



PAYTON GROUP
INTERNATIONAL

**Payton Planar Magnetics Ltd.
and its Consolidated Subsidiaries
Financial Statements
March 31, 2002 (Unaudited)**

Financial Statements as at March 31, 2002 (Unaudited)

Contents

	<u>Page</u>
Board of Directors Report	2
Review Letter	8
Consolidated Financial Statements:	
Balance Sheets	9
Statements of Income	11
Statements of Shareholders' Equity	12
Statements of Cash Flows	13
Notes to the Financial Statements	14

The Board of Directors' Report¹ on Corporate Affairs

We are pleased to present the Board of Directors' report on the affairs of Payton Planar Magnetics Ltd. and its consolidated subsidiaries for the year ended on March 31, 2002.

1. A concise description of the corporation and its business environment

A. The Group

Payton Planar Magnetics Ltd. ("the Company") and its consolidated subsidiaries: Payton America Inc. ("Payton America"), Payton Planar Holdings (1996) Ltd. ("Payton Holdings"), Payton Asia Planar Magnetics Ltd. ("Payton Asia").

B. The Group's main fields of activity and changes that occurred in the period from January to March 2002

The Company, an Israeli high-tech enterprise, develops, manufactures and markets Planar transformers worldwide. The company was founded in order to revolutionize the traditional approach to the design and manufacture of transformers through the concept of planar transformers. The invention is patented in North America, Europe and Japan. The Company completed its initial public offering on the Euro.NM (Today Euronext Stock exchange).

Labor costs in the consolidated Income Statements. – In the first quarter of 2002 labor cost significantly decreased mainly due to three main reasons: salaries reduction and a decrease in the employees number as part of management policy aimed to improve efficiency and minimizing costs. These two factors were accompanied with erosion of the New Israeli Shekel ("NIS") in relation to the USD (See paragraph 2B to the Board of Directors Report "Labor costs in the consolidated Income Statements", below).

Payton Asia, mass production facility. By the end of year 2001 the Company has completed the set up new production facility, located in Taichung (Taiwan). Starting December 2001 Payton Planar assigned one of its Israeli production managers in Taichung in order to run the production floor and qualify the local workers and management with production and controlling skills. As at the date of signing these financial statements several production runs of high runners parts are being produced in this facility

Sales revenues for the three-month period ended March 31, 2002 amounted to USD 1,632 thousand compared with USD 2,000 thousand for the three-month period ended December 31, 2001 and compared with USD 2,514 thousand for the three-month period ended March 31, 2001. The sales decrease was mostly influenced by the global slowdown trend in the Hi-Tech and Telecommunication industries

The Company believes it is well positioned for growth in the transformer market through formation of strategic partnerships. The company further suggests that by enhancing the above-mentioned partnerships a wider range of technologies and/or products would be available to our customers and thus an additional competitive advantage will be created. Currently no business opportunity has matured.

C. Principal customers.

The consolidated sales revenues include sales to major customers (which make up in excess of 10% of the sales of the Company).

	For the three-month period ended March 31	For the year ended December 31	For the three-month period ended March 31
	2002	2001	2001
Customer A	11.4%	18.8%	25.84%
Customer B	12.2%	*	*
Customer C	12.4%	13.2%	*
Customer D	18.7%	12.6%	*

* Less than 10% the Company's sales

¹ The financial statements as at December 31, 2001 form an integral part thereof.

D. Marketing

On May 2002, the Company participated in “PCIM” exhibition in Nuremberg, Germany. The company will further participate in the “Electronica” exhibition on November 2002 in Nuremberg, Germany

E. Order and Purchase Backlog

Order and purchase backlog of the Group as of March 31, 2002 were USD 6,153 thousand. (December 31, 2001 totaled USD 6,008 thousand). This backlog is composed of both firm orders, frame purchase orders and operating rolling forecast. Due to global slowdown trend in the High-Tech industries, nowadays, customers tend to place orders with short lead-time while in the past long term orders were common. Management estimates that most of this current backlog will be supplied by the end of the first quarter of 2003.

2. Financial position

A. Balance Sheet as at March 31, 2002.

Cash and cash equivalents – these amounted to USD 1,767 thousand at March 31, 2002 compared to USD 2,001 thousand as at December 31, 2001 and USD 2,169 thousand at March 31, 2001. The decrease in cash and cash equivalents compared with December 31, 2001 is mainly due an investment in short term deposit.

