation from the original Italian text)

To the Board of Directors
of Bolzoni S.p.A.

1. We have audited the consolidated financial statements of Bolzoni S.p.A. as of and for the year ended December 31, 2002. These financial statements are the responsibility of the Bolzoni S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. Our audit was made in accordance with auditing standards and procedures recommended by CONSOB (the Italian Stock Exchange Regulatory Agency) (1). In accordance with such standards and procedures we planned and performed our audit to obtain the information necessary in order to determine whether the consolidated financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the consolidated financial statements of the prior year, which are presented for comparative purposes as required by the law, reference should be made to the auditors' report dated June 10, 2002, issued by other auditors.

3. In our opinion, the consolidated financial statements of Bolzoni S.p.A. comply with the Italian (1) regulations governing consolidated financial statements; accordingly, they clearly present and give a true and fair view of the consolidated financial position of Bolzoni S.p.A. as of December 31, 2002, and the consolidated results of its operations for the year then ended.

Brescia, May 8, 2003

Reconta Ernst & Young S.p.A.
signed by: Stefano Colpani, partner

(1) Words added in translation from original Italian text



Management Report – Bolzoni Spa

Dear Shareholders,

The financial statement closed at 31.12.2002 which we are submitting to your attention shows a net profit of Euro 1.777.686.

Even if slightly lower than last year's result (Euro 1.984.781) it is certainly very positive if considered within our Group's consolidated Financial Statement which shows a net result of Euro 3.343.483, more than double last year's figure (Euro 1.553.328).

It is also important to consider some contingent facts which have economically conditioned the financial period under examination:

- exchange rate fluctuations have had negative repercussions during 2002 with net exchange rate losses amounting to Euro 461.216 against a net profit of Euro 24.547 during the previous year;
- medium and long term interest has increased to Euro 703.688 compared to Euro 297.971 during the previous year, due to higher financial debt resulting from loans for the acquisitions made;
- tax and duty amounted to Euro 1.798.863 compared to Euro 1.653.933 of the previous year.

It should be noted that, despite the negative effect of the exchange rate trend on turnover, the Gross Operating Margin increased from 11,3% in 2001 to 12,7% during the period under examination.

Analysing the period from an industrial point of view, 2002 was a very important year in the company's history.

During the period under examination and following the acquisition which took place in November 2001, the integration process between the Bolzoni group and the Auramo group was defined and partially achieved, with regards to commercial, technical and manufacturing areas,

Following the acquisition in January 2002 of the Brudi brand name and line of business in the USA, the relevant programme was actuated. In particular, we would like to bring to your attention the facts which have especially characterized the integration process following the Auramo and Brudi acquisitions and which have affected directly or indirectly our company's financial statement

- the American subsidiaries were merged into a single company called Brudi Bolzoni Auramo.
- the sales contracts were cancelled and transferred to the group-owned subsidiaries in France, Spain and Great Britain.
- the line of business regarding the production of masts was sold to the Lift Tek Elecar group (this was not a strategic product for our Group).
- all the subsidiaries changed their names into Bolzoni Auramo (except for Brudi Bolzoni Auramo in USA and Canada and for Auramo OY who maintained its old name) and, apart from the Estonian and Polish branches, were directly transferred under the parent company Bolzoni S.p.A. which also became the holding company of the entire Group.
- the catalogues and price lists of the two groups were standardized under the trade name of Bolzoni Auramo.
- the production lines were combined, with each factory having a greater level of specialization

If we pass now to analysing what has already been widely described in the Notes to the Financial Statement, we believe it is necessary to add some considerations regarding the results obtained during the financial year 2002 and the prospects for the period 2003.

Firstly, in examining the financial statement's figures for 2002 some points are worth being highlighted:

- ✓ Income from sales has increased to Euro 50.593.462 compared to Euro 47.430.551 in 2001 with an increase of 6,67%.
This may be considered very satisfactory if compared with the negative trend of the European market which recorded a -4,9% in our particular sector of reference.
- ✓ Financial charges, net of exchange rate differences, and which accounted for 0,40% of the turnover in 2001 have increased to 1,17% of the turnover in 2002 due to the higher financial debt resulting from financing of the acquisitions, as already explained.
This percentage remains however at very low levels.
- ✓ The financial statement includes depreciation for Euro 1.426.037 compared to Euro 1.327.432 during the previous financial period. This amount also includes accelerated depreciation for a total of Euro 356.584.
- ✓ End of year inventory passed from Euro 8.792.984 at 31.12.2001 to Euro 8.054.623 at 31.12.2002.
The stock covering days have passed from 68 in 2001 to 58 in 2002 as a consequence of the stock reduction policy.



- ✓ Investments amounted to Euro 2.169.000 corresponding to 4,29 % of the turnover, compared to 4,48 % in 2001.
- ✓ Financial exposure increased by Euro 4.734.000 and reached a total of Euro 17.954.000.
As already mentioned, the increased exposure is justified by the loan made to Brudi Bolzoni Auramo Inc to cover the Brudi acquisition and the construction of the new premises in Chicago, as well the financing of the investments currently in progress at the main factory of Piacenza
- ✓ Current and deferred taxes amounted to a total of Euro 1.798.863 compared to Euro 1.653.933 during the previous financial period.

It should also be noted that research and development activities have not been capitalized in this financial statement and there are no Bolzoni SpA shares in the portfolio.

In examining the financial statement figures of the Subsidiaries and Affiliated companies it is important to point out the following:

✓ **Bolzoni Auramo S.a.r.l. (France):**

The financial statement at 31.12.2002 of our French subsidiary shows a total income of Euro 5.773.344 compared to Euro 7.210.506 of the previous year, which is a drop of 19,93%, and a year's profit of Euro 40.264

These figures can be justified by the downturn in our market which in France fell by 19,5% during 2002 compared to previous year.

Sales to Bolzoni Auramo Sarl amounted to Euro 4.387.744 and Bolzoni Auramo Sarl's sales to Bolzoni S.p.A. amounted to Euro 13.443.

✓ **Brudi Bolzoni Auramo Inc. (U.S.A.)**

The financial statement at 31.12.2002 of our American subsidiary shows a total sales income of \$ 10.837.000 (Euro 11.468.808 at the average 2002 exchange rate) compared to \$ 5.882.739 of the previous year with a negative result of \$ 228.461

The considerable increase in income derives from the sum of the turnovers of both Bolzoni Inc and Auramo Inc which were merged into Brudi Bolzoni Auramo Inc. on 31.05.2002.

The comparison with the sum of the incomes of the two subsidiaries (amounting to \$ 7.787.420 in 2001) indicates however an increase of about 39,25% as opposed to an market increase of 3%.

The negative result is the consequence of many factors:

- During the first 5 months the 2 companies were operating independently
- Expenses include the depreciation of the Brudi take over costs (depreciated for \$ 50.206)
- The costs for moving to the new premises have been completely booked
- The depreciation of the new premises has begun.
- Expenses for setting up the new production lines were incurred
- The US have had a disastrous 2001 with regards to the general economy (during that year alone our market sector recorded a drop of 35,1%).

It is important to note that already during the second half of 2002 the company had practically broken even. Sales to BBA Inc. amounted to Euro 6.340.167 and BBA Inc.'s sales to Bolzoni S.p.A. amounted to Euro 66.658.

✓ **Bolzoni Auramo Limited (U.K.)**

The financial statement at 31.12.2002 of our English subsidiary Bolzoni Auramo Ltd shows a total sales income of £ 1.051.009 (corresponding to Euro 1.671.563 at the average 2002 exchange rate) compared to £ 1.019.628 of the previous year and a loss of £ 118.033.

Once again the result is negative.

Substantial actions were undertaken during 2002 with the aim of putting the company in a position to handle both the Bolzoni and Auramo products (as already mentioned the sales contract with the previous Auramo dealer was terminated) and with the aim of achieving during 2003 a balance between costs and income.

Sales to Bolzoni Auramo Ltd amounted to Euro 1.039.309 and Bolzoni Auramo Ltd's sales to Bolzoni S.p.A. amounted to Euro 38.627.

✓ **Bolzoni Auramo Rental (U.K.)**

The financial statement at 31.12.2002 of our English subsidiary Bolzoni Auramo Rental shows a total sales income of £ 78.837 (corresponding to Euro 125.385 at the average 2002 exchange rate) compared to £ 60.883 of the previous year and a loss of £ 22.077.

The company was set up in 2001 and therefore is still in the starting-up phase.



Turnover is still quite low but there are prospects for future growth in view of the appreciable development of the rental market in the fork lift truck field.

✓ **Bolzoni Auramo S.L. (Spain)**

The financial statement at 31.12.2002 of our Spanish subsidiary Bolzoni Auramo SL shows a total sales income of Euro 7.907.947 compared to Euro 6.935.790 of the previous year, and with a profit of Euro 126.988

Income has therefore increased by 14% in a market where the recorded growth has been 4%.

The financial statement's net result has improved with respect to the previous year when it amounted to Euro 84.355.

Sales to Bolzoni Auramo SL amounted to Euro 3.560.032 and Bolzoni Auramo SL's sales to Bolzoni S.p.A. amounted to Euro 2.128.324.

✓ **Bolzoni Auramo Sud S.r.l. (Italy)**

The financial statement at 31.12.2002 of our Italian subsidiary Bolzoni Auramo Sud shows a total sales income of Euro 2.079.164 compared to Euro 2.066.624 of the previous year, with a profit of Euro 14.139.

Income remained basically at the same level and the company practically achieved their break-even point.

Sales to Bolzoni Auramo Sud amounted to Euro 1.407.615 and Bolzoni Auramo Sud's sales to Bolzoni S.p.A. amounted to Euro 8.380.

✓ **Bolzoni Auramo GmbH (Germany)**

The financial statement at 31.12.2002 of our German subsidiary shows a total sales income of Euro 7.406.267 compared to Euro 8.586.535 the previous year, with a loss of Euro 149.105.

The negative result is mainly due to the serious difficulties of the German market which recorded a drop of 13% in 2002.

The actions already planned for 2003 will also result in a reduction of the impact of the general expenses.

Sales to Bolzoni Auramo GmbH amounted to Euro 964.225.

