



PRIMA INDUSTRIE S.P.A.

ITALIAN STOCK EXCHANGE - STAR SEGMENT

**INTERIM REPORT AS AT SEPTEMBER 30<sup>TH</sup>, 2011**

**ORDERS, SALES AND PROFITABILITY SIGNIFICANTLY INCREASING ALSO IN THE THIRD QUARTER 2011**

**ON A QUARTERLY BASIS (in brackets the growth against the third quarter 2010)**

- ORDER ACQUISITION at 87.4 M€ (+48%)
- SALES at 75.7 M€ (+40%)
- EBITDA at 5.7 M€ (+128%)

**IN THE NINE MONTHS (in brackets the growth against the nine months of 2010)**

- ORDER ACQUISITION at 253.7 M€ (+36%)
- SALES at 203.4 M€ (+21%)
- EBITDA at 13.0 M€ (+168%)

*Collegno (TO), November 10<sup>th</sup> 2010* - The Board of Directors of PRIMA INDUSTRIE S.p.A., a leader in high technology laser systems, sheet metal working systems and electronic components for industrial applications, met today to approve the Interim Report as at September 30, 2011.

Consolidated revenues as at 30/09/2011 are 203,407 thousand Euros, growing by 21% (that is 34,742 thousand Euros) against the same period of 2010 (168,665 thousand Euros). The revenues increase confirms the positive trend for the Group as well as for its reference market; in particular the third quarter 2011 confirmed the growth of the current year and showed a further acceleration compared to the six first months of the year both in terms of revenues and of operating profitability.

Following is a table with revenues breakdown by geography for the nine first months of 2011 compared to the same period of the previous year:

Revenues	Sep. 30, 2011		Sep. 30, 2010	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
Italy	29.490	14,5	38.052	22,6
Europe	77.891	38,3	59.420	35,2
North America	43.433	21,3	31.171	18,5
Asia and rest of the world	52.593	25,9	40.022	23,7
<b>TOTAL</b>	<b>203.407</b>	<b>100,0</b>	<b>168.665</b>	<b>100,0</b>

Revenues by geographic area show an increasing turnover, in absolute values, towards all the geographic areas, except for Italy where a decrease occurred due to the continuing economic situation of substantial stagnation.

It is highlighted on the contrary the consolidated shift of revenues towards extra-European countries, in which 47.2% of Group revenues are achieved.

Following is the revenues breakdown by business segment, gross of inter sector items:

Revenues	Sep. 30, 2011		Sep. 30, 2010	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
PRIMA POWER	172.979	85,1	144.735	85,8
PRIMA ELECTRO	41.761	20,5	34.854	20,7
Inter-sector revenues	(11.333)	(5,6)	(10.924)	(6,5)
<b>TOTAL</b>	<b>203.407</b>	<b>100,0</b>	<b>168.665</b>	<b>100,0</b>

Group revenues do not include sales by the Chinese JV Shanghai Unity PRIMA (consolidated with the equity method), amounting to 35.4 million Euros in the nine first months of 2011.

The **production value** as at 30/09/2011 is 223,699 thousand Euros, growing by 21% as against the same period of the previous year (growth of 39,309 thousand Euros).

Within the value of production are included increases for internal work for 3,937 thousand Euros (4,931 thousand Euros in the same period of 2010); such costs refer mainly to development activities investments.

\* \* \* \* \*

Performance indicators	Sep. 30, 2011		Sep. 30, 2010	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
EBITDA	12.960	6,4	4.844	2,9
EBIT	5.599	2,8	(2.677)	(1,6)
EBT	(1.079)	(0,5)	(8.271)	(4,9)
<b>NET RESULT</b>	<b>(3.133)</b>	<b>(1,5)</b>	<b>(8.301)</b>	<b>(4,9)</b>

On a quarterly basis the profitability has been the following:

Performance indicators	3Q11		3Q10	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
EBITDA	5.658	7,5	2.486	4,6
EBIT	3.140	4,1	0	0,0
EBT	1.343	1,8	(2.954)	(5,5)
<b>NET RESULT</b>	<b>288</b>	<b>0,4</b>	<b>(3.254)</b>	<b>(6,0)</b>

Group EBITDA is 12,960 thousand Euros (6.4% on sales); this means a significant improvement of 8,116 thousand Euros compared to the nine first months of 2010.

