



**PRESS RELEASE**

***ITALIAN STOCK EXCHANGE – STAR SEGMENT***

**PRIMA INDUSTRIE**

**THE BOARD OF DIRECTORS APPROVES  
THE CONSOLIDATED INTERIM REPORT  
AT 30 SEPTEMBER, 2008**

- **SALES of 264.9 million euros (+125% compared with 117.7 at 30/9/07);**
- **EBITDA of 23.8 million euros (+47% compared with 16.2 at 30/9/07);**
- **NET PROFIT of 7.4 million euros (-5% compared with 7.8 at 30/9/07);**
- **NET FINANCIAL POSITION of -151.5 million euros (-174.1 million euros at 30/06/08)**
- **ORDER BACKLOG of 139.3 million euros (141.4 millions at 30/6/08)**

*Collegno (TO), 13 November, 2008* – The Board of Directors of Prima Industrie S.p.A., a leader in high technology laser systems for industrial applications and sheet metal working systems, today met to approve the Consolidated Interim Report at 30 September, 2008.

The report shows the current difficulties appearing in the reference markets, that the Group is operating, due to the financial crisis which is gradually affecting the real economy with its negative effects.

In particular, the Group companies which operate in the laser segment have still registered an improvement on 30/9/2007. The companies operating in the electronics segment declined a bit with respect to previous year.

On the contrary, the sheet metal working machines segment, i.e. the Finn-Power Group (acquired by Prima Industrie Group in February of this year) registered a slow down due to the economic situation.

Finn-Power third quarter results have, on the other hand, been remarkably affected by a series of non-recurrent costs related for a large extent to situations prior to the date in which Prima Industrie took control of the company. Such costs will be analyzed with the seller according to the purchase contract dated 04/02/2008.

To face the current economic frame, the Group has started a series of actions aimed at costs and working capital reduction.

In particular for Finn-Power Group, both in Finland and in Italy, some procedures have started in order to allow a higher flexibility of the production capacity in 2009.

**Consolidated sales** at 30/09/2008, evaluated according to IAS 18 (which requires revenues recognition at the time of acceptance by the final customer) amount to 264,921 million euros, up 125% respect to 117,739 million euros at 30/09/2007.



These include:

- 8 months of sales of FINN-POWER Group (consolidated as from February 2008) for 133,813 thousand euros;
- Sales of first half-year 2008 of OSAI Group (included for 3 months only at 30/09/2007, being consolidated as from 1/7/2007) for 9,588 thousand euros.

Therefore, considering same consolidation area with respect to 30/09/2007, sales for nine months would have been 121,520 thousand euros, up +3.2% (respect to 117,739 thousand euros at 30/09/2007).

As for **geographical breakdown**, 75% of Group sales over the nine months have been realized abroad.

The sales geographical breakdown at 30/09/2008 is the following:

	30/09/2008		30/09/2007	
	THOUSAND EUROS	%	THOUSAND EUROS	%
<b>ITALY</b>	68,091	25.7	29,965	25.4
<b>EUROPE</b>	118,683	44.8	55,758	47.4
<b>NORTH AMERICA</b>	44,217	16.7	19,348	16.4
<b>ASIA &amp; R.O.W.</b>	33,930	12.8	12,668	10.8
<b>TOTAL</b>	<b>264,921</b>	<b>100.0</b>	<b>117,739</b>	<b>100.0</b>

Europe retains its fundamental role for the whole Group, even if the impact on total turnover, in percentage terms, appears to be slightly reduced compared to the previous year.

The slow down in Europe is compensated for by the growing weight of Asian and overseas countries, where the Group, also thanks to Finn-Power, is strengthening the sales network, in order to gain a greater market share in these high growth markets.

The United States slightly expanded their share with respect to 30/09/2007, which is remarkable considering the large fall of the dollar compared to the first nine months of 2007, which affect the conversion in euros of sales carried out by the American companies in the Group.

