



PRIMA INDUSTRIE S.P.A.

ITALIAN STOCK EXCHANGE - STAR SEGMENT

FINANCIAL INTERIM REPORT AS AT JUNE 30TH, 2011

IN THE FIRST HALF OF 2011 THE IMPROVEMENT OF THE RESULTS CONTINUES AS AGAINST THE SAME PERIOD OF 2010:

- REVENUES: +11.5% to 127.7 M€ (of which 48% achieved on Extra-European markets);
- ORDER ACQUISITION: +31% to 166.3 M€;
- ORDER BACKLOG: +56% to 115.9 M€, further improving to 129.4 M€ as at 30/07/11;
- POSITIVE EBIT at 2.5 M€ (-2.7 M€ as at 30/06/10);
- NET FINANCIAL POSITION at -140.8 M€ (-141.3 M€ as at 31/12/10) .

Collegno (TO), August 29th 2011 - 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 Financial Interim Report as at June 30th, 2011.

Consolidated revenues as at 30/06/2011 amount to 127,679 thousand Euros, growing by 11.5% (equal to 13.167 thousand Euros) as against the same period of the year 2010 (114,512 thousand Euros). The revenues increase confirms the positive trend for the Group and its reference market; the growth is not fully outlined due to the high number of machines delivered but not yet recognized as revenues and to a set of other contingent factors, such as the euro appreciation against the US dollar, the shift of some deliveries due to delays in components procurement, the negative trend of the Italian market.

Following is the revenues break down by geographical area for the first half of 2011 compared with the same period of the previous year:

Revenues	I Half 2011		I Half 2010	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
Italy	18.440	14,4	26.106	22,8
Europe	48.517	38,0	38.729	33,8
North America	27.597	21,6	21.735	19,0
Asia and resto of the world	33.125	26,0	27.942	24,4
TOTAL	127.679	100,0	114.512	100,0

Sales by geographical area show growing revenues towards Europe (+9,788 thousand Euros), North America (+5,862 thousand Euros) and the emerging markets of Asia and Rest of the World (+5,183 thousand Euros), whose turnover reaches 26% of the total consolidated (not including sales of the Chinese JV Shanghai Unity PRIMA). Italy showed a significant decrease as against last year (-7,666 thousand Euros) both due to the limited growth scenario and to the fact that the first half of 2010 was positively influenced by the effects of the so called Tremonti-ter law.

Overall extra-European markets weight for about 48% of the consolidated revenues.

Following is revenues break down by business segment gross of inter-sector items:

Revenues	I Half 2011		I Half 2010	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
PRIMA POWER	109.100	85,5	97.908	85,5
PRIMA ELECTRO	25.950	20,3	24.187	21,1
Inter-sector revenues	(7.371)	(5,8)	(7.583)	(6,6)
TOTALE	127.679	100,0	114.512	100,0

As already mentioned, Group sales do not include revenues of the Chinese JV Shanghai Unity PRIMA (consolidated with the equity method), equal to 21.6 million Euros during the six first months of 2011.

The production value as at 30/06/2011 is 143,736 thousand Euros, growing by 17% as against the same period of previous year (increase of 20,974 thousand Euros). This percentage is higher than revenues increase percentage due to the necessary recovery of inventory stocks, needed to face the forecasted increasing production volumes for the second part of the year.

Within the value of production are increases for internal work for 3,075 thousand Euros (3,300 thousand Euros in the same period of 2010); such costs refer mainly to development investments.

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Performance indicators	I Half 2011		I Half 2010	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
EBITDA	7.302	5,7	2.358	2,1
EBIT	2.459	1,9	(2.677)	(2,3)
EBT	(2.421)	(1,9)	(5.317)	(4,6)
NET RESULT	(3.421)	(2,7)	(5.047)	(4,4)

Group EBITDA is 7,302 thousand Euros (almost 6% on sales); as against the first half of 2010 an improvement of 4,944 thousand Euros was recorded.

The positive results achieved by the Group in terms of EBITDA and EBIT, though, are not completely reflected on EBT and on NET RESULT, being the Group penalized both by the Euro appreciation against the US dollar and by the higher tax weight due to the better results.