Consolidated EBIT in the nine first months of 2011 is 5,599 thousand Euros and is definitely improving as against the same period of 2010, when it was negative 2,677 thousand Euros (+8,276 thousand Euros). EBIT is affected by the tangible assets depreciation for 2,127 thousand Euros and intangible assets depreciation for 5,234 thousand Euros; as for the latter 1,986 thousand Euros refer to the amortization of the definite useful life assets accounted for in the Finn-Power Group business combination (trademark and customer list) and 2,509 thousand Euros refer to the development costs amortization.

The positive Group results achieved in terms of EBITDA and EBIT do not reflect entirely, nonetheless, on the net result since the Group was penalized by the higher taxation largely due to the better results achieved.

It is noticeable, on the contrary, that during the third quarter the Group recovered a positive profitability both in terms of EBT and of net result.

Consolidated EBT as at 30/09/2011 is -1,079 thousand Euros improving by 7,192 thousand Euros as against the same period of the previous year (-8,271 thousand Euros as at 30/09/2010); such amount includes net financial charges (including profit and loss on exchange rates) for 7,051 thousand Euros (as against 6,246 thousand Euros as at 30/09/2010).

In particular charges related to the FINPOLAR loan are 3,870 thousand Euros and net financial charges for derivatives (mainly related to the FINPOLAR loan) are 1,633 thousand Euros.

The result of the exchange rates management for the nine first months of 2011 is negative 131 thousand Euros (positive 144 thousand Euros as at 30/09/2010) due mostly to the weakening of the US dollar against the Euro.

The JV net result assigned to the Group for the nine first months of 2011 is positive 374 thousand Euros (651 thousand Euros as at 30/09/2010).

The net result as at 30/09/2011 is -3,133 thousand Euros (-8,301 thousand Euros as at 30/09/2010). Income taxes for the nine first months of 2011 show a negative net amount of 2,054 thousand Euros (of which IRAP is 932 thousand Euros). The increased tax charges are mainly attributable to the higher taxable income.

During the nine first months of 2011 the order acquisition confirmed the very positive trend outlined since the last quarter of 2010; the order acquisition of the nine first months, in fact, was 253.7 million Euros (+36% as against 186.3 million Euros as at 30/09/2010). We point out, in particular, the good performance of the markets of North America, Eastern Europe as well as Asia and rest of the world.

As a consequence the order backlog as at 30/09/2011 is 126.7 million Euros and further increasing to 131.6 million Euros as at 31/10/2011 (it was 80 million Euros as at 30/09/2010 and 115.9 million Euros as at 30/06/2011).

The research & development activities carried out by the Group during the nine first months of 2011 were 11,697 thousand Euros (of which 8,028 thousand Euros for the PRIMA POWER division and 3,669 thousand Euros for the PRIMA ELECTRO division) equal to 5.8% of revenues. In the nine first months of 2010 the total amount had been 11,122 thousand Euros (6.6% of revenues).

The capitalized part was 3,766 thousand Euros (of which 2,295 thousand Euros for the PRIMA POWER division and 1,471 thousand Euros for the PRIMA ELECTRO division).

As at 30/09/2011 the Group net financial position showed a net debt of 146.5 million Euros (it was 141.3 million Euros as at 31/12/2010 and 140.8 million Euros as at 30/06/2011). Such worsening is mainly due to the financial resources absorption by the operating and investment activities, strongly growing in the period. In any case the third quarter historically records a worsening of the net financial position due to the need of working capital required to face the high production level of the following quarter (as at 30/09/2010 the net financial position was 145,9 million Euros).

Following is a detail of the net financial position:

<i>Value expressed in Euro thousand</i>	30/09/2011	31/12/2010	30/09/2010
CASH & CASH EQUIVALENTS	(16.319)	(14.838)	(11.909)
CURRENT FINANCIAL RECEIVABLES	-	(2)	-
CURRENT FINANCIAL LIABILITIES	52.948	45.310	45.718
NON CURRENT FINANCIAL LIABILITIES	109.897	110.798	112.127
<b>NET FINANCIAL LIABILITIES</b>	<b>146.526</b>	<b>141.268</b>	<b>145.936</b>

The main debt included in the net financial position is the FINPOLAR loan (for 131,752 thousand Euros), originally signed on 31/01/2008 for the acquisition of the FINN-POWER Group.

As of July 29, 2011 such loan has been modified through an agreement with the financing banks pool.

The loan includes a bullet tranche, for a principal amount of 63.4 million Euros, with due date 2016, while the remaining tranches, in part amortizing, in part stand-by or self-liquidating, have due date between November 2014 and February 2015. The spread currently paid is an average 195-230 basis points.

The Board of Directors also acknowledged the forecast figures 2011 for the Prima Electro division, of which it had previously approved the Business Plan for 2011-2015.