As for products, within the laser systems segment there has been sales growth in the 3D lasers (Italy and Western Europe), which is reflected in the order backlog at 30/09/2008.

**Total production** at 30/09/2008 was 279,582 thousand euros, compared to 128,665 thousand euros at 30/09/2007.

Considering the same consolidation area, there was growth of 3.7% since 30/09/2007 (133,428 thousand euros compared 128,665 thousand euros at 30/09/2007).

The profitability ratios reflect the macroeconomic frame as detailed above, and come from the different trend in the various market segments in which the Group operates.



PROFITABILITY RATIOS	9 months 2008		9 months 2007	
	<i>thousand euros</i>	%	<i>thousand euros</i>	%
<b>EBITDA</b>	23,784	9.0	16,212	13.8
<b>EBIT</b>	19,665	7.4	15,190	12.9
<b>EBT</b>	11,403	4.3	14,542	12.4
<b>NET PROFIT</b>	7,441	2.8	7,781	6.6

Group **EBITDA**, of 23,784 thousand euros (9% of sales), increased by 47% compared to 16,212 thousand euros at 30/09/2007 (13.8% of sales).

With reference to the internal growth:

- the contribution of FINN-POWER Group was 6,426 thousand euros;
- the contribution of OSAI Group (for first six months only) was 716 thousand euros.

Therefore there was an increase of 2.6% (16,642 thousand euros against 16,212 thousand euros at 30/09/2007) , considering the same consolidation area over the same period.

Consolidated **EBIT** (19,665 thousand euros, 7.4% of sales) has increased by 29.4% in respect to 15,190 thousand euros at 30/09/2007 (12.9% of sales).

It includes:

- the contribution from FINN-POWER Group, was 3,736 thousand euros;
- the contribution from OSAI Group (for first six months), was 611 thousand euros.

Therefore there was an increase of 0.8%, considering the same consolidation area (15,318 thousand euros against 15,190 thousand euros at 30/09/2007) has been.

Compared with 30/09/2007, the **Profit before taxes** fell 22% (11,403 thousand euros, compared to 14,542 thousand euros at 30/09/2007) down because of the debt related to Finn-Power acquisition.

**Net Profit** at 30/09/2008 was 7,441 thousand euros (2.8% of Group sales), compared to 7,781 thousand euros at 30/09/2007 (6.6% of Group sales).

The rate of taxation appears to have reduced compared to the same period of last year, because FINN-POWER Group takes advantage of past fiscal losses and because the Italian Group companies take advantage of reduced tax rates with respect to same period of last year and also due to the tax credits from the research & development activities.

The **net financial position** was -151,517 thousand euros at 30/09/2008.

The variation with 30/06/2008 (where the net financial position was -174,116 thousand euros) is due to the capital increase completed in July 2008, which produced net cash of about 24.7 million euros and therefore reflects therefore basically neutral operating cashflow during the quarter.

The financial position at 30/09/2007 was instead equal to -5,720 thousand euros.

The **Consolidated order acquisition** at 30/09/2008 referred to the "Laser systems" and "Electronics" segments only (not including after-sale services) amounts to 117,539 thousand euros, compared to 109,395 thousand euros for the comparative periode.

The evolution in order collection confirms the trend already recorded during the first 6 months of the year, showing a gradual switch in the volumes relating to laser systems from 2D machines to 3D machines.

The rate of new orders acquired in the electronics segment is still satisfactory and in line with expectations.



As for FINN-POWER Group, order acquisition suffered, compared to the last months of 2007. There was a slow down during the months immediately following the acquisition, due to both with the impact from the reorganization of the Group sales network, which appears close to be completed and to the difficulties faced by their reference market. The orders acquired by FINN-POWER Group at 30/09/2008, all the same not including after-sale services, amounts to 103,353 thousand euros.

Consolidated order backlog at 30/09/2008 (not including after-sales) in substantially good and amounts to 139,339 thousand euros (of which 73,737 thousand euros relating to Finn-Power group and 2,513 thousand euros to Osai Group); such figure at 30/09/2007 was 64,342 thousand euros.