✓ **Bolzoni Auramo Ab (Sweden)**

The financial statement at 31.12.2002 of our Swedish subsidiary shows a total sales income of Sek 27.137.386 (Euro 2.962.905 at the average 2002 exchange rate) compared to Sek 24.566.214 of the previous year, with a profit of Sek 696.595.

The result was partly achieved thanks to the launching of the combined marketing of Bolzoni and Auramo products,

In any case the result is very positive as it was achieved in a market which had dropped by 18%:

Sales to Bolzoni Auramo Ab amounted to Euro 129.456.

✓ **Bolzoni Auramo Pty (Australia)**

The financial statement at 31.12.2002 of our Australian subsidiary shows a total sales income of \$ Aus. 3.167.093 (Euro 1.823.738 at the average 2002 exchange rate) compared to \$ Aus. 1.751.000 of the previous year, with a profit of \$ Aus. 342.121.

The excellent result was also obtained thanks to an important order from the Linde group which, unfortunately, is unlikely to be repeated during the next years.

Sales to Bolzoni Auramo Pty amounted to Euro 634.673.

✓ **Auramo S.p.A. (Italy)**

The financial statement at 31.12.2002 of our Italian subsidiary shows a total sales income of Euro 1.345.243, with a profit of Euro 711.485 mainly deriving from the sale of mast production business to the Lift Tek Elecar Group.

Auramo S.p.A.'s sales to Bolzoni SpA amounted to Euro 401.993.

✓ **Bolzoni Auramo S.a. (Chile)**

The financial statement at 31.12.2002 of our Chilean subsidiary shows a total sales income of Pesos 231.793.000 (Euro 355.532 at the average 2002 exchange rate) compared to Pesos 152.900.400 of the previous year, with a profit of Pesos 31.365.000.

The percentage increase is certainly substantial even though achieved on generally low quantities.

The result of the financial statement is undoubtedly positive.

Sales to Bolzoni Auramo S.a. amounted to Euro 7.132.



✓ **Brudi Bolzoni Auramo Limited (Canada)**

The financial statement at 31.12.2002 of our Canadian subsidiary shows a total sales income of \$ Can 1.753.601 (Euro 1.182.606 at the average 2002 exchange rate) compared to \$ Can 1.030.141 of the previous year, with a loss of \$ Can 50.717.

The increase in the volume of business is due to both an increase in market share and also the sale of Bolzoni products (alongside the traditional Auramo products) together with the general positive trend of the market which recorded an increase of 14% compared to 2001.

The negative result derives from exchange rate losses recorded during 2002 which amounted to \$ Can. 101.000.

Sales to Brudi Bolzoni Auramo Ltd amounted to Euro 36.804.

✓ **Auramo OY**

The Consolidated Financial Statement includes the consolidated result of Auramo OY (which in turn includes the results of the Estonian and Polish subsidiaries).

The financial statement at 31.12.2002 of the Finnish subsidiary alone shows a total sales income of Euro 13.961.795 compared to Euro 14.468.000 the previous year which means a decrease of 3,5%.

Auramo OY's markets of reference in 2002 were comparable to those of Bolzoni, with a large share of the turnover produced in Western Europe (-4,9%) and a small part in US (+3%).

The consolidated result of the Auramo group amounts to a loss of Euro 437.000.

The result derives from the sale of the foreign subsidiaries to Bolzoni S.p.A. which has originated an accounting capital loss of Euro 1.629.284 without affecting the Group's consolidated result.

The result, net of the extraordinary transfer operations and before tax, was Euro 542.474.

So this certainly represents a positive result in the ordinary management of the company with prospects for improvement thanks to the actions in progress regarding integration and rationalization.

✓ **Eurolift PTY LTD**

Our Australian affiliated company closed its financial statement at 30.06.2002. with a profit of \$AUS 148.310

Sales to Eurolift amounted to Euro 348.071 and Eurolift's sales to Bolzoni S.p.A. amounted to Euro 2.787.

✓ **Hydronika BV**

Our Dutch affiliated company closed its financial statement at 31.12.2002 with a profit of di Euro 42.000.

Sales to Hydronika amounted to Euro 282.705.

Bolzoni SpA has concluded both commercial and financial transactions with the subsidiary and affiliated companies as specified above at normal market conditions. The related balances are described in detail in the Notes to the Financial Statement.

In examining the events during the first months of 2003, we believe it is necessary to highlight the following facts which have been important for our company:

- the merger operation between Auramo S.p.A. and Bolzoni S.p.A. is in progress
- the take over of Saco GmbH's business line (memorable Bolzoni dealer for Germany) is in progress; this acquisition should be fulfilled through Bolzoni Auramo GmbH who would then strengthen its position on the German market;
- even during the first quarter of 2003 and despite the persisting international crisis, the sales have maintained a positive level compared to the same period last year

No other important facts were recorded

We therefore invite you to approve the financial statement together with the Notes.

We propose to use the financial statement's profit as follows:

Euro	88.884,30	for the legal reserve;
Euro	624.971,90	for the extraordinary reserve
Euro	1.063.829,80	for dividends

Our sincere thanks to the Shareholders for their trust in us and to all our collaborators for their precious assistance.

PODENZANO, 06.05.2003

THE DIRECTORS



ASSETS		31.12.2002	31.12.2001
A	Share capital proceeds to be received	0	0
B	Fixed assets		
I	Intangible fixed assets		
2	Research, development and advertising costs	0	0
3	Industrial patents and similar rights	11.037	2.634
4	Software licences	312.607	333.455
6	Assets under construction	0	28.560
7	Other	132.039	76.561
	Total intangible fixed assets	455.683	441.210
II	Tangible fixed assets		
1	Land and buildings	3.108.380	1.824.398
2	Plant and machinery	2.016.718	2.118.512
3	Industrial and commercial equipment	67.823	137.020
4	Other assets	432.870	419.684
5	Assets under construction	0	223.008
	Total tangible fixed assets	5.625.791	4.722.622
III	Financial fixed assets		
1	Investments		
a	- Subsidiary companies	18.631.251	15.205.104
b	- Associated companies	125.722	125.722
2	Amounts receivable		
a	- Subsidiary companies		
* due within one year		5.101.710	1.500.000
d	- Other		
* due after one year		113.423	140.070
3	Other securities	0	0
	Total financial fixed assets	23.972.106	16.970.896
	Total Fixed Assets	30.053.580	22.134.728
C	Assets forming part of working capital		
I	Inventory		
1	Raw materials and supplies	1.985.239	2.067.677
2	Work in progress and semi-finished products	4.165.659	4.976.685
4	Finished goods	1.903.725	1.748.622
	Total inventory	8.054.623	8.792.984
II	Receivables		
1	Trade receivables		
- due within one year		8.578.999	7.872.043
2	Subsidiary companies		
- due within one year		6.577.454	5.997.443
3	Associated companies		
- due within one year		275.272	367.662
5	Others		
- due within one year		350.928	343.509
- due after one year		9.740	9.701
	Total receivables	15.792.393	14.590.358
III	Current financial assets	0	0
IV	Liquid funds		
1	Bank and postal accounts	1.361.539	229.709
3	Cash	8.506	9.465
	Total liquid funds	1.370.045	239.174
	Total Assets forming part of working capital	25.217.061	23.622.516
D	Prepayments and accrued income		
II	Other	129.990	113.188
	TOTAL ASSETS	55.400.630	45.870.432



LIABILITIES		31.12.2002	31.12.2001
A	Shareholders' equity:		
I	Share capital	5.319.149	5.319.149
II	Share premium reserve	5.277.504	5.277.504
III	Revaluation reserve	2.329.967	2.329.967
IV	Legal reserve	316.471	217.232
V	Reserve for own shares	0	0
VI	Statutory reserve	2.469.904	1.648.194
VII	Other reserves	284.197	284.198
IX	Net profit for the year	1.777.686	1.984.781
	Total Shareholders' equity	17.774.878	17.061.025
B	Provisions for contingencies and charges		
1	Pension and similar provisions	0	0
2	Taxation	30.598	34.685
3	Other	151.772	122.234
	Total provisions for contingencies and charges	182.370	156.919
C	Employees' leaving entitlement	2.377.050	2.175.479
D	Payables:		
3	Due to banks:		
	- due within one year	4.119.183	3.461.937
	- due after one year	14.969.494	9.942.130
	<i>Total payables due to bank</i>	19.088.677	13.404.067
4	Sums due to other financial institutions:		
	- due within one year	28.424	27.302
	- due after one year	206.500	28.424
	<i>Total sums due to other financial institutions</i>	234.924	55.726
5	Payments on account:		
	- due within one year	26.016	11.915
6	Payables to suppliers:		
	- due within one year	10.860.044	10.481.771
8	Amounts payable to subsidiaries:		
	- due within one year	3.265.403	622.464
9	Amounts payable to associated companies:		
	- due within one year	0	0
11	Sums payable to taxation authorities:		
	- due within one year	478.252	566.454
	- due after one year	0	172.174
12	Social security charges payable:		
	- due within one year	390.794	391.827
13	Other sums payable:		
	- due within one year	719.499	760.778
	Total Payables	35.063.608	26.467.174
E	Accrued expenses and deferred income:		
	- other	2.724	9.834
	TOTAL LIABILITIES	55.400.630	45.870.432
MEMORANDUM AND CONTINGENCY ACCOUNTS		31.12.2002	31.12.2001
	Collateral given	14.034.990	14.034.990
	Guarantees given on behalf of subsidiaries	601.238	258.228
	Assets held under finance leases	1.723.776	1.974.478
	Outstanding lease instalments	851.657	1.221.212
	Obligation to sell foreign currency	3.255.562	0
	Guarantees received:		
	- from banks	0	0
	- from third parties	0	0
	TOTAL	20.467.223	17.488.908