The comparison with the first half of 2010 is even more remarkable if analyzed net of non recurring items:

Values in €/000	I Half 2011	I Half 2010
EBITDA	7.302	2.358
Non recurring items	(116)	660
Normalized EBITDA	7.418	1.698

This comparison underlines that, net from non recurring items, the EBITDA increase as against the first half of 2010 was 5,720 thousand Euros.

Consolidated EBIT for the six first months of 2011 is 2,459 thousand Euros and is definitively improving as against the first half of 2010 when it was negative 2,677 thousand Euros (+5,136 thousand Euros). The six first months EBIT is affected by the tangible assets depreciation for 1,434 thousand Euros and intangible assets depreciation for 3,408 thousand Euros; as for the latter 1,324 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 1,606 thousand Euros refer to the development costs amortization.

Consolidated EBT as at 30/06/2011 is -2,421 thousand Euros improving by 2,896 thousand Euros as against the same period of the previous year (-5,317 thousand Euros as at 30/06/2010); such amount includes net financial charges (including profit and loss on exchange rates) for 4,980 thousand Euros (as against 2,906 thousand Euros as at 30/06/2010). The worsening of such charges is almost exclusively attributable to the result of foreign currency transactions.

In particular charges related to the FINPOLAR loan are 2,470 thousand Euros and net financial charges for derivatives (mainly related to the FINPOLAR loan) for 835 thousand Euros.

The result of the exchange rates management for the six first months of 2011 is negative 728 thousand Euros (it was positive 1,307 thousand Euros as at 30/06/2010) mostly due to the Dollar weakening as against the Euro, occurred in these six first months (and, in particular, during the first quarter, contributes negatively for 615 thousand Euros) which worsened the Group result for the period.

The JV net result assigned to the Group for the six first months of 2011 is positive 99 thousand Euros (265 thousand Euros as at 30/06/2010).

The **NET RESULT** as at 30/06/2011 is -3,421 thousand Euros (-5,047 thousand Euros as at 30/06/2010). Income taxes for the six first months of 2011 highlight a net amount of 999 thousand Euros (of which IRAP is 545 thousand Euros). The increased tax charges for the Group is mainly attributable to the higher income.

During the six first months of 2011 the **order acquisition** confirmed the very good trend outlined starting from the last quarter of 2010; the acquisition for the period was, in fact, 166.3 million Euros (+31% as against 127.2 million Euros as at 30/06/2010). We point out, in particular, the good performance of the markets of North America, Eastern Europe and China.

As a consequence of the above, the **order backlog** as at 30/06/2011 is 115.9 million Euros and it is increasing to 129.4 million Euros as at 31/07/2011 (it was 74.5 million Euros as at 30/06/2010 and 100.2 million Euros as at 31/03/2011).

The **R&D** activity carried out by the Group during the first half of 2011 was total 8,327 thousand Euros (of which 5,591 thousand Euros in the PRIMA POWER segment and 2,736 thousand Euros in the PRIMA ELECTRO segment) equal to 6.5% of revenues. During the first half of 2011 the total amount had been 7,657 thousand Euros (6.7% of revenues).

The capitalized part was 2,940 thousand Euros (of which 1,783 thousand Euros relevant to PRIMA POWER segment and 1,157 thousand Euros relevant to PRIMA ELECTRO segment).

As at 30/06/2011 the Group net financial position shows a net debt of 140.8 million Euros, which is improving compared to 141.3 million Euros as at 31/12/2010. Such improvement, though slight, is satisfying mostly considering the net result of the period and it is due mainly to the good management of the working capital, though in presence of a strong increase in revenues during the period.

<i>Value expressed in Euro thousand</i>	30/06/2011	31/12/2010
CASH & CASH EQUIVALENTS	(16.737)	(14.838)
CURRENT FINANCIAL RECEIVABLES	(3)	(2)
CURRENT FINANCIAL LIABILITIES	52.751	45.310
NON CURRENT FINANCIAL LIABILITIES	104.759	110.798
NET FINANCIAL LIABILITIES	140.770	141.268

On July 29, 2011 it was signed with the pool of lending banks, an agreement amending the FINPOLAR loan, subscribed originally on 31/01/2008 (and subsequently modified in 2009) for the FINN-POWER Group acquisition. Such new agreement remarkably increased the financial flexibility of the Group (for more details, please see the Financial Interim Report as at 30/06/2011).