During the period the Group continued with its own **Research & Development** activities and at 30/09/2008 the total costs incurred by the Group were 13,057 thousand euros (about 5% of sales), of which 4,305 thousand euros capitalized in the nine months.

Gianfranco Carbonato, Chairman and C.E.O. of Prima Industrie S.p.A., comments the nine months trend declaring: *“Notwithstanding the highly uncertain world economy, we have registered, during the recent Euroblech International Exhibition in Hannover (which we attended for the first time jointly with Finn-Power) encouraging signs from some of the markets where we operate. While we are giving our utmost attention to the integration, synergies, costs control, the flexible production capacity, and the reduction of working capital, we are encouraged by these signals, which allow us to expect a good Group result in the final part of the current year”.*

*“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 (as far as quarterly figures are concerned) corresponds to the document results, books and accounting records”.*

**PRIMA INDUSTRIE S.p.A.**, established in 1977 and listed on the Italian stock market since 1999 (STAR segment), develops, manufactures and markets laser systems for industrial applications and sheet metal fabrication machines. PRIMA INDUSTRIE leads today a Group with about 1,600 employees and manufacturing sites in **Italy** (PRIMA INDUSTRIE S.p.A, PRIMA ELECTRONICS S.p.A, OSAI S.p.A., FINN-POWER Italia Srl), **Finland** (FINN-POWER Oy), **USA** (PRIMA North America Inc.) and **China** (Shanghai Unity Prima Ltd. and Wuhan OVL Convergent Laser Co. Ltd.).

Prima Industrie Group operations are based on three business segments:

**Laser Machines and Sources:** including design, production and sale of Laser Machines and Laser Sources for cutting, welding and drilling of 3D and 2D components.

2D Laser Machines are used for application in very different industries, while 3D machines are mainly used for the production of components in the automotive, aerospace and energy sectors. Laser Sources, instead, are one of the most highest technological and value-added components of the Laser Machine.

**Machines for sheet metal treatment:** it includes design, production and sale of Machines destined to the Sheet metal treatment using mechanical tools. The Group has a wide range of machines for the cutting and bending of sheet metal: Punching machines, Combined punching/shearing systems, Combined punching/laser cutting systems, Panelling and Bending machines and automation systems.

**Industrial Electronics:** it includes development and design of power and control electronics, with relevant software. Furthermore the Group designs and produces internally the Numeric Controls to be installed on its own Laser Machines.

A little over 30 year years since its establishment the Group can count on thousands of machines installed in more than 60 countries worldwide, is present with property commercial and assistance units in over 15 countries and it is among the main worldwide constructors in its own reference market.

For further information:

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**PRIMA INDUSTRIE S.p.A.**

**CONSOLIDATED FINANCIAL STATEMENTS AT SEPTEMBER 30, 2008**

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**ACCOUNTING STATEMENTS**

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# THE PRIMA INDUSTRIE GROUP CONSOLIDATED FINANCIAL STATEMENTS AT SEPTEMBER 30, 2008