**PROFIT AND LOSS ACCOUNT**

		31.12.2002	31.12.2001
A	Production revenues:		
1	Turnover from goods and services	50.593.462	47.430.551
2	WIP, semi-finished and finished products	-655.921	335.823
4	Increases on internal work	57.221	45.426
5	Other revenues and income:		
	- grants for operating expenses	14.541	0
	- other	94.363	115.337
	<i>Total</i>	<i>108.904</i>	<i>115.337</i>
	Total production revenues	50.103.666	47.927.137
B	Production costs:		
6	Raw material, consumables and supplies	-18.475.370	-17.827.575
7	Services	-14.942.388	-14.630.265
8	Use of third party assets	-565.588	-591.457
9	Personnel expenses:		
a	- wages and salaries	-6.594.256	-6.331.649
b	- social security contributions	-2.288.657	-2.189.410
c	- employees leaving entitlement	-525.735	-486.965
e	- other costs	-39.222	-229.263
	<i>Total personnel expenses:</i>	<i>-9.447.870</i>	<i>-9.237.287</i>
10	Amortisation, depreciation and write-downs:		
a	- amortisation of intangible fixed assets	-220.579	-154.876
b	- amortisation of tangible fixed assets	-1.205.458	-1.172.556
d	- write-downs of receivables	-39.024	-35.792
	<i>Total amortisation, depreciation and write-downs</i>	<i>-1.465.061</i>	<i>-1.363.224</i>
11	Inventory variations regarding:		
	- raw materials	27.036	-79.076
	- supplies	-123.600	51.577
	- consumables and goods	14.125	32.791
	<i>Total inventory variations</i>	<i>-82.439</i>	<i>5.292</i>
12	Provision for contingencies	-29.379	-13.848
13	Other provisions	-72.392	-72.234
14	Other operating costs	-91.217	-93.026
	Total production costs	-45.171.704	-43.823.624
	TOTAL (A + B)	4.931.962	4.103.513

**PROFIT AND LOSS ACCOUNT**

		31.12.2002	31.12.2001
C	Financial income and charges:		
15	Income from investments	58.329	45.591
16	Other financial income:		
a	- receivables classified as fixed assets but are not investments	213.568	143.909
b	- securities included as fixed assets but are not investments	0	0
d	- other income	456.110	170.518
	<i>Total other financial income</i>	<i>669.678</i>	<i>314.427</i>
17	Interest and other financial charges:		
	- short term interest	-85.873	-49.951
	- medium/long term interest	-703.688	-297.971
	- exchange rate losses	-917.171	-117.290
	- other	-15.380	-14.516
	<i>Total interest and other financial charges</i>	<i>-1.722.112</i>	<i>-479.728</i>
	Total financial income and charges	-994.105	-119.710
D	Adjustments to financial asset values:		
18	Revaluations:		
a	- on investments	0	0
19	Write-downs:		
a	- on investments	-363.662	-362.462
b	- on financial fixed assets other than investments	0	0
	Total adjustments to financial asset values	-363.662	-362.462
E	Extraordinary income and expenses:		
20	Income:		
	- other extraordinary income	32.027	29.587
21	Expenses:		
	- other extraordinary expenses	-29.673	-12.215
	Total extraordinary income and expenses	2.354	17.372
	PROFIT BEFORE TAXATION	3.576.549	3.638.713
22	Taxation on profit for the year:		
	- current taxes	-1.837.368	-1.573.660
	- deferred tax charges	4.088	-16.053
	- deferred tax income	34.418	-64.220
	<i>Total taxation</i>	<i>-1.798.863</i>	<i>-1.653.933</i>
23	Net profit for the year	1.777.686	1.984.781



Accounting Principles

The financial statement referring to period 01/01/02-31/12/02, made up of the Balance Sheet, Profit and Loss Account and these notes, in addition to the Management Report, has been prepared in compliance with the current legislative requirements, interpreted and completed by the accounting principles issued by the Italian Accounting Profession.

The financial statement faithfully represents the accounting records reflecting all the operations carried out by the Company.

In order to complete the picture regarding the financial situation of the Company, a statement of cash flows is also included.

Reference should be made to the Management Report for information on the nature of the Company's business activities, significant post-balance sheet events, expected future developments and relationships with subsidiary and associated companies.

The accounting policies adopted to prepare the financial statement are applied in line with the concept of prudence and are, at the same time, the same as those of the previous year; they are approved by the Board of Auditors, where required by the law, and are described below for the most significant captions.

Intangible fixed assets

Intangible fixed assets are recorded at cost of purchase, inclusive of ancillary charges, less the accumulated amortisation. Where required by Law, they are recorded with the approval of the Board of Auditors.

The depreciation rates applied and which are considered most suitable for calculating the costs over the expected useful period of life of the assets, are described below:

➤ Industrial patents and similar rights

Depreciation is calculated over three years, which is the period corresponding to their expected future use.

➤ Licenses, trademarks and similar rights – Software

Depreciation is calculated over three years, taking into account the expected period of use.

➤ Other intangible fixed assets

This caption includes costs incurred for obtaining medium/long term financing. Depreciation is based on the length of the relative financing contracts.

Tangible fixed assets

They are accounted for at their purchase price corresponding to price paid for assets purchased from third parties inclusive of additional charges incurred until they are put into use and excluding financial charges. With regards to assets produced internally, cost includes all direct and indirect productions expenses. These amounts are increased by the currency revaluation established by Laws 576/75, 72/83, 413/91 and 342/2000.

These balances are recorded net of accumulated depreciation, which is calculated on a straight line basis for all depreciable assets existing at the end of the year, according to their remaining estimated use, by means of rates considered representative of their useful lives. These rates, representing the maximum rates allowed by the tax legislation, are described in the note to tangible fixed assets. Assets not yet in use are not depreciated and 50% of the rate is applied for the year of purchase and activation in order to reflect their lesser use.

Assets with a unit value of less than € 516,46 are fully depreciated in the year of purchase given their short period of use.

Ordinary maintenance and repair costs, which do not lengthen the assets' life, are charged in the year in which they are incurred.

Should the assets incur in a permanent impairment of value. They are written down accordingly, regardless of the recorded depreciation. If the reasons for the write-down no longer exist in future years, the assets are restored to their original value.

In the current year, and in some of the previous ones, the company made recourse to accelerated depreciation, within the limits allowed by the ruling tax legislation (art. 67 of the Consolidated Tax Act n° 917 dated 22/12/1986 and subsequent modifications) in order to benefit from a



corresponding deferred taxation and consequently, greater financial resources.

In the balance sheet, “Provision for accelerated depreciation” is shown together with Depreciation provision and is recorded as a reduction against the value of the relevant assets.

The effects of accelerated depreciation on the relevant balance sheet captions, on shareholders’ equity and on the year’s result are described in the note on tangible fixed assets.

➤ Leased assets

Assets acquired under leasing contracts are accounted for under tangible fixed assets in compliance with the ruling legislation, i.e. only when they are redeemed by the Company at the end of the contract. The lease instalments are taken to the profit and loss account on a pro rata temporis basis, while the outstanding payable is disclosed in the memorandum and contingency accounts over the lease term.

The effects of the recording of finance leasing contracts according to the international accounting principles which consider them as financing operations and therefore require them to be recorded using the financial method are described further on in these notes. In order to reflect the substance of the transaction, this method provides for the recording of the original value of the leased assets under tangible fixed assets, the disclosure of the corresponding residual payable due to the leasing company under liabilities and the recording in the profit and loss account of the depreciation charge and relative interest, which is included in the lease instalments paid to the leasing company, instead of the lease instalments recorded on pro rata temporis basis.

Financial fixed assets

The book value of investments, representing permanent industrial investments, is given by the costs incurred for their acquisition or establishment. Should a permanent loss in the shareholders’ equity of the subsidiary or affiliated company arise from the most recent financial statements or from draft financial statements approved by the relevant board of directors, the real cost incurred is adjusted by means of a write-down of the investment.

These write-downs are not maintained in the future years if the reasons for them are no longer valid.

In order to give a better picture of the activities of the company and the group, in compliance with the ruling legislation, the company has prepared the consolidated financial statement of the group together with the statutory financial statement.

The receivables included under the financial fixed assets refer to receivables due from the subsidiary companies, guarantee deposits and tax advances on employees’ leaving entitlement; they are accounted for at their nominal value.

Inventory

Inventory is evaluated at the lower value between purchase cost, including ancillary charges, or production cost and estimated market value (replacement costs for raw material). Purchase costs include prices paid to suppliers net of discounts and rebates. Production costs include transport costs and expenses incurred to bring the asset to the condition in which it is at the end of the year, as well as specific costs for each single good or category of goods and general production costs. The normal production capacity of the plant is considered in the allocation of general production costs.

All inventory is valued using the year-to-year LIFO method. The difference with respect to the current value of inventory at year end is described in the note on the composition of inventory. A provision for inventory obsolescences is set up, in addition to the normal scrapping carried out during the year.

Receivables and payables

Receivables are recorded at their estimated break-up value, obtained through an accrual to the bad debt provision thus reducing their nominal value.

The amount of this provision is proportional to the risks related to specific bad debts and the general risk of non-collection on all receivables, precautionally estimated on the basis of past experience, as well as the solvency of the debtors, and also considering that the company has an important insurance coverage (90%) for most of the receivables existing at the date of the balance sheet.

Payables are indicated at their nominal value, which is considered to be near their expected settlement value.

Receivables and payables in non-Euro currencies are converted into Euro using the official exchange rate ruling on the date of the transaction. Exchange rate differences recorded upon settlement of the relevant receivables and payables are recorded in the profit and loss account as financial income or charges respectively. The value of receivables and payables in foreign currency existing at the end of the year is converted into Euro according to the year end exchange rates.



Prepayments and accrued income/accrued expenses and deferred income

Accrued income and expenses are the counter entries to income and costs relating to at least two years for which the corresponding cash movements have not yet taken place at the date of the balance sheet. They are accounted for on an accruals and matching basis.

Prepayments and deferred income respectively reflect the portion of costs and income relating to at least two years not attributable to the result of the year in which the related cash movement took place.

Provisions for contingencies and charges

Accruals are made to the provisions for contingencies and charges to cover the certain or probable liabilities of the company, not related to specific asset captions and of which the due date or the amount are unknown at year end.

Employees' leaving entitlement

This provision is calculated in accordance with the relative ruling legislation (art. 2120 of the Civil Code) and with the national labour contracts and internal agreements. It represents the accrued payable of the company at year end, due to its employees, based on length of service, net of any advanced payments.

Taxation

Income taxes are calculated on the basis of a realistic estimate of the tax payable, in accordance to the ruling legislation and taking into account any tax exemption to which the company is entitled. Deferred tax assets and

liabilities arising from temporary differences between the book and tax values of assets and liabilities have been accounted for on an accruals basis, matching the costs and income to the related taxes to be paid or recovered in future years.