Short-term Deposit – As at March 31, 2002, this item comprise USD 597 thousands six-month time deposit in Bank Leumi USA earning 1.96% interest. Out of this amount, USD 350 thousands uses as a guaranty against current maturities of long-term loan and short-term credit taken from a Bank. As at December 31, 2001 this item comprised only a guaranty against current maturities of long-term loan and short-term credit taken from a Bank.

Trade accounts receivable, net – these amounted USD 1,236 thousand at March 31, 2002 compared with USD 1,527 thousand at December 31, 2001 and USD 2,031 thousands at March 31, 2001. The decrease in this item was mainly due to lower sales volume in the months previous to the reported periods.

Inventory – Total of USD 3,131 thousand at March 31, 2002 compared with USD 3,446 thousand as at December 31, 2001 and USD 2,661 thousand at March 31, 2001. The decrease compared with December 31, 2001 is mainly due to inventory consumption and more cautious and efficient purchase policy. The increase compared with March 31, 2001 is mainly due to: purchases of new components as a result of new designs for new projects and due to inventory allocated for supplying backlog commitments which were postponed as a result of the global slowdown.

Other assets – these constitute mainly goodwill in the amount of USD 1,452 thousand arising from the acquisition of MTC. Goodwill is amortized over a period of ten years.

Short-term bank credit and current maturities of long-term debt - these amounted to USD 431 thousand at March 31, 2002 compared with USD 321 thousand as at December 31, 2001 and USD 301 thousand at March 31, 2001. The increase in this item compared to December 31 and March 31, 2001 is composed of both - decrease in current maturities as a result of payoff of long-term debts, and of increase in short-term bank credit, used for operating activities.

B. Operating results

Summary of Quarterly Consolidated Statements of Income US Dollars in thousands

Payton Planar Magnetics Ltd. Consolidated Income Statements

	<u>Quarter 1-3/02</u>	<u>Quarter 10-12/01</u>	<u>Quarter 7-9/01</u>	<u>Quarter 4-6/01</u>	<u>Quarter 1-3/01</u>
Sales revenues	1,632	2,000	1,907	2,247	2,514
Cost of sales	<u>1,589</u>	<u>1,681</u>	<u>1,718</u>	<u>1,756</u>	<u>2,054</u>
<i>Gross result</i>	43	319	189	491	460
Development costs	133	164	161	166	172
Selling & marketing expenses	219	266	281	341	357
General & administrative expenses	<u>383</u>	<u>479</u>	<u>394</u>	<u>493</u>	<u>468</u>
<i>Operating loss</i>	(692)	(590)	(647)	(509)	(537)
Net financial result	<u>33</u>	<u>28</u>	<u>(39)</u>	<u>* (43)</u>	<u>(4)</u>
<i>Net operating loss after financial result</i>	(659)	(562)	(686)	(552)	(541)
Issue of share capital in a consolidated subsidiary	7	6	7	7	7
Other (expenses) income	<u>4</u>	<u>1</u>	<u>6</u>	<u>* (27)</u>	<u>13</u>
<i>Result before taxes on income</i>	(648)	(555)	(673)	(572)	(521)
Tax expenses	<u>-</u>	<u>(28)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Result after taxes on income</i>	(648)	(583)	(673)	(572)	(521)
Minority interest in losses of subsidiaries	<u>78</u>	<u>94</u>	<u>92</u>	<u>33</u>	<u>13</u>
<i>Net loss for the period</i>	<u>(570)</u>	<u>(489)</u>	<u>(581)</u>	<u>(539)</u>	<u>(508)</u>

* Reclassified

The Group's sales revenue for the three-month period ended March 31, 2002 were USD 1,632 thousand compared with USD 2,000 thousand in the three-month period ended December 31, 2001, and with USD 2,514 thousand in the three-month period ended March 31, 2001. The sales decrease was mostly influenced from the global slowdown trend in the Hi-Tech and Telecommunication industries.

The Sales were generated primarily from large telecom companies and from portable equipment manufacturers. The Company believes it is effectively penetrated and still penetrating the larger telecom companies in Europe and the US. The telecom market is one of the primary markets the Company addresses.