## CONSOLIDATED BALANCE SHEET

VALUES IN EURO	Note	30/09/2008	related parties	31/12/2007	related parties
Tangible fixed assets	1	34.173.442		10.165.878	
Intangible fixed assets	2	146.026.615		6.713.046	
Property Investments	3	158.000		-	
Investments accounted for using the equity method	4	3.644.123	3.644.123	2.234.917	2.234.917
Other assets		801.885		801.885	
Other financial assets		285.948		1.133.223	
Investments in other companies		7.523.885		5.073.208	
Deferred tax assets	8	1.700.841		30.126	
Derivative financial instruments	5	18.923		25.902	
<b>TOTAL NON CURRENT ASSETS</b>		<b>194.333.662</b>		<b>26.178.185</b>	
Inventory	6	122.260.640		41.967.051	
Trade receivables	7	79.035.358	188.126	51.703.785	379.963
Other receivables	8	10.813.844		2.564.642	
Other tax assets		6.048.150		5.373.666	
Derivative financial instruments		-		-	
Trading securities valued at fair value		-		-	
Cash and cash equivalents	9	18.104.066		21.551.369	
<b>TOTAL CURRENT ASSETS</b>		<b>236.262.058</b>		<b>123.160.513</b>	
Non current assets held for sale				-	
<b>TOTAL ASSETS</b>		<b>430.595.720</b>		<b>149.338.698</b>	
Share Capital		16.000.000		11.500.000	
Treasury stock		-		(87.880)	
Treasury stock owned by subsidiaries		-		-	
Legal reserve		2.300.000		2.300.000	
Other reserve		41.160.286		17.018.984	
CTA reserve		(1.983.668)		(2.559.891)	
Profits (Losses) carried forward		15.510.512		9.303.872	
Profit (losses) for the year		7.440.939		13.728.496	
Total Group stockholders' equity		<b>80.428.069</b>		<b>51.203.581</b>	
Minority interests		-		237.134	
<b>TOTAL NET EQUITY</b>	<b>10</b>	<b>80.428.069</b>		<b>51.440.715</b>	
Borrowings from Banks and other financial institutions	9	148.959.798		15.205.862	
Employee benefits		8.797.793		7.561.363	
Deferred tax liabilities		1.681.432		1.905.744	
Provisions for risks and charges		488.042		44.235	
Derivative financial instruments	5	1.918.141		-	
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>161.845.206</b>		<b>24.717.204</b>	
Trade payables	11	83.693.245	74.965	33.727.779	-
Advances	12	46.064.810		10.545.432	
Other payables		22.489.488	498.093	9.883.075	286.738
Borrowings from Banks and other financial institutions	9	18.743.271		5.577.448	
Tax payables		7.186.463		7.976.815	
Provision for risks and charges	13	10.145.168		5.470.230	
Derivative financial instruments	5	-		-	
<b>TOTAL CURRENT LIABILITIES</b>		<b>188.322.445</b>		<b>73.180.779</b>	
Liabilities due to non current assets held for sale				-	
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<b>430.595.720</b>		<b>149.338.698</b>	

## THE PRIMA INDUSTRIE GROUP CONSOLIDATED FINANCIAL STATEMENTS AT SEPTEMBER 30, 2008

### CONSOLIDATED INCOME STATEMENT

VALUES IN EURO	Note	30/09/2008	related parties	30/09/2007	related parties
Net revenues from sales and services	14	264.920.824	1.880.081	117.739.307	521.903
Other operating income		2.822.424		2.117.047	
Changes in inventories of semifinished and finished products		6.521.525		8.601.380	
Increases in fixed assets for internal work		5.317.613		208.097	
Use of raw materials, consumables, supplies and goods		(133.364.565)		(57.321.547)	
Personnel cost		(65.562.191)	(1.824.445)	(26.080.876)	(1.430.089)
Depreciation & Amortization		(4.118.858)		(1.021.444)	
Impairment & Writedowns		-		-	
Other operating costs		(56.871.573)	-	(29.051.338)	
<b>OPERATING INCOME</b>		<b>19.665.199</b>		<b>15.190.626</b>	
Financial income		639.632		515.948	
Financial expenses		(9.116.334)		(1.203.232)	
Net income from transactions in foreign exchange		(251.836)		(25.651)	
Net income from associated companies & joint ventures	15	466.367	466.367	63.822	63.822
Net result from transactions in foreign exchange		-		-	
<b>INCOME BEFORE TAX</b>		<b>11.403.028</b>		<b>14.541.513</b>	
Current and deferred taxes		(3.962.089)		(6.760.294)	
<b>NET PROFIT</b>		<b>7.440.939</b>		<b>7.781.219</b>	
Income from assets held for disposal		-		-	
<b>NET PROFIT</b>		<b>7.440.939</b>		<b>7.781.219</b>	
- Group Stockholders' net profit		7.440.939		7.773.805	
- Minorities net profit		-		7.414	
<b>EARNING PER SHARE (euro)</b>		<b>1,49</b>		<b>1,69</b>	