Deferred tax assets are prudently recorded and only if there is a reasonable certainty of their future realisation while deferred tax liabilities are always recorded.

The company has not considered the DIT relief when calculating deferred tax assets and liabilities as it is not certain that it will be able to benefit from it when the temporary differences arise.

Income and costs

They are prudently indicated on an accruals basis and are matched with the related prepayments and accrued income, accrued expenses and deferred income.

Revenue and income, costs and charges are accounted for net of returns, discounts, rebates and premiums. All the intercompany transactions, both commercial and financial, with the subsidiary and associated companies, have taken place at normal market conditions. The related assets and liabilities statements are described below, while reference should be made to the management report for information on the financial situation.



Analysis of the main captions of the Balance Sheet and Profit and Loss Account

For easier reading, figures are indicated in thousands of Euro.

The main variations in the captions, which have taken place during the year, are described in the following paragraphs.

Intangible fixed assets

Variations during the year have been as follows:

Asset	% deprec.	31.12.01	Revaluation	Reserve 31.12.01	31/12/01	Increase s	Change	Deprec.	31/12/02
Patents	33,3%	36	0	33	3	15	0	7	11
Software	20,0%	733	0	400	333	157	0	177	313
Assets under construction		29	0	0	29	0	-29	0	0
Others.	**	158	0	82	76	63	29	36	132
Total		956	0	515	441	235	0	220	456

** due to the duration of the financing contracts.

Industrial patents refer to costs incurred for filed applications. The captions have been included with the approval of the Board of Auditors and are depreciated over three years beginning from the year in which they are activated.

Software investments made during the year refer to purchase of new programmes or customization of existing ones and are depreciated over three years. Figures recorded for financing expenses are depreciated on the basis of the actual length of the contract.

Tangible fixed assets

Variations during the year have been the following:

Asset	% depr.	amount 31.12.01	Provis. 31.12.01	31.12.01	Purch	Change	Sold	Ord. Depr.	Acc. Depr.	31.12.02
Land		721	0	721	0	0	0	0	0	721
Buildings	3,0%	1.711	608	1.103	1.138	223	0	62	15	2.387
Total		2.432	608	1.824	1.138	0	0	62	15	3.108
Plant	10,0%	6.623	4.504	2.119	655	0	60	524	173	2.017
Machinery	15,5%	130	130	0	0	0	0	0	0	0
Total		6.753	4.634	2.119	655	0	60	524	173	2.017
Equip.	25,0%	2.281	2.144	137	49	0	0	80	38	68
Cars	20,0%	296	214	82	15	0	0	30	15	52
Furniture	12,0%	483	450	33	132	0	0	23	9	133
Electr.Equip	20,0%	730	535	195	51	0	1	75	54	116
Other vehicles	25,0%	167	57	110	129	0	0	55	52	132
Other buildings	10,0%	2	2	0	0	0	0	0	0	0
Total		1.678	1.258	420	327	0	1	183	130	433
Assets under constr.		223	===	223	0	223	0	0	0	0
TOTAL		13.367	8.644	4.723	2.169	0	61	849	356	5.626



Assets sold during 2002 amounted to € 231.000 depreciated by € 170.000; this generated a gain of € 59.000 recorded under caption A-5 of the Profit and Loss statement.

The ratio between the cost and accumulated depreciation indicates that at end of year the fixed assets were depreciated by 63% (31st December 2001 = 66%).

Variations in tangible fixed assets during the year may be summarised as follows :

	31.12.01	Invest.	Change	Disinv.	31.12.02
Land and buildings	2.432	1.138	223	0	3.793
Plant and machinery	6.753	655	0	220	7.188
Ind. and comm. equipment	2.281	49	0	0	2.330
Other assets	1.678	327	0	11	1.994
Assets under construction	223	0	- 223	0	0
TOTAL	13.367	2.169	0	231	15.305

The most important increases during the year regarded the following:

Office building – new floor and renovation	421
Construction of new production building 2002	655
Elect.substation and laying electric line under ground	48
Other buildings	14
Total land and buildings	1.138
Electric wiring offices new floor	35
New Mandelli machine tool mod. Regent	107
Heating/air conditioning system	26
Productions masks	159
Waterworks/office heating	27
Eurostar monospace lift	17
Other plants and machinery	284
Total plant and machinery	655
Various minor equipment	49
Vehicles	129
Hardware	51
Other assets	147
Total of other assets	327
TOTAL	2.169



Variations in accumulated depreciation during the year are as follows:

Assets	31.12.01	Depreciation	Utilisation	31.12.02
Land and buildings	608	77	0	685
Plant and machinery	4.634	697	160	5.171
Industrial and commercial equipment	2.144	118	0	2.262
Other assets	1.258	313	10	1.561
Total	8.644	1.205	170	9.679

The transfer value for each asset corresponds to the difference between its disinvestment and utilisation of the relating accumulated depreciation.

The following depreciation rates are applied (same as last year's):

Asset	Rate
Buildings	3%
Plant and machinery	10% - 15,5%
Equipment	25%
Vehicles for transport	20%
Office furniture and equipment	12%
Vehicles	25%
Electronic equipment	20%

As previously indicated, during both 2002 and previous years, the company accounted for accelerated depreciation only in order to make use of the tax benefits provided for by the relevant legislation.

Accelerated depreciation accounted for at 31.12.1999 on plant, equipment, office furniture and equipment, electronic and electromechanical machinery has been entirely absorbed by the above-mentioned revaluation Law 342/2000.

Thus, at 31.12.2002, the above-mentioned categories of assets include only the accelerated depreciation accounted for in 2000, 2001 and 2002. At 31.12.2002 the buildings and vehicles categories include the accelerated depreciation applied in the current and previous years.

If the Company had applied the maximum depreciation rates allowed by the tax legislation held to represent the residual utilisation of the assets on a straight line basis instead of recording the accelerated depreciation, the net tangible fixed assets at 31/12/2002 would have been approximately € 780.000 higher (€ 495.000 at 31 December 2001) and depreciation for the same period would have been approximately € 285.000 lower.

Consequently, shareholders' equity at 31st December 2002 and the year's net profit would have been approximately € 466.000 (€ 301.000 at 31st December 2001) and € 165.000 higher respectively, net of the theoretical tax effect, calculated on the basis of the expected IRPEG and IRAP tax rates to be applied upon the reversal of accelerated depreciation and without considering any DIT effect.



As previously indicated, assets held under lease contracts have been accounted for during 2002, as in the past, in compliance with the provisions of the Civil Code.

Had the leases been accounted for using the so-called financial method, which establishes the recording of the value of the tangible fixed assets and corresponding payable, as well as the booking of the related accumulated depreciation on the basis of the useful economic-technical lives together with the interest attributable to year, then the effects on the financial statements at 31st December 2002 and 31st December 2001 would have been the following:

Assets	2002	2001
Higher gross value of tangible fixed assets	3.945	3.921
Higher value of accumulated depreciation	2.638	2.264
Lower prepayments	71	85

Liabilities

Higher financial payables	820	1.174
With the next financial year	389	354
Beyond the next financial year	431	820

Profit and loss account

Higher depreciation	377	431
Higher financial charges	40	58
Lower costs for use of third party assets	428	469

Consequently, at 31st December 2002, shareholders' equity would have approximately € 249.000 higher and the year's closing result would have been approximately € 7.000 higher, net of the theoretical tax effect, calculated as explained previously.

Collateral on the tangible fixed assets for financing received is as follows:

	31.12.01	31.12.02
Mortgages on buildings	14.035	14.035

**Financial fixed assets****➤ Investments**

Variations during the year regarding investments were the following:

Subsidiaries:	Historic Cost.	Prev. Reval.	Prev. W-down	31.12.01	Purch.	Reval.	31.12.02
Bolzoni Inc.	2.347	609	1.989	967	-967	0	0
Brudi Bolzoni Auramo Inc.	0	0	0	0	3.282	0	3.282
Bolzoni Auramo Ltd	571	0	518	53	150	180	23
Bolzoni Auramo S.l.	683	0	0	683	0	0	683
Bolzoni Auramo Sud s.r.l.	18	0	0	18	0	0	18
Bolzoni Auramo Rental	80	0	21	59	0	35	24
Bolzoni Auramo S.a.r.l.	376	0	0	376	0	0	376
Auramo Oy	13.049	0	0	13.049	70	0	13.119
Auramo S.p.a.	0	0	0	0	272	0	272
Bolzoni Auramo Bv	0	0	0	0	9	0	9
Bolzoni Auramo Pty	0	0	0	0	30	0	30
Bolzoni Auramo Sa	0	0	0	0	69	0	69
Brudi Bolzoni Auramo Ltd	0	0	0	0	22	22	0
Bolzoni Auramo Gmbh	0	0	0	0	129	125	4
Bolzoni Auramo Ab	0	0	0	0	722	0	722
TOTAL	17.124	609	2.528	15.205	3.788	362	18.631
Affiliated companies:							
Eurolift	47	0	0	47	0	0	47
Hydronika	79	0	0	79	0	0	79
TOTAL	126	0	0	126	0	0	126
TOTAL INVESTMENTS	17.250	609	2.528	15.331	3.788	362	18.757



Supplementary Note to Financial Statement – Bolzoni Spa

We have set out below information on our subsidiary and affiliated companies, resulting from the latest financial statement approved by the Board of Directors or from the latest available drafts:

➤ SUBSIDIARIES

Brudi Bolzoni Auramo Incorporated (100% holding)

Reg.Office: 17635 Hoffman Way
Homewood II 60430 USA

Currency	US \$ 000	€ 000	€ 000 Hist.exch.rate
Share capital	500	480	480
2002 Result	-190	-225	-225
2002 Shareholders' equity	2.715	2.605	2.605
2002 Our part of shareh.equity	2.715	2.605	2.605
Book value		3.282	3.282
Difference		-677	-677

Bolzoni Auramo Limited (100% holding)

Reg.Office: Europa Bvd -West Brook
Warrington UK

Currency	UK£ 000	€ 000	€ 000 Hist.exch.rate
Share capital	652	1.003	1.002
2002 Result	-118	-181	-177
2002 Shareholders' equity	15	23	23
2002 Our part of shareh.equity	15	23	23
Book value		23	23
Difference		0	0

Bolzoni Auramo S.L. (100% holding)