Labor costs in the consolidated Income Statements – In the first quarter of 2002 labor cost significantly decreased mainly due to three main reasons: salaries reduction and a decrease in the employees number as part of management policy aimed to improve efficiency and minimizing costs. These two factors were accompanied with erosion of the New Israeli Shekel (“NIS”) in relation to the USD. About 75% of the group salaries are in NIS. The erosion of the NIS in relation to the USD in the first quarter of 2002 was approximately 6%, this erosion percentage was higher then it was in the last and in the first quarter of 2001.

Gross results – The Group's gross results for the three-month period ended March 31, 2002 were USD 43 thousand compared with USD 319 thousand in the three-month period ended December 31, 2001, and compared with USD 460 thousands for the three-month period ended March 31, 2001.

The decrease in this item resulted mainly due to relatively higher cost of sales product mix manufactured during the first quarter of 2002.

Development costs – Payton’s R&D strategy is aimed on maintaining the leadership of planar technology. Payton’s R&D departments work in conjunction with R&D departments of the forerunners of today’s global technology, and together they define tomorrow’s technological needs. Costs were estimated upon employees’ hours dedication. The group’s development costs for the three-month period ended March 31, 2002 were USD 133 thousand compared with USD 164 thousand in the three-month period ended December 31, 2001, and compared with USD 172 thousand in the three-month period ended March 31, 2001. The decrease in this item was mainly comprised of two reasons: labor cost reduction accompanied with erosion of the NIS (See paragraph 2B to the Board of Directors Report “Labor costs in the consolidated Income Statements”, up foreword).

Selling & marketing expenses - The Group’s Selling & marketing expenses for the three-month period ended March 31, 2002 were USD 219 thousand compared with USD 266 thousand in the three-month period ended December 31, 2001 and compared with compared with USD 357 thousand in the three-month period ended March 31, 2001. The Group’s Selling & marketing expenses are based on the management policy and are not related to sales, besides distribution commissions to the Group's reps’ that are calculated as a portion of sales. The Group’s marketing efforts are done through participation in major power electronic shows throughout the world and by collaborating with its worldwide rep's Network. Marketing expenses include expenses stemming from a worldwide marketing campaign of the **Planetics®**, trade shows, travel, salaries and advertising in professional publications. The decrease in this item was caused due to decrease in distribution commissions and due to the decrease in labor costs (See paragraph 2B to the Board of Directors Report “Labor costs in the consolidated Income Statements”, up foreword).

General & Administrative expenses – The Group’s General & Administrative expenses for the three-month period ended March 31, 2002 were USD 383 thousand compared with USD 479 thousand in the three-month period ended December 31, 2001 and compared with compared with USD 468 thousand in the three-month period ended March 31, 2001. the decrease in this item is mainly due to the decrease in labor costs (See paragraph 2B to the Board of Directors Report “Labor costs in the consolidated Income Statements”, up foreword).

3. Liquidity

A. Liquidity Ratios

The following table presents the financial ratios in the balance sheet:

The decrease in the ratios bellow is mainly due to the cash consumption, which financed the overall global activity of the group.

Payton Planar Magnetics Ltd.		
Consolidated financial ratios		
	March 31, 2002	December 31, 2001
Current ratio ²	2.02	2.19
Quick ratio ³	1.09	1.17

B. **Cash flow used for operating activities**

Cash flow used for operating activities in the three-month period ended March 31, 2002, was USD 75 thousand, compared to the use of cash flow for operating activities of USD 238 thousand in the three-month period ended March 31, 2001. This decrease was mainly due from the decrease in trade receivables, as result of lower sales volume, and from the decrease in the inventory level.

C. **Cash flow provided by (used for) investment activities**

² Current ratio calculation – Current assets / Current liabilities

³ Quick ratio calculation – (Current assets – Inventories) / Current liabilities

Cash flow used for investment activities in the three-month period ended March 31, 2002, was USD 272 thousand, compared with cash flow provided by investment activities of USD 12 thousand in the three-month period ended March 31, 2001. This change in the cash flow resulted mainly from investing in short term deposit while decreasing the investment in property, plant and equipment and the redemption of marketable securities.

D. Cash flow provided by financing activity

Cash flow provided by financing activity for the three-month period ended March 31, 2002, was USD 113 thousand, compared to the Cash flow used for financing activity of USD 75 thousand, in the three-month period ended March 31, 2001. This change in cash flow provided by financing activity resulted mostly from short-term bank credit (See also paragraph 2A to the Board of Directors Report).

4. Financing sources

The Group financed its activities during the reported periods from its own resources and from short and long term credit facilities taken from banks.