# THE PRIMA INDUSTRIE GROUP CONSOLIDATED FINANCIAL STATEMENTS AT SEPTEMBER 30, 2008

## STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

from January 1st to September 30th, 2007

VALUES IN EURO	01/01/07	Variation of Consolidation Area	Purchase/ Sale of treasury stock	Gains on disposal of treasury stock	Losses on disposal of treasury stock	Allocation of Previous Financial Year's income	Dividends Distribution	Profit of the period	Other	CTA reserve	30/09/07
Share Capital	11.500.000	-	-	-	-	-	-	-	-	-	11.500.000
Treasury stock	(109.034)	-	21.154	-	-	-	-	-	-	-	(87.880)
Treasury stock owned by Subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	15.664.893	-	-	-	-	-	-	-	-	-	15.664.893
Legal reserve	2.300.000	-	-	-	-	-	-	-	-	-	2.300.000
Other reserve	1.184.141	-	-	-	-	169.950	-	-	-	-	1.354.091
Conversion reserve	(639.537)	-	-	-	-	-	-	-	-	(1.159.276)	(1.798.813)
Profit / (loss) carried forward	(1.307.575)	21.393	-	38.630	(1.146)	10.547.921	-	-	-	-	9.299.223
Income for the year	13.705.921	-	-	-	-	(10.717.871)	(2.988.050)	7.773.805	-	-	7.773.805
<b>Net Equity</b>	<b>42.298.809</b>	<b>21.393</b>	<b>21.154</b>	<b>38.630</b>	<b>(1.146)</b>	<b>-</b>	<b>(2.988.050)</b>	<b>7.773.805</b>	<b>-</b>	<b>(1.159.276)</b>	<b>46.005.319</b>
<b>Minorities' interest</b>	<b>60.266</b>	<b>178.620</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>238.886</b>
<b>Total Net Equity</b>	<b>42.359.075</b>	<b>200.013</b>	<b>21.154</b>	<b>38.630</b>	<b>(1.146)</b>	<b>-</b>	<b>(2.988.050)</b>	<b>7.773.805</b>	<b>-</b>	<b>(1.159.276)</b>	<b>46.244.205</b>

from January 1st 2008 to September 30, 2008

VALUES IN EURO	01/01/08	Variation of Consolidation Area	Purchase/ Sale of treasury stock	Gains on disposal of treasury stock	Losses on disposal of treasury stock	Allocation of Previous Financial Year's income	Dividends Distribution	Profit of the period	Other	CTA reserve	30/09/08
Share Capital	11.500.000	-	-	-	4.500.000	-	-	-	-	-	16.000.000
Treasury stock	(87.880)	-	87.880	-	-	-	-	-	-	-	-
Treasury stock owned by Subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	15.664.893	-	-	-	21.150.000	-	-	-	-	-	36.814.893
Legal reserve	2.300.000	-	-	-	-	-	-	-	-	-	2.300.000
Capital increase expenses	-	-	-	-	(935.688)	-	-	-	-	-	(935.688)
Stock option reserve	-	-	-	-	-	-	-	-	195.299	-	195.299
Reserve for adjustments fair value derivative	-	-	-	-	-	-	-	-	(795.532)	-	(795.532)
Other reserve	1.354.091	-	-	-	-	4.527.223	-	-	-	-	5.881.314
Conversion reserve	(2.559.891)	(44.744)	-	-	-	-	-	-	-	620.967	(1.983.668)
Profit / (loss) carried forward	9.303.872	(9.313)	-	4.680	-	6.211.273	-	-	-	-	15.510.512
Income for the year	13.728.496	-	-	-	-	(10.738.496)	(2.990.000)	7.440.939	-	-	7.440.939
<b>Net Equity</b>	<b>51.203.581</b>	<b>(54.057)</b>	<b>87.880</b>	<b>4.680</b>	<b>24.714.312</b>	<b>-</b>	<b>(2.990.000)</b>	<b>7.440.939</b>	<b>(600.233)</b>	<b>620.967</b>	<b>80.428.069</b>
<b>Minorities' interest</b>	<b>237.134</b>	<b>(257.410)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20.276</b>	<b>-</b>
<b>Total Net Equity</b>	<b>51.440.715</b>	<b>(311.467)</b>	<b>87.880</b>	<b>4.680</b>	<b>24.714.312</b>	<b>-</b>	<b>(2.990.000)</b>	<b>7.440.939</b>	<b>(600.233)</b>	<b>641.243</b>	<b>80.428.069</b>