Reg.Office: C.Dels/Basters 10-14
Palau de Plegamans – Barcelona Spain

Currency	€ 000
Share capital	750
2002 Result	121
2002 Shareholders' equity	1.191
2002 Our part of shareh.equity	1.191
Book value	683
Difference	508

Bolzoni Auramo Sud S.r.l. (70% holding)

Reg.Office: S.S. 16 Km 770+580
Bisceglie (Bari) Italy

Currency	€ 000
Share capital	26
2002 Result	6
2002 Shareholders' equity	126
2002 Our part of shareh.equity	88
Book value	18
Difference	70

**Bolzoni Auramo Rental (100% holding)**

Reg.Office: Europa Bvd -West Brook
Warrington UK

Currency	UK£ 000	€000	€000 Hist.exch.rate
Share capital	50	77	82
2002 Result	-22	-34	-36
2002 Shareholders' equity	15	23	24
2002 Our part of shareh.equity	15	23	24
Book value		24	24
Difference		-1	0

Bolzoni Auramo S.A.R.L. (100% holding)

Reg.Office: Rue Avogadro – Z.I. Technopole Sud
57600 Forbach France

Currency	€000
Share capital	198
2002 Result	43
2002 Shareholders' equity	639
2002 Our part of shareh.equity	639
Book value	376
Difference	263

Auramo Oy (100% holding)

Reg.Office: Valimotie 22-24
Vantaa Finland

Currency	€000
Share capital	565
2002 Result	-482
2002 Shareholders' equity	4.941
2002 Our part of shareh.equity	4.941
Book value	13.119
Difference	-8.178

Auramo S.p.a. (100% holding)

Reg.Office: Località I Casoni
29027 Podenzano PC Italy

Currency	€000
Share capital	153
2002 Result	711
2002 Shareholders' equity	866
2002 Our part of shareh.equity	866
Book value	272
Difference	594



Supplementary Note to Financial Statement – Bolzoni Spa

Bolzoni Auramo BV (51% holding)

Reg.Office: Waterbeemd 6A
Helmond Holland

Currency	€ 000
Share capital	18
2002 Result	0
2002 Shareholders' equity	18
2002 Our part of shareh.equity	9
Book value	9
Difference	0

Bolzoni Auramo Australia PTY Ltd (100% holding)

Reg.Office: 2/81 Harrison Rd
Dudley Park SA 5008 Australia

Currency	Aus.\$ 000	€ 000	€ 000 Hist.exch.rate
Share capital	950	512	512
2002 Result	342	184	184
2002 Shareholders' equity	423	228	228
2002 Our part of shareh.equity	423	228	228
Book value		30	30
Difference		198	198

Bolzoni Auramo SA (100% holding)

Reg.Office: Avenue Isidora Goyenechea 2925 Off. 103
Las Condes – Santiago Chile

Currency	Pesos 000	€ 000	€ 000 Hist.exch.rate
Share capital	80.565	107	107
2002 Result	31.365	42	42
2002 Shareholders' equity	61.819	83	83
2002 Our part of shareh.equity	61.819	83	83
Book value		69	69
Difference		14	14

Brudi Bolzoni Auramo Ltd (100% holding)

Reg.Office: 90C Brunswick
Dollard des Ormeaux Quebec Canada

Currency	Can.\$ 000	€ 000	€ 000 Hist.exch.rate
Share capital	700	423	423
2002 Result	-66	-40	-40
2002 Shareholders' equity	-43	-26	-26
2002 Our part of shareh.equity	-43	-26	-26
Book value		0	0
Difference		-26	-26



Bolzoni Auramo GmbH (100% holding)

Reg.Office: Stockkamp 12-14
Solingen Germany

Currency	€ 000
Share capital	485
2002 Result	-149
2002 Shareholders' equity	4
2002 Our part of shareh.equity	4
Book value	4
Difference	0

Bolzoni Auramo AB (100% holding)

Reg.Office: P. O. Box 172
Gavle Sweden

Currency	Sw.Kr 000	€ 000	€ 000 Hist.exch.rate
Share capital	100	11	11
2002 Result	697	76	76
2002 Shareholders' equity	3.026	144	144
2002 Our part of shareh.equity	3.026	144	144
Book value		722	722
Difference		-578	-578

➤ **AFFILIATED COMPANIES**

Eurolift PTY Ltd: (24,5% holding)

Reg.Office: 9 Pasadena Crescent
Pasadena S.A. 5042 Australia

Currency	Aus.\$ 000	€ 000	€ 000 Hist.exch.rate
Share capital	300	171	189
2002 Result	148	80	93
2002 Shareholders' equity	483	260	304
2002 Our part of shareh.equity	119	64	74
Book value		47	47
Difference		17	27

Hydronika BV (24,5% holding)

Reg.Office: Rootakkers 57
5708 BA Helmond Holland

Currency	€ 000
Share capital	16
2002 Result	30
2002 Shareholders' equity	327
2002 Our part of shareh.equity	80
Book value	79
Difference	1



During 2002 following the acquisition of Auramo OY and the group reorganization, Bolzoni SpA bought from the Finnish company 100% of the shares of Auramo S.p.A., Bolzoni Auramo Australia Pty Ltd, Bolzoni Auramo SA, Bolzoni Auramo GmbH, Bolzoni Auramo AB and Brudi Bolzoni Auramo Ltd.

Moreover during the same year, Bolzoni SpA passed the Bolzoni Inc shares to Brudi Bolzoni Auramo Inc, receiving in exchange 87% of the shares in the new company. Subsequently the remaining 13% of the shares were bought from Auramo OY.

In December 2002, 51% of the share capital of the Dutch company Bolzoni Auramo BV was agreed upon and also paid.

In the financial statement the value recorded for investments in Bolzoni Auramo Ltd, Bolzoni Auramo Rental, Bolzoni Auramo GmbH, Brudi Bolzoni Auramo Ltd have been written down to reflect the value of Bolzoni SpA's part of the shareholders' equity of the subsidiaries as, on the basis of information currently available regarding future prospects, this difference has been considered permanent.

With reference to the investments in Bolzoni Auramo Sud S.r.l., Bolzoni Auramo S.L., Bolzoni Auramo Sarl,

Bolzoni Auramo Pty, Bolzoni Auramo SA, Bolzoni Auramo AB and Auramo S.p.A., the positive difference between the pro-quota shareholders' equity and the book value is due to retained earnings of the subsidiary.

With regards to the investment in Brudi Bolzoni Auramo Inc., the negative difference between the net shareholders' equity and the book value was not written-down as the company started operating on 01.06.02 and considering the difficulties connected to the start-up period, the reported net loss is not to be considered permanent, on the basis of future prospects.

The Auramo OY investment has not been written down as the loss of value is not considered permanent. The result depends on extraordinary factors, without which the company's result would have been positive. Future prospects allow us to consider the difference between the company's net shareholders' equity and the investment's booked value as recoverable over the next few years.

The total effect of the valuation of investments using the net shareholders' equity method on the balance sheet and profit and loss account for year 2002, may be seen in the consolidated financial statements presented together with the parent company's financial statement.

Receivables

Variations in receivables included under fixed assets during the year were as follows:

	31.12.01	Increases	Decreases	31.12.02
Subsidiary companies	1.500	5.102	1.500	5.102
Other for guarantee deposits	7	/	/	7
IRPEF advance on employees' leaving benefit	133	/	27	106
Total	140	/	27	113

During 2002 an interest bearing loan made to the subsidiary Auramo OY was paid back for the amount of €1.500.000 and the following loans were paid out at the interest rate of 3,96% refundable within 31.12.2003, unless tacitly extended.

	Amount paid
Brudi Bolzoni Auramo Inc	€ 800.000
Brudi Bolzoni Auramo Inc	\$ 2.000.000
Bolzoni Auramo Ab	€ 400.000
Brudi Bolzoni Auramo Ltd	€ 700.000
Bolzoni Auramo Australia Pty	€ 700.000
Bolzoni Auramo Sa	€ 80.000
Bolzoni Auramo Ltd	€ 307.700



Assets forming part of working capital

➤ Inventory

Variations in final inventory were as follows:

	31.12.02	31.12.01	Variation
Raw material and supplies	2.083	2.165	- 82
Provision for obsolete raw material and supplies	- 98	- 98	0
Total raw material and supplies	1.985	2.067	- 82
Work in progress and semi-completed products	4.393	5.204	- 811
Provision for inventory obsolescence	- 227	- 227	0
Total WIP and semi-completed products	4.166	4.977	- 811
Finished goods	1.979	1.824	155
Provision for inventory obsolescence	- 75	- 75	0
Total finished goods	1.904	1.749	155
TOTAL	8.055	8.793	- 738

The average inventory turnover rate remains high (58 days compared to 68 in 2001), despite the good reduction obtained during 2002 thanks to a better handling of the production area.

Provision for inventory obsolescence	31.12.01	Utilisation	Accrual	31.12.02
Raw material and supplies	98	0	0	98
WIP and semi-completed products	227	0	0	227
Finished goods	75	0	0	75
Total	400	0	0	400

Following an analysis of slow moving inventory items, a provision for obsolescent stock has been maintained amounting to €400.000, as indicated in detail above.

Inventory value at 31st December 2002, calculated on the basis of current costs, amounted to €8.479.164 (compared to €9.270.798 at 31.12.2001).

Inventory at 31st December 2002	LIFO	Current costs	Variation
Raw material and supplies	2.083	2.062	- 21
WIP and semi-completed products	4.393	4.410	17
Finished goods	1.979	2.007	28
Total	8.455	8.479	24



➤ **Receivables**

Detail of trade receivables	31.12.02	31.12.01	Variation
Trade receivables	5.289	4.641	648
Bills subject to collection	3.370	3.346	24
Invoices to be issued	59	0	59
Credit notes to be issued	-3	-1	2
Provision for bad debts	-136	-114	22
Total	8.579	7.872	707
Of which - due within the following year	8.579	7.872	707
- due after the following year	0	0	0

Variations in trade receivables are mainly due to increased turnover recorded during the year.

Variations in the provision for bad debts during 2002:

Provision as per Art.71 of
Pres.Decree 917/86

Balance at 31.12.01	114
Utilisation	17
Accrual	39
Balance at 31.12.02	136

This provision at 31st December 2002 does not include any taxed items and appears adequate with respect to total receivables existing at that date, also in consideration of the fact that the company has an insurance policy covering its receivables.