The division foresees to close the year with sales, EBITDA and net profit respectively of about 57 million Euros, 7.5 million Euros and 3 million Euros. The Plan foresees, moreover, a growth that should lead sales, EBITDA and net profit in 2015 respectively to about 92 million Euros, 14 million Euros and 7 million Euros.

In commenting the results achieved by the Group the Chairman and C.E.O., Gianfranco Carbonato, added: *"Notwithstanding the current financial crisis, mainly caused by the sovereign debts crisis in the Eurozone, the Group continued its path of growth, with revenues, orders and profitability in acceleration, also leveraging on its international size and on the subsequent diversification of its reference markets. For the last part of the year we expect, therefore, a strengthening of such growth, also in the light of the considerable order backlog acquired."*

*"The manager responsible for preparing the company's financial reports, Massimo Ratti, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records".*

The document with the Interim Report as at 30/09/2011 shall be filed and made available to whomever making such request at the registered offices of the Company, at Borsa Italiana S.p.A. and on the internet site [www.primaindustrie.com](http://www.primaindustrie.com). within the prescribed time.

**PRIMA INDUSTRIE** heads a leading Group in developing, manufacturing and marketing of laser systems for industrial applications, sheet metal processing machinery, as well as industrial electronics and laser technologies.  
The parent company Prima Industrie S.p.A. is listed on the Italian Stock Exchange since 1999 (MTA - STAR segment).  
With over 30 years of experience the Group can count on over 10,000 machines installed in more than 60 countries worldwide and is among the main worldwide manufacturers in its own reference market.

The Group has about 1400 direct employees (besides about 230 employees in the Chinese JVs) and manufacturing sites in **Italy** (PRIMA INDUSTRIE S.p.A, PRIMA ELECTRO S.p.A, FINN-POWER Italia Srl), **Finland** (FINN-POWER Oy), **USA** (PRIMA ELECTRO North America Llc, PRIMA POWER LASERDYNE Llc.) and **China** (Shanghai Unity Prima Ltd.) as well as a direct commercial and after-sales presence in France, Spain, Germany, the UK, Belgium, Poland, Russia, the USA, Canada, China, the UAE, Brazil and India.

The Prima Industrie Group is structured on 2 Business Units:

**Laser and sheet metal processing machines (Prima Power)**: including design, manufacturing and marketing of:

- Laser machines for cutting, welding and drilling of 3D and 2D components.
- Machines for sheet metal treatment by means of mechanical tools (punching machines, combined punching/shearing systems, combined punching/laser cutting systems, panel benders and automation systems).

**Industrial electronics and laser technologies (Prima Electro)**: including development, manufacturing and marketing of power and control electronics, and of high-power laser sources for industrial applications, destined both to the Group machines and to third parties.

For further information:

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CONSOLIDATED BALANCE SHEET

Values in Euro	30/09/2011	31/12/2010
Property, plant and equipment	24.316.900	25.012.944
Intangible assets	152.473.245	153.754.370
Investments accounted for using the equity method	7.622.509	7.094.101
Other investments	1.055.618	938.670
Deferred tax assets	5.880.909	5.150.271
Other non current assets	26.381	68.785
<b>NON CURRENT ASSETS</b>	<b>191.375.562</b>	<b>192.019.141</b>
Inventories	93.563.739	70.151.228
Trade receivables	68.137.873	64.594.764
Other receivables	7.021.250	6.977.985
Current tax receivables	7.418.912	4.691.311
Derivatives	-	1.714
Cash and cash equivalents	16.318.991	14.837.872
<b>CURRENT ASSETS</b>	<b>192.460.765</b>	<b>161.254.874</b>
<b>ASSETS HELD FOR SALE</b>	<b>1.161.766</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>384.998.093</b>	<b>353.274.015</b>
Capital stock	21.601.740	21.600.337
Legal reserve	4.320.068	2.733.635
Other capital reserves	54.370.869	52.226.002
Currency translation reserve	(344.982)	(347.660)
Retained earnings	(3.404.106)	5.997.695
Net result	(3.132.797)	(5.965.272)
<b>Stockholders' equity of the Group</b>	<b>73.410.792</b>	<b>76.244.737</b>
<i>Minority interest</i>	-	-
<b>STOCKHOLDERS' EQUITY</b>	<b>73.410.792</b>	<b>76.244.737</b>
Interest-bearing loans and borrowings	102.668.726	103.019.395
Employee benefit liabilities	7.001.093	7.019.791
Deferred tax liabilities	10.458.567	10.910.840
Provisions	59.691	67.091
Derivatives	7.227.956	7.778.856
<b>NON CURRENT LIABILITIES</b>	<b>127.416.033</b>	<b>128.795.973</b>
Trade payables	69.486.632	59.067.818
Advance payments	33.987.865	19.094.705
Other payables	15.076.203	14.130.459
Interest-bearing loans and borrowings	52.836.837	45.256.498
Current tax payables	4.786.189	2.461.577
Provisions	7.886.385	8.169.063
Derivatives	111.157	53.185
<b>CURRENT LIABILITIES</b>	<b>184.171.268</b>	<b>148.233.305</b>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<b>384.998.093</b>	<b>353.274.015</b>