5. External factors effects

The global slowdown in the High-Tech industries especially the telecommunication industry, which is one of Payton's important operating markets, is still relevant. Some of Payton's major customers that operate in Europe and the U.S. are being affected as a result of this slowdown and thus influence Payton's volume of operation.

The end of the global slowdown is hard to foresee, as a result the whole market is more cautious. Management cannot foresee the financial effect of this global scaling-down.

The security situation in the State of Israel till now had no material affect on the Group's on-going operations nor on the operating results .The deterioration in the security situation may have an effect on the Group's operation in the future, however, management is unable to quantify such effect.

To the best of the Board of Directors' and management's knowledge, except the above mentioned external factors, there have been no significant changes in external factors that may materially effect the Company's financial position or results of operations.

The Company's Board of Directors wishes to thank our shareholders for their continuance trust and belief.

The Company's Board of Directors wishes to extent its sincere thanks to the entire personnel of for their efforts and contribution to the Group's affairs.

David Yativ
Chairman of the Board of Directors
and C.E.O.

Rishon Lezion, May 29, 2002.



Somekh Chaikin

Mail address
PO Box 609
Tel-Aviv 61006
Israel

Office address
KPMG Millennium Tower
17 Ha'arb'a Street
Tel Aviv 64739
Israel

Telephone 972 3 684 8000
Fax 972 3 684 8444

**To the Board of Directors
Payton Planar Magnetics Ltd.**

Review of the unaudited interim financial statements for the three month period ended March 31, 2002

At your request we reviewed the interim consolidated balance sheet of Payton Planar Magnetics Ltd. and its subsidiaries as at March 31, 2002, the consolidated statement of income, the statements of changes in shareholders' equity and the consolidated statements of cash flows for the three month period then ended.

Our review was made in accordance with procedures established by the Institute of Certified Public Accountants in Israel. These procedures included inter alia: reading the above financial statements, reading the minutes of shareholders' meetings and meetings of the Board of Directors and of its committees and making inquiries of persons responsible for financial and accounting matters.

We received financial statements reviewed by other auditors of subsidiary companies, the assets of which represent 54% of the total consolidated assets as at March 31, 2002 and the revenues of which represent 16.3% of the total consolidated revenues for the three month period ended on such date.

Since the review performed was limited in scope and does not constitute an examination in accordance with the Generally Accepted Auditing Standards, we do not express an opinion on the interim financial statements.

In the course of our review, including the reading of the review reports of other auditors as stated above, nothing came to our attention which would indicate the necessity of making any material modifications to the interim financial statements referred to above, in order for them to be in conformity with generally accepted accounting principles in Israel (Israeli GAAP) and International Accounting Standards as adopted by the International Accounting Standards Board.

Somekh Chaikin
Certified Public Accountants (Isr.)
(A member of KPMG International)

May 29, 2002

Consolidated Balance Sheets

	In thousands of U.S Dollars		
	March 31 2002	March 31 2001	December 31 2001
	(Unaudited)	(Unaudited)	(Audited)
Current Assets			
Cash and cash equivalents	1,767	2,169	2,001
Short-term deposit	597	290	350
Marketable securities	-	287	2
Trade accounts receivable, net	1,236	2,031	1,527
Other accounts receivable	78	236	100
Inventory	3,131	2,661	3,446
Total current assets	6,809	7,674	7,426
Property, plant and equipment, net	8,530	8,496	8,548
Deferred income taxes	-	36	-
Other assets, net	1,472	1,713	1,536
Total assets	16,811	17,919	17,510

David Yativ
Chief Executive Officer
Chairman of the Board of Directors

Michal Lichtenstein
Chief Financial Officer

Rishon Le Zion, May 29, 2002

	In thousands of U.S Dollars		
	March 31 2002	March 31 2001	December 31 2001
	(Unaudited)	(Unaudited)	(Audited)
Current Liabilities			
Short-term bank credit and current maturities of long-term bank debt	431	301	321
Trade payables	1,150	1,483	1,243
Other payables	1,784	1,550	1,830
Total current liabilities	3,365	3,334	3,394
Unrealized gain from issue of share capital in a subsidiary company	21	48	28
Loan from Payton Industries Ltd. - parent company	858	858	858
Long-term debt, net of current maturities	5,001	3,619	5,002
Liability for employee severance benefits, net	127	145	141
Total long-term liabilities	6,007	4,670	6,029
Minority interest in consolidated subsidiaries	4,001	4,298	4,079
Shareholders' equity			
Share capital	4,819	4,819	4,819
Share premium	8,942	8,942	8,942
Accumulated deficit	(10,323)	(8,144)	(9,753)
Total shareholders' equity	3,438	5,617	4,008
Total liabilities and shareholders' equity	16,811	17,919	17,510

The accompanying notes are an integral part of the financial statements.