The utilisation of the bad debt provision refers to small amounts under the minimum limit established by the insurance company or to the irrecoverable percentage of the receivable which is charged to the company.

Receivables from subsidiaries:

	31.12.02	31.12.01	Variation
Auramo Oy	46	0	46
Bolzoni Auramo AB	36	0	36
Bolzoni Auramo Gmbh	136	0	136
Bolzoni Auramo Pty Ltd	263	0	263
Bolzoni Auramo SA	4	0	4
Bolzoni Auramo Polska	9	0	9
Brudi Bolzoni Auramo Ltd	18	0	18
Bolzoni Auramo SL	1.264	1.044	220
Brudi Bolzoni Auramo Inc.	2.916	2.182	734
Bolzoni Auramo Ltd	309	740	-431
Bolzoni Auramo Rental	118	149	-31
Bolzoni Auramo Sud srl	477	601	-124
Bolzoni Auramo sarl	981	1.281	-300
Total	6.577	5.997	580

These receivables are solely of a commercial nature for transactions performed at normal market conditions.



Receivables from affiliated companies	31.12.02	31.12.01	Variation
Eurolift	128	258	-130
Hydronika	88	110	-22
Bolzoni Auramo South Africa	52	0	52
Bolzoni Auramo New Zealand	7	0	7
Total	275	368	-93

These receivables are solely of a commercial nature for transactions performed at normal market conditions.

As may be seen in the following table, trade receivables in non-Euro currencies are valued at the exchange rates ruling on 31.12.02. The negative differences adjust the value of the receivables and are recorded under caption C 17 of the Profit and Loss account.

Currency	Amount	Ex.rate on 31.12.02	Euro	Book value	Difference
\$	3.431.023	1,0422	3.292.096	3.523.641	-231.544
LGS	535.941	0,6500	824.525	856.968	-32.442
TOTAL			4.116.622	4.380.609	- 263.987

Other receivables:	31.12.02	31.12.01	Variation
Taxation authorities	44	120	-76
Deferred tax assets	130	95	35
Loans to employees	0	4	-4
Advances to suppliers	140	119	21
Others	47	15	32
Total :	361	353	8
of which - due within the following year	351	343	8
- due after the following year	10	10	0

Receivables due after one year refer to ILOR (Local income tax) and IRPEG (Corporation tax) refunds requested in previous years and for which the collection date is unknown.

Deferred tax assets relate to temporarily increasing variations (provision for guarantees and industrial association contribution) calculated for tax purposes which will reverse in the short term.

As already mentioned, deferred tax assets are prudently recorded on the basis of the reasonable certainty regarding their future realisation. Consequently, the Company has not recorded any deferred tax assets on temporary differences generated by the provision for inventory obsolescence and for the agents' termination benefit amounting to a total of €181.000, as the date of their realisation is unknown and therefore there is no evidence that at that date a sufficient taxable income will be available to cancel the temporary differences.

As required by point 6 , article 2427 of the Civil Code, it should be noted that receivables due after one year are however considered due within five years.



➤ Liquid funds:	31.12.02	31.12.01	Variation
Bank accounts	1.362	230	1.132
Cash-in-hand and cash equivalents	8	9	-1
Total	1.370	239	1.131

Comments on the Company's financial position are given below in the paragraph regarding Payables to other Financial institutions.

➤ Details regarding Prepayment and Accrued Income:	31.12.02	31.12.01	Variation
Prepayments:			
- lease instalments	76	85	-9
- others	54	28	26
Total:	130	113	17
Of which: - due within the following year	130	113	17
- due after the following year	0	0	0

Liabilities

➤ Shareholders' equity

Below is a summary of the variations during 2002:

	Share capital	Share Premium Reserve	Reval. reserve.	Legal reserve	Statutory Reserve	Profit	Dividends	Total
Balance at 31.12.01	5.319	5.278	2.330	217	1.932	1.985	0	17.061
2001 profit allocation	0	0	0	100	822	-1.985	1.063	0
Dividends	0	0	0	0	0	0	-1.063	- 1.063
Increases	0	0	0	0	0	0	0	0
2002 profit	0	0	0	0	0	1.777	0	1.777
Balance at 31.12.02	5.319	5.278	2.330	317	2.754	1.777	0	17.775

Following the Shareholders' resolution of 19.06.2002, the 2001 profit has been allocated to dividends for the amount of € 1.063.000 and the remainder allocated to reserve.

Except for the legal reserve, the financial statement does not include other undistributable reserves.

Substitute tax has been applied on the revaluation reserve as per Law 342/2000, according to the tax rates established by the relevant law.



➤ **Composition of the share capital**

At 31.12.2002 the share capital amounted to € 5.319.149.= divided into 5.319.149 shares each having a nominal value of €1. There are no dividend-bearing shares or bonds.

Provisions for contingencies and charges

➤ **Pension for administrators**

Variations to this provision have been the following:	31.12.02	31.12.01	Variation
Opening balance	0	83	-83
Utilisation	0	83	-83
Accrual	0	0	0
Closing balance	0	0	0

➤ **Taxation provision**

Variations to this provision have been the following	31.12.02	31.12.01	Variation
Opening balance	35	19	-16
Utilisation	13	9	-4
Accrual	9	25	-16
Closing balance	31	35	-4

The amounts indicated above refer to deferred taxes on capital gains, in compliance with article 54 of the Consolidated Tax Act.

➤ **The company's tax position is as follows:**

Years open for tax purposes: 1997-1998-1999-2000-2001 Direct and Indirect taxes

Pending litigations: During March 2003 the Tax Revenue Office of Piacenza carried out an inspection regarding year 1999. The final declaration dated 28.03.2003 does not evidence important irregularities.

➤ **Other provisions:**

	31.12.01	Accrual	Utilisation	31.12.02
Agents' termination benefit	50	13	0	63
Warranties	72	72	72	72
Contingencies and charges	0	17	0	17
Total	122	102	72	152

Agents' termination benefit: this provision is set up to cover the indemnity matured by agents for this purpose. The accrual is recorded under caption B13 of the profit and loss account.

Warranties: this provision is set up to cover warranty charges on products sold during 2002 that the company expects to incur the following year.



The €72.000 utilisation is recorded under caption B7 of the profit and loss account.

Accrual for 2002 is recorded under caption B13 of the profit and loss account.

Contingencies and charges: this provision is set up to cover losses of Brudi Bolzoni Auramo Ltd who closed 2002 with a negative net shareholders' equity.

➤ Employees' leaving entitlement

Variations have been as follows:

	31.12.02	31.12.01	Variations
Opening balance	2.175	1.941	234
Utilisation	156	155	1
Advances	57	77	-20
Accrual	415	466	-51
Closing balance	2.377	2.175	202

The greater amount of the accrual shown in the profit and loss account compared to the above balance relates to the entitlement benefit matured by resigning employees during the year amounting to €21.000.

Average number of employees divided into the different categories:

	31.12.02	31.12.01
Management	5	5
White collar	94	85
Blue collar	142	152
TOTAL	241	242

Payables

➤ Payables to banks

	31.12.02	31.12.01	Variation
Current account overdrafts	1.847	2.692	-845
Mortgage loans	8.148	8.328	-180
Other financing	9.094	2.384	6.710
Total:	19.089	13.404	5.685
of which:			
- due within the following year	4.119	3.462	657
- due after the following year	14.970	9.942	5.028

The mortgage loans have been obtained at the following conditions:

- ◆ Mediocredito Padano, principal €1.007.091 obtained in 1996, outstanding payable at 31st December 2002 €345.381, floating interest rate (4,38% at 31st December 2002) repayable in half-yearly instalments starting from 1997 and ending on 15.12.2005;
- ◆ Mediocredito Padano, principal €267.008 obtained in 1996, outstanding payable at 31st December 2002 €53.402, floating interest rate (5,20% at 31st December 2002), repayable in half-yearly instalments starting from 1999 and ending on 05.10.2003



- ◆ Intesa BCI Mediocredito, principal € 7.750.000 obtained in 2001, outstanding payable at 31st December 2002 € 7.750.000, floating interest rate (3,63% at 31st December 2002), repayable in half-yearly instalments starting from 31.03.2004 and ending on 30.09.2010.
- ◆ Unicredito, principal € 1.800.000 obtained in 2001, outstanding payable at 31st December 2002 € 1.800.000, floating interest (3,307% at 31.12.2002).

Other financing mainly relates to loan obtained at following conditions:

- ◆ Principal € 2.065.828 obtained in 1999, outstanding payable at 31st December 2002 € 293.348, floating interest rate (3,867 % at 31st December 2002), repayable in half-yearly instalments starting from 31.12.1999 and ending on 30.06.2003; no collateral has been given for this loan.
- ◆ Principal € 7.000.000 obtained in 2002, outstanding payable at 31st December 2002 € 7.000.000, floating interest rate (3,86 % at 31st December 2002), repayable in half-yearly instalments starting from 30.09.2004 and ending on 31.03.2007; no collateral has been given for this loan.

Mortgage loans and other financing varied as follows:	31.12.01	New loans	Repayments	31.12.02
Mortgage loans	8.149	0	179	7.970
Other financing	1.793	7.300	2.093	7.000
TOTAL	9.942	7.300	2.272	14.970

The guarantees on loans existing at 31st December 2002 are indicated in the financial statement under the caption Memorandum Account.

Below is the detail of the due dates:

within 2004	2.400
within 2005	3.534
within 2006	3.440
within 2007	2.274
after 2007	3.322
TOTAL	14.970

€3.322.000 is due after more than 5 years.

➤ **Payables to other financial institutions**

This caption includes:

- Financing amounting to € 210.589 obtained pursuant to Law 46/82, to be repaid in 10 years with equal instalments starting from 1993;
- Financing amounting to € 206.500 pursuant to Law 394/81 to be repaid in 5 years with equal capital instalments starting from 2004.



Supplementary Note to Financial Statement – Bolzoni Spa

	31.12.01	New loans	Repayments	31.12.02
Financing L.aw 46	56	/	28	28
Financing Law 394	/	207	/	207
TOTAL	56	207	28	235

Below is the detail of the due dates:

within 2003	28
within 2004	0
within 2005	41
within 2006	41
within 2007	41
after 2007	84
TOTAL	235

As required by point 6, Art. 2427 of the Civil Code, it should be noted that there are no medium to long terms sums due to other financial institutions due after more than five years.