# THE PRIMA INDUSTRIE GROUP CONSOLIDATED FINANCIAL STATEMENTS AT SEPTEMBER 30, 2008

## CONSOLIDATED STATEMENT OF CASH FLOW

VALUES IN EURO	30/09/2008	30/09/2007
Profit (Loss) before tax	11.403.028	14.541.513
Adjustments	12.865.587	1.729.220
Amortization for the financial year	4.118.858	1.021.444
Provisions raised to Employees' severance fund	289.259	58.663
Loss (Profit) on foreign currency transactions	251.836	25.651
Loss (Income) from equity investments	(466.367)	(63.822)
Costs for payments based on shares	195.299	-
Financial expenses	9.116.334	1.203.232
Financial (income)	(639.632)	(515.948)
	24.268.615	16.270.733
(Increase) /Decrease in trade and other receivables	10.668.626	(7.196.199)
(Increase) /Decrease in inventories	(17.707.474)	(14.213.230)
Increase / (Decrease) in trade payables	12.300.687	12.189.361
Increase / (Decrease) in other payables	(7.006.263)	452.396
Cash flow from typical activity	22.524.191	7.503.061
Interest payment	(4.244.963)	(1.577.542)
<b>Cash flow derived from operating activity</b>	<b>18.279.228</b>	<b>5.925.519</b>
Cash flow derived from financing activity		
Acquisition Finn Power Group (net of cash acquired)	(85.214.076)	-
Acquisition of OSAI Group (net of cash acquired)	-	(8.052.146)
Acquisition of OSAI Uk minorities	(256.525)	-
Acquisition of tangible fixed assets	(5.866.846)	(1.044.492)
Acquisition of intangible fixed assets	(5.009.202)	(538.225)
Goodwill MLTA Srl	-	-
Sale /(Purchase) of financial assets (at cost)	913.219	(7.269)
Sale /(Purchase) investments in associates	(823.625)	14.155
Sale / (Purchase) of negotiable shares at fair value	-	300.122
Interest encashed	639.632	515.948
Receipts from sales of fixed assets	33.254	41.803
<b>Cash flow derived from investing activity</b>	<b>(95.584.169)</b>	<b>(8.770.104)</b>
Cash flow derived from investment activity		
Variation of other items of net equity	(204.551)	(966.677)
Capital Increase	24.714.312	-
(Purchase)/sale of treasury stock	87.880	58.638
Variation of other financial assets & liabilities	636.444	74.009
Loan agreements	173.067.974	7.002.108
Repayments of loans and financing	(111.756.104)	(4.034.720)
(Repayments)/ Raising of Sabatini transactions	(581.983)	(656.549)
Repayment of interests	(9.116.334)	(1.203.232)
Dividends paid	(2.990.000)	(2.988.050)
	-	-
<b>Net Cash flow derived from financing activity</b>	<b>73.857.638</b>	<b>(2.714.473)</b>
<b>Increase (decrease) in the cash and cash equivalents</b>	<b>(3.447.303)</b>	<b>(5.559.058)</b>
<b>Cash and cash equivalents at start of year</b>	<b>21.551.369</b>	<b>20.702.707</b>
<b>Cash and cash equivalents at year end</b>	<b>18.104.066</b>	<b>15.143.649</b>

Chairman & C.E.O.



Gianfranco Carbonato