Consolidated Statements of Income

	In thousands of US Dollars (except per share data)		
	Three months ended		Year ended
	March 31		December 31
	2002	2001	2001
	(Unaudited)	(Unaudited)	(Audited)
Sales revenues	1,632	2,514	8,668
Cost of sales	(1,589)	(2,054)	(7,209)
Gross result	43	460	1,459
Research and development expenses	(133)	(172)	(663)
Selling and marketing expenses	(219)	(357)	(1,245)
General and administrative expenses	(383)	(468)	(1,834)
Operating result	(692)	(537)	(2,283)
Net financial result	33	(4)	(58)
Net operating result after financial result	(659)	(541)	(2,341)
Other (expenses) income	11	20	20
Result before taxes on income	(648)	(521)	(2,321)
Taxes on income	-	-	28
Result after taxes on income	(648)	(521)	(2,349)
Minority interest in losses of subsidiaries	78	13	232
Net result for the period	(570)	(508)	(2,117)
Basic and diluted net loss per ordinary share (in USD)	(0.03)	(0.03)	(0.12)

The accompanying notes are an integral part of the financial statements.

Statement of Shareholders' Equity

	Share capital		Share premium	Accumulated deficit	Total
	Number of shares	Amount			
	In thousands of US Dollars				
Balance at January 1, 2002 (Audited)	17,600,000	4,819	8,942	(9,753)	4,008
Net result for the period	-	-	-	(570)	(570)
Balance at March 31, 2002 (Unaudited)	17,600,000	4,819	8,942	(10,323)	3,438
Balance at January 1, 2001 (Audited)	17,600,000	4,819	8,942	(7,636)	6,125
Net result for the period	-	-	-	(508)	(508)
Balance at March 31, 2001 (Unaudited)	17,600,000	4,819	8,942	(8,144)	5,617
Balance at January 1, 2001 (Audited)	17,600,000	4,819	8,942	(7,636)	6,125
Net result for the year	-	-	-	(2,117)	(2,117)
Balance at December 31, 2001 (Audited)	17,600,000	4,819	8,942	(9,753)	4,008

The accompanying notes are an integral part of the financial statements.

Consolidated Statements of Cash Flows

	In thousands of US Dollars		
	Three months ended		Year ended
	March 31		December 31
	2002	2001	2001
(Unaudited)	(Unaudited)	(Audited)	
Operating activities			
Net result for the period	(570)	(508)	(2,117)
Adjustments to reconcile net income to net cash used for operating activities:			
Depreciation and amortization	145	145	588
Employee severance pay, net	(14)	26	22
Translation gain on long - term debt	(4)	(10)	(10)
Minority interests in losses of subsidiaries	(78)	(13)	(232)
Gain from issue of shares of a subsidiary	(7)	(7)	(27)
Gain from sale of fixed assets	(4)	-	-
Decrease (increase) in short term investments	2	(2)	5
Increase in deferred taxes	-	-	27
Decrease in trade receivables	291	126	630
Decrease in other receivables	22	45	181
Decrease (increase) in inventory	315	(73)	(858)
Decrease in trade payables	(127)	(160)	(505)
Increase (decrease) in other payables	(46)	193	482
Cash flows used for operating activities	(75)	(238)	(1,814)
Investing activities			
Investment in property, plant and equipment	(34)	(253)	(481)
Short-term deposit	(247)	60	-
Sale of equipment	9	-	15
Sale of marketable securities	-	205	483
Cash flows provided by (used for) investing activities	(272)	12	17
Financing activities			
Repayment of long-term debt	(73)	(75)	(303)
Increase in bank credit	186	-	131
Long-term loan received from bank	-	-	1,500
Cash flows provided by (used for) financing activities	113	(75)	1,328
Decrease in cash and cash equivalents	(234)	(301)	(469)
Cash and cash equivalents at beginning of period	2,001	2,470	2,470
Cash and cash equivalents at end of period	1,767	2,169	2,001
Appendix A - Non cash activities:			
Purchase of property and equipment	34	38	105

The accompanying notes are an integral part of the financial statements.