## CONSOLIDATED INCOME STATEMENT

Values in Euro	30/09/2011	30/09/2010
Net revenues	203.407.105	168.665.402
Other income	2.605.948	3.689.446
Change in inventories of finished goods and WIP	13.748.863	7.104.854
Increases in fixed assets for internal work	3.936.888	4.930.683
Use of raw materials, consumables, supplies and goods	(101.880.144)	(86.751.287)
Personnel cost	(58.289.757)	(56.030.914)
Depreciation	(7.361.371)	(7.268.117)
Amortization and impairment	-	(252.798)
Other operating expenses	(50.568.579)	(36.763.987)
<b>OPERATING PROFIT</b>	<b>5.598.953</b>	<b>(2.676.718)</b>
Financial income	108.762	113.043
Financial expenses	(7.028.547)	(6.502.703)
Net exchange differences	(131.221)	144.061
Net result of investments accounted for using the equity method	373.502	650.838
<b>RESULT BEFORE TAXES</b>	<b>(1.078.551)</b>	<b>(8.271.479)</b>
Taxes	(2.054.246)	(29.526)
<b>NET RESULT</b>	<b>(3.132.797)</b>	<b>(8.301.005)</b>
- <i>Attributable to Group shareholders</i>	<i>(3.132.797)</i>	<i>(8.301.005)</i>
- <i>Attributable to minority shareholders</i>	-	-
<b>RESULT PER SHARE - BASIC (in euro)</b>	<b>(0,36)</b>	<b>(1,01)</b>
<b>RESULT PER SHARE - DILUTED (in euro)</b>	<b>(0,36)</b>	<b>(1,01)</b>

CONSOLIDATED STATEMENT OF CASH FLOWS

VALUES IN EURO	30/09/2011	30/09/2010
Net result	(3.132.797)	(8.301.005)
<b>Adjustments (sub-total)</b>	<b>4.664.859</b>	<b>3.670.752</b>
Depreciation and amortization	7.361.371	7.520.915
Net change in deferred tax assets and liabilities	(1.182.911)	(887.591)
Net result of investments accounted for using the equity method	(373.502)	(650.838)
Change in employee benefits	(18.698)	(534.208)
Change in inventories	(23.142.082)	(10.348.517)
Change in trade receivables	(3.543.109)	(1.282.554)
Change in trade payables	25.311.974	14.918.537
Net change in other receivables/payables and other assets/liabilities	251.816	(5.064.992)
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)</b>	<b>1.532.062</b>	<b>(4.630.253)</b>
<i>Cash flow from investments</i>		
Acquisition of tangible fixed assets (*)	(3.144.435)	(1.235.347)
Acquisition of intangible fixed assets	(279.213)	(105.141)
Capitalization of development costs (**)	(3.694.172)	(4.551.342)
Disposal/(Purchase) investments accounted for using the equity method	-	(47.000)
Net disposal of fixed assets and investment properties (*)	236.810	318.850
Change in other investments	(116.948)	-
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(6.997.958)</b>	<b>(5.619.980)</b>
<i>Cash flow from financing activities</i>		
Change in other non current financial liabilities and other minor items	(675.238)	1.010.767
Increases in loans and borrowings (including bank overdrafts)	17.337.721	10.974.676
Repayment of loans and borrowings (including bank overdrafts)	(10.229.616)	(19.826.736)
Increases/(repayments) in financial lease liabilities	215.296	(181.399)
Capital increase	4.769	15.212.584
Other changes	294.083	(114.617)
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)</b>	<b>6.947.015</b>	<b>7.075.275</b>
<b>Net change in cash and equivalents (D=A+B+C)</b>	<b>1.481.119</b>	<b>(3.174.958)</b>
<b>Cash and equivalents beginning of period (E)</b>	<b>14.837.872</b>	<b>15.083.752</b>
<b>Cash and equivalents end of period (F=D+E)</b>	<b>16.318.991</b>	<b>11.908.794</b>

(\*) included assets held for sale

(\*\*) net of grants received by Finn-Power Oy