The following table analyses the company's net financial position in further detail:

	31.12.2002	31.12.2001	Variation
Payables to banks due within the year	- 4.119	- 3.462	-657
Payables to other finan.inst. due within the year	- 235	- 27	-208
Liquid funds	1.370	239	1.131
Total short term payables	- 2.984	- 3.250	266
Payables to banks due after one year	- 14.970	- 9.942	- 5.028
Payables to other finan.inst.due after one year	0	- 28	28
Other securities	0	0	0
Total medium-long term payables	- 14.970	- 9.970	- 5.000
Net financial position	- 17.954	- 13.220	- 4.734

As described in the Management Report, the increased financial exposure is due to take-over of Auramo Oy and Brudi.

Payments on account	31.12.02	31.12.01	Variation
To customers	26	12	14
Accounts payable to creditors	31.12.02	31.12.01	Variation
Italian suppliers	9.290	8.556	734
Foreign suppliers	537	587	-50
Credit notes to be received	-14	-33	19
Invoices to be received	1.047	1.372	-325
TOTAL	10.860	10.482	378

**Amounts payable to subsidiaries**

This caption includes payables solely of a commercial nature due within one year for transactions performed at normal market conditions with the following subsidiaries;

	31.12.02	31.12.01	Variation
Bolzoni Auramo SL	966	459	507
Brudi Bolzoni Auramo Inc.	10	2	8
Bolzoni Auramo Ltd	24	51	-27
Bolzoni Auramo Sud srl	4	8	-4
Bolzoni Auramo Sarl	11	65	-54
Bolzoni Auramo Gmbh	2	0	2
Bolzoni Auramo SA	1	0	1
Bolzoni Auramo Polska	0,5	0	0,5
Auramo spa	238	0	238
Auramo Baltic	0,5	0	0,5
Auramo Oy	2.008	37	1.971
TOTAL	3.265	622	2.643

This includes an interest bearing loan of € 1.972.354.= paid to Auramo OY, due within the year, at an interest rate of 3,96% at 31.12.2002

➤ **Amounts payable to affiliated companies**
None.

As may be seen in the following table, accounts payable to creditors in non-Euro zone currencies are valued using the exchange rate ruling on 31st December 2002.

The positive difference adjusts the value of the payables and is recorded under caption C 16 d) of the profit and loss account.

Currency	Amount	Exchange Rate	Euro	Book value	Difference
\$	16.311	1,0422	15.651	16.469	- 818
LGS	15.962	0,6500	24.558	25.117	- 559
SEK	45.312	9,156	4.949	5.259	- 310
FRS	1.642	1,4548	1.129	1.116	13
PES	537.897	747,5620	719	761	-42
\$\$SIN	934	1,8093	516	527	- 11
TOTAL			47.522	49.249	- 1.727



➤ Sums payable to taxation authorities	31.12.02	31.12.01	Variation
For wages and salaries	370	358	12
For current income taxes	34	310	-276
Others	74	71	3
TOTAL	478	739	-261
- due within the following year	478	567	-89
- due after the following year	0	172	-172

➤ Detail of current income taxes:	31.12.02	31.12.01	Variation
Opening balance	310	875	-565
Payment of prior year taxes	-138	-531	393
Current year tax	1.799	1.574	225
Substitute tax on revaluations	0	0	0
Payment on account	-1.947	-1.584	-363
Other taxes	0	-24	24
Prior year taxes	10	0	10
Closing balance	34	310	-276

One third of the substitute tax arising from the revaluation of assets, as per Law n° 342/2000 was paid during the year. The residual amount of € 172.000 will be paid during the next year.

➤ Social security payables:	31.12.02	31.12.01	Variation
INPS	362	345	17
INAIL	13	13	0
Others	16	34	-18
TOTAL	391	392	-1

➤ Detail of other payables:	31.12.02	31.12.01	Variation
Due to employees:	660	691	-31
- wages and salaries	344	289	55
- matured but unused holidays	316	402	-86
Others	16	21	-5
Sundry payables	43	49	-6
TOTAL	719	761	-42
Of which - due within the following year	719	731	-42
- due after the following year	0	0	0



➤ Accrued expenses and deferred income:	31.12.02	31.12.01	Variation
Accrued expenses			
- interest payable	3	7	-4
- other	0	3	-3
Total accrued expenses	3	10	-7
Deferred income	0	0	0
TOTAL	3	10	-7
Of which - due within the following year	3	10	-7
- due after the following year	0	0	0

➤ **Receivables and payables due after more than 5 years**

Further to the above, the company does not have any other receivables or payables due after more than five years.

➤ **Memorandum accounts**

The detail of these accounts can be found at the foot of the balance sheet.

Collateral given for financing is described in the note to tangible fixed assets.

Guarantees given on behalf of the subsidiaries refer to three sureties amounting to €258.000 given to banks on behalf of Bolzoni Sud.

At the date of this report, the company does not have any purchase or sale commitments other than those agreed for normal business operations except for a commitment undertaken with a bank for the sale of \$ 3.000.000.= at the exchange rate of 0,9215 \$ for 1 Euro.

The value of leased assets corresponds to the principal value of the goods held under finance leases. The value of the outstanding lease instalments are also shown.



Profit and Loss Account

Considering the analytical breakdown of the captions of the profit and loss account and the comments to the balance sheet, extensive details are not given below.

Reference should be made to the management report for information on transactions with subsidiary and affiliated companies.

Production income

➤ **Turnover, goods and services**

Following is the breakdown of this caption according to geographical area:

	2002	2001	Variation
Italy	16.006	15.061	945
EU	25.094	25.609	-515
Non-EU	9.493	6.761	2.732
Total	50.593	47.431	3.162

➤ **Gross income**

	2002	2001	Variation
Gross income	50.720	47.663	3.057
Returns on sales	-127	-232	105
Total	50.593	47.431	3.162

➤ **Other income and revenues**

	2002	2001	Variation
Grants for operating expenses	14	0	14
Other income	48	25	23
Ordinary capital gains	47	90	-43
Total	109	115	-6

The capital gain sum of €47.000 refers to normal replacement of assets used in the company's operations.



Production costs

➤ Purchasing costs

Detail of purchasing costs:	2002	2001	Variation
Raw materials	4.258	4.268	-10
Commercial goods	2.786	2.842	-56
Semi-finished products	7.713	8.793	-1.080
Purchases of other products	3.299	1.577	1.722
Sundry purchases	327	242	85
Ancillary costs	92	106	-14
Total	18.475	17.828	647

➤ Services

Detail of costs for services:	2002	2001	Variation
Subcontracting	9.570	9.617	- 47
Transport on purchased goods	464	411	53
Refund of travel expenses	250	234	16
Commission	666	739	- 73
Transport on sold goods	1.043	800	243
Motive power and lighting	197	214	-17
Exhibitions and advertising costs	186	118	68
Maintenance	343	363	- 20
Directors' fees	455	508	- 53
Board of Auditors' fees	35	37	- 2
Other	1.733	1.589	144
Total	14.942	14.630	312

➤ Amortisation/depreciation

Detail per assets:	2002			2001		
	Ordinary	Accelerated	Total	Ordinary	Accelerated	Total
Land and buildings	62	15	77	51	6	57
Plant and machinery.	524	173	697	548	133	681
Industrial equipment	80	38	118	183	37	220
Other assets	183	130	313	142	73	215
Total tangible fixed assets	849	356	1.205	924	249	1.173
Patents	7	0	7	3	0	3
Software	177	0	177	133	0	133
Other	36	0	36	19	0	19
Total intangible fixed assets	220	0	220	155	0	155



➤ **Other operating costs**

Detail of other operating costs:	2002	2001	Variation
Taxes and duties	37	42	-5
Other	54	51	3
Total	91	93	-2

Financial income and charges

➤ **Income from investments**

This includes:	2002	2001	Variation
Bolzoni Sud dividends	58	45	13

➤ **Other financial income**

They include:	2002	2001	Variation
Revaluation of receiv.tax on employees' leav.entitlement	4	4	0
Interest income on securities	0	140	-140
Exchange rate gains	456	142	314
Interest income from customers	194	1	193
Interest income from bank current account	16	27	-11
Total	670	314	356

➤ **Interest and other financial charges**

These include:	2002	2001	Variation
Short term payable interest	86	50	36
Medium -long term payable interest	704	298	406
Exchange rate losses	917	117	800
Other	15	15	0
Total	1.722	480	1.242

Excluding exchange rate differences, the financial charges account for 1,17% of 2002 turnover, compared to 0,40% in 2001.

The increase in medium -long term interest is due to the increased financial exposure at the year end due to investments in subsidiaries/affiliated companies

The revaluation of the Euro against the other currencies has produced an increase in exchange rage losses..

➤ **Value adjustments regarding financial activities:**

The detail of the write-downs is included in the caption regarding the financial fixed assets.

**Extraordinary income and expenses****➤ Extraordinary income**

This includes:	2002	2001	Variation
Contingent assets	32	30	2
Total	32	30	2

The contingent assets amounting to € 32.000 refer to the elimination of certain payables, subsequently no longer acknowledged, and insurance refunds..

➤ Extraordinary expenses

These include:	2002	2001	Variation
Contingent losses	21	5	16
Losses	9	7	2
Total	30	12	18

The amount of € 21.000 refers to a cost attributable to 2002, not originally foreseen in the financial statement and also to the cost for the tax amnesty referred to year 1999.