Notes to the Consolidated Financial Statements

Note 1 - General

- A. Payton Planar Magnetics Ltd. (the "Company") was incorporated in December 1992. The Company is a subsidiary of Payton Industries Ltd. (the "Parent Company").
- B. The Company develops, manufactures and markets planar power transformers for high density, high frequency off-line power supplies and operates abroad through its subsidiaries and distributors. Its manufacturing includes the manufacture of printed circuits.

Note 2 - Financial Reporting and Accounting Policies

- A. The accounting principles used in the preparation of the consolidated interim statements are consistent with those principles used in the preparation of the annual statements as at December 31, 2001.
- B. The interim financial statements as at March 31, 2002 and for the period of three months then ended (the interim statements) have been prepared in a condensed form in accordance with accepted accounting principles related to the preparation of interim financial statements.
- C. These financial statements do not include all the information and explanations required for annual financial statements. Results of operations for the three-month period ended March 31, 2002 are not necessarily indicative of the results that may be expected for the year ending December 31, 2002.
- D. In 2001, the Israel Accounting Standards Board published Accounting Standard No. 13 - Effect of Changes in Foreign Currency Exchange Rates. Standard No. 13 deals with translation of transactions in foreign currency and translation of the financial statements of companies operating overseas, for purposes of inclusion thereof in the financial statements of the reporting company. The Standard will apply to financial statements starting after December 31, 2002.

The Board intends to publish as soon as possible principles for identification of the functional currency, which will be based on international and other accounting principles. Therefore, at this stage the anticipated effect of the standard is unknown.

Note 3 - External Factors Effects

The global slowdown in the High-Tech industries especially the telecommunication industry, which is one of Payton's important operating markets is still relevant. Some of Payton's major customers that operate in Europe and the U.S. are being affected as a result of this slowdown and thus influence Payton's volume of operation.

The end of the global slowdown is hard to foresee, as a result the whole market is more cautious.

The Company management cannot foresee the financial effect of this global scaling-down.

Notes to the Consolidated Financial Statements**Note 4 - Operating Segments**

	In thousands of US Dollars				
	Three months ended March 31, 2002 (Unaudited)				
	Europe and Israel (mainly Europe)	America	Asia	Adjustments	Total
Net sales and revenues from external customers	1,297	278	57	-	1,632
Inter segment net sales and revenues	70	12	97	(179)	-
Total net sales and revenues	<u>1,367</u>	<u>290</u>	<u>154</u>	<u>(179)</u>	<u>1,632</u>
Operating result	(406)	(83)	(145)	(58)	(692)
Net financial results	56	(12)	(9)	-	35
	<u>(350)</u>	<u>(95)</u>	<u>(154)</u>	<u>(58)</u>	<u>(657)</u>
	In thousands of US Dollars				
	Three months ended March 31, 2001 (Unaudited)				
	Europe and Israel (mainly Europe)	America	Asia	Adjustments	Total
Net sales and revenues from external customers	2,102	370	42	-	2,514
Inter segment net sales and revenues	48	14	318	(380)	-
Total net sales and revenues	<u>2,150</u>	<u>384</u>	<u>360</u>	<u>(380)</u>	<u>2,514</u>
Operating result	(355)	(78)	(46)	(58)	(537)
Net financial results	(10)	(12)	18	-	(4)
	<u>(365)</u>	<u>(90)</u>	<u>(28)</u>	<u>(58)</u>	<u>(541)</u>

Notes to the Consolidated Financial Statements**Note 4 - Operating Segments**

	In thousands of US Dollars				
	Year ended December 31, 2001 (Audited)				
	Europe and Israel (mainly Europe)	America	Asia	Adjustments	Total
Net sales and revenues from external customers	7,117	1,276	275	-	8,668
Inter segment net sales and revenues	378	104	582	(1,064)	-
Total net sales and revenues	<u>7,495</u>	<u>1,380</u>	<u>857</u>	<u>(1,064)</u>	<u>8,668</u>
Operating result	(1,333)	(312)	405	(233)	(2,283)
Net financial results	1	(49)	(10)	-	(58)
	<u>(1,332)</u>	<u>(361)</u>	<u>(415)</u>	<u>(233)</u>	<u>(2,341)</u>