➤ Taxation

Current income taxes include:	2002	2001	Variation
Profit before taxation	3.587	3.639	-52
Increases in taxed provisions	13	128	-115
Other increases	425	101	324
Other decreases	-559	-270	-289
Total taxable profit subject to IRPEG	3.466	3.598	-132
Taxable profit subject to 19% IRPEG tax rate	276	1.871	-1.595
19% IRPEG tax charge	52	356	-304
Taxable profit subject to 36% IRPEG tax rate	3.190	1.727	1.463
36% IRPEG tax charge	1.149	621	528
Total IRPEG tax charge	1.201	977	224
Taxable income subject to IRAP	14.419	13.377	1.042
Decrease in IRAP	-454	-565	111
Increase in IRAP	1.011	1.222	-211
Taxable income subject to IRAP	14.976	14.034	942
IRAP tax charge	636	597	39
Total current income taxes	1.837	1.574	263

	2002	2001	Variation
Current taxes	1.837	1.574	263
Deferred tax charges	-4	16	-20
Deferred tax income	-34	64	-98
Total	1.799	1.654	145



Deferred tax income and charges may be analysed as follows:

Deferred tax charges on 2002 pro-rata gains	9
Deduction of deferred tax charges from 2001 increases	-13
Deferred tax income on 2002 increases	-30
Elimination of deferred tax income on 2001 increases	64

➤ **Remuneration of the directors and statutory auditors**

The shareholders' meetings on 28th November 2001 and 20th September 2002 approved a remuneration for the Board of Directors amounting to €455.000.

The shareholders' meeting on 2nd February 2001 approved a remuneration for the Statutory Auditors amounting to € 35.000.

This financial statement has been fairly prepared and complies with the accounting records.

Podenzano, 6th May 2003

The Directors

**Annex 1 – Cash flow statement**

	31.12.02	31.12.01	
Cash flows generated by operating activities:			
Net profit for the year		1.778	1.985
Adjustments on items not affecting liquidity:			
- Depreciation for the year	1.426		1.327
- Employees' leaving benefit accrued in the year	526		487
- Utilisation of employees' leaving benefit in the year	- 324		- 252
- Accrual (utilisation) of risk and charges provisions	25		- 190
Total		1.653	1.372
Variations in current assets and liabilities:			
- Receivables from clients	- 1.195		1.077
- Other receivables	19		-1.592
- Inventory	738		- 341
- Prepayment and accrued income	- 17		- 14
- Payables to suppliers	3.021		- 978
- Other payables	- 200		- 15
- Accrued expenses and deferred income	- 7		- 4
- Sums payable to taxation authorities	- 88		- 302
Total		2.271	-2.169
Total cash flows generated by operating activities:		5.702	1.188
Cash flows generated by investments:			
- Net book value of sold assets	0		0
- Purchase of technical fixed assets	- 2.329		- 1.967
- Increase in intangible assets	- 15		- 156
- Increase in investments	- 3.426		- 13.090
Total		-5.770	-15.213
Cash flows generated by financing activities:			
- New loans	7.507		5.375
- Paying back loans	- 2.301		- 797
- Loans to subsidiaries	- 3.602		0
- Share capital increases and other variations	0		10.036
- Dividends paid out	- 1.064		- 950
- Decreases in other fixed assets	0		0
Total		540	13.664
Increase in bank accounts and cash-in-hand		472	-361
Cash and banks at the beginning of the year		- 3.250	- 2.889
Cash and banks at the end of the year		- 2.778	- 3.250

BOLZONI S.P.A.
I CASONI DI PODENZANO (PC)
SHARE CAPITAL Euro 5.319.149 FULLY PAID
TAX CODE 00113720338
R. E. A. n. 87382
BOARD OF AUDITORS REPORT ON FINANCIAL STATEMENT AT 31.12.2002

Gentlemen,

We have examined the proposed financial statement of the Company at 31st December 2002 drawn up by the Administrators, who have duly informed the Board of Auditors, together with the sheets containing "Supplementary Note" and the "Management Report".

The Auditors confirm that the documents contained in the financial statement are those prescribed by the law in force and that the financial statement's items correspond to the accounting results.

RESULTS OF THE AUDITS

During the accounting period the Board of Auditors carried out formal controls on the administration and ensured the observance of the law and the By Laws by taking part in the Board of Director meetings and performing the audits in accordance with art. 2403 of the Civil Code.

With reference to these audits the Board of Auditors did not discover any transgressions with regards to civil law, tax, social security and statutory fulfilments.

The Board of Auditors maintained frequent contacts with the Board of Directors and the Administration Manager, with the aim of obtaining the detailed information necessary for carrying out the audits and also received useful indications concerning the level of adequacy of the administrative-accounting system.

EXAMINATION OF THE FINANCIAL STATEMENT

The financial statement at 31.12.2002 presents the following results expressed in Euro:

BALANCE SHEET

Fixed assets

- Intangible assets	€	455.683
- Tangibile assets	€	5.625.791
- Financial assets	€	23.972.106
Total working capital	€	25.217.061
Prepayment and accrued income	€	<u>129.990</u>
Total assets	€	<u><u>55.400.630</u></u>

Shareholder equity	€	17.774.878
Reserve for risks and charges	€	182.370
Retirement allowance	€	2.377.050
Payables	€	35.063.608
Accrued costs	€	<u>2.724</u>
Total liabilities	€	<u><u>55.400.630</u></u>

Interim accounts amount to € 20.467.223

PROFIT AND LOSS ACCOUNT

Production income	€	50.103.666
Production cost	€	<u>45.171.704</u>
Diff.between production income and cost	€	4.931.962
Income and financial costs	€	(994.105)
Subsidiary devaluation adjustments	€	(363.662)
Income and extraordinary costs	€	<u>2.354</u>
Result before tax	€	3.576.549
Tax on earnings	€	<u>1.798.863</u>
NET PROFIT	€	<u><u>1.777.686</u></u>

The Board of Auditors confirms that:

- ◆ the laws contained in art. 2423 bis of the Civil Code were applied in drawing up the Balance sheet and, in particular, the principles regarding caution and economic competence were followed;
- ◆ the outlines for Balance Sheets and Profit and Loss statements established by art. 2424 and 2425 of the Civil Code were observed;
- ◆ the provisions regarding the single entries of the Balance Sheet were observed, in accordance with art. 2424/bis of the Civil Code;
- ◆ from the controls made it emerged that the results regarding income, revenue, charges and costs have been indicated net of returns, discounts and allowances;

EVALUATION PRINCIPLES

We can state that during the preparation of the financial statement the evaluation principles provided in art. 2426 of the Civil Code were applied and the criteria regarding the continuity between one financial period and the other were observed.

With regards to the evaluation principles of the financial statement items, the Board of Auditors consider it necessary to point out the following:

- ◆ the intangible assets have been valued, with our consent, at the remaining cost, after having checked their long-term utility.

The depreciation expenses have been determined with respect to the actual utilisation period of the charges, as described in detail in the notes to the financial statements

- ◆ the tangible fixed assets have been booked at cost value (plus the additional expenses), as established by art. 2426 of the Civil Code, depreciation has been calculated on the basis of plans taking into account the expected duration and intensity of use of the assets; with regards to the new production building, whose structure has been completed, it has not been depreciated as it has not yet been used for company's manufacturing activity;
- ◆ the subsidiaries and their evaluation are described in detail in the supplementary note and a total write-down amounting to € 363.662 is evidenced;
- ◆ the raw material inventory has been recorded at purchase cost, the finished goods and work in progress have been recorded at the production cost correlated to the relative working phase reached at the end of the financial period; the provision for the value adjustment of slow moving inventory has remained unchanged with respect to the previous financial period;
- ◆ trade receivables are indicated at the nominal value subject to the deduction of € 135.896 concerning the provision for bad debts, The amount of this provision, which increased by € 39.024 during the financial period, appears adequate for the reasonably foreseeable risks of uncollectable credits, also considering the insurance cover connected to these risks.
- payables have been booked under Liabilities of the Balance Sheet at their number value
- both receivables and payables in foreign currencies have been booked in the financial statement using the exchange rate on 31.12.2002, the exchange rate differences have been booked in the Profit and Loss statement
- ◆ the liquid funds have been written at their effective value;
- ◆ accrued assets, accrued liabilities, deferred assets and deferred liabilities - have all been calculated according to the time correlation between costs and income;
- ◆ the retirement allowance, with the additional allocation of the share to be charged to the accounting period, and deducted of the amount paid out to resigning staff, seems sufficient to cover the dues to employees who are part of the work force at the end of the period, according to the respective legal positions;
- ◆ under the caption 'extraordinary charges' the amount of € 10.000 has been included as cost for Tax amnesty for year 1999 in accordance with art. 8 of Law 289
- ◆ The taxation on the year's profit has been calculated and indicated in the financial statement according to the current rates. Likewise, both the deferred and prepaid taxations have been correctly calculated.

SUPPLEMENTARY NOTE

We declare that the Board of Directors has drawn up the "Supplementary Note" in accordance with art. 2427 of the Civil Code, and it contains all the indications considered necessary for completing all the information.

MANAGEMENT REPORT

During the examination of the "Management report" prepared by the Administrative body, the Board of Auditors discovered that the information regarding the state of the business management was sufficiently complete.

OPINION OF THE BOARD OF AUDITORS

The Board of Auditors believe they can express a favourable opinion regarding the approval of the financial statement at 31st December 2002 and also with regards to the proposal of the Administrators referred to the disposition of the year's net profit.

6th May 2003

Board of Auditors

(original in Italian signed by)

Dott. Benvenuto Girometti

Dott. Giorgio Picone

Dott. Fiorenzo Salvini

AUDITORS' REPORT
(Translation from the original Italian text)

To the Board of Directors
of Bolzoni S.p.A.

1. We have audited the financial statements of Bolzoni S.p.A. as of and for the year ended December 31, 2002. These financial statements are the responsibility of the Bolzoni S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. Our audit was made in accordance with auditing standards and procedures recommended by CONSOB (the Italian Stock Exchange Regulatory Agency) (1). In accordance with such standards and procedures we planned and performed our audit to obtain the information necessary in order to determine whether the financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the financial statements of the prior year, which are presented for comparative purposes as required by the law, reference should be made to the auditors' report dated June 10, 2002, issued by other auditors.

3. In our opinion, the financial statements of Bolzoni S.p.A. comply with the Italian (1) regulations governing financial statements; accordingly, they clearly present and give a true and fair view of the financial position of Bolzoni S.p.A. as of December 31, 2002, and the results of its operations for the year then ended.
4. As in prior years, the Company booked accelerated depreciation expenses in addition to those based on useful lives of the fixed assets; the effects on the financial statements of the accelerated depreciation expenses are illustrated in the notes to the financial statements,

Brescia, May 8, 2003

Reconta Ernst & Young S.p.A.
signed by: Stefano Colpani, partner

(1) Words added in translation from original Italian text