“The results achieved during the first half were on the whole satisfactory - commented Gianfranco Carbonato, Chairman and C.E.O. of the Group - The order acquisition strongly grew (over 30%). Such growth continued also along the months of July and August notwithstanding the known turbulences on the financial markets. Also the financial exposure was contained notwithstanding the increased production volume. The revenues increase was nonetheless slowed down by some contingent factors and also for this reason the order backlog is particularly high (growing by 64% as at 31/07/2011 compared to the same period of last year). The significant level of backlog will enable a further acceleration of growth in revenues (and, consequently, in results) during the remaining 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 corresponds to the document results, books and accounting records”.

The document with the Financial Interim Report as at 30/06/2011 was 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.

PRIMA INDUSTRIE heads a leading Group in developing, manufacturing and marketing of laser systems for industrial applications, sheet metal processing machinery, and opto-electronic components.
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 1350 direct employees (besides some 200 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 North America Inc.) and **China** (Shanghai Unity Prima Ltd.) as well as a commercial direct presence in France, Spain, Germany, UK, Belgium, Poland, Russia, USA, Canada, China and UAE.

The Prima Industrie Group is structured on 2 Business Units:

Laser and sheet metal processing machines: 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).

Opto-electronic components: 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.

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CONSOLIDATED BALANCE SHEET

Values in Euro	30/06/2011	31/12/2010
Property, plant and equipment	24.464.875	25.012.944
Intangible assets	153.092.378	153.754.370
Investments accounted for using the equity method	6.784.628	7.094.101
Other investments	971.559	938.670
Deferred tax assets	5.741.965	5.150.271
Other non current assets	26.049	68.785
NON CURRENT ASSETS	191.081.454	192.019.141
Inventories	88.881.421	70.151.228
Trade receivables	63.539.702	64.594.764
Other receivables	6.831.284	6.977.985
Current tax receivables	6.566.301	4.691.311
Derivatives	2.775	1.714
Cash and cash equivalents	16.736.913	14.837.872
CURRENT ASSETS	182.558.396	161.254.874
ASSETS HELD FOR SALE	1.161.766	-
TOTAL ASSETS	374.801.616	353.274.015
Capital stock	21.601.215	21.600.337
Legal reserve	4.320.068	2.733.635
Other capital reserves	55.317.085	52.226.002
Currency translation reserve	(2.185.222)	(347.660)
Retained earnings	(3.404.106)	5.997.695
Net result	(3.420.576)	(5.965.272)
Stockholders' equity of the Group	72.228.464	76.244.737
<i>Minority interest</i>	-	-
STOCKHOLDERS' EQUITY	72.228.464	76.244.737
Interest-bearing loans and borrowings	98.231.323	103.019.395
Employee benefit liabilities	7.005.015	7.019.791
Deferred tax liabilities	10.810.987	10.910.840
Provisions	59.691	67.091
Derivatives	6.527.610	7.778.856
NON CURRENT LIABILITIES	122.634.626	128.795.973
Trade payables	69.506.720	59.067.818
Advance payments	29.926.896	19.094.705
Other payables	17.005.582	14.130.459
Interest-bearing loans and borrowings	52.750.769	45.256.498
Current tax payables	3.659.006	2.461.577
Provisions	7.089.553	8.169.063
Derivatives	-	53.185
CURRENT LIABILITIES	179.938.526	148.233.305
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	374.801.616	353.274.015

CONSOLIDATED INCOME STATEMENT

Values in Euro	30/06/2011	30/06/2010
Net revenues	127.679.419	114.512.419
Other income	861.851	2.475.251
Change in inventories of finished goods and WIP	12.119.004	2.473.892
Increases in fixed assets for internal work	3.075.304	3.299.943
Use of raw materials, consumables, supplies and goods	(66.266.208)	(56.119.741)
Personnel cost	(39.890.265)	(38.870.922)
Depreciation	(4.842.676)	(4.781.597)
Amortization and impairment	-	(252.798)
Other operating expenses	(30.277.168)	(25.413.190)
OPERATING PROFIT	2.459.261	(2.676.743)
Financial income	88.010	80.322
Financial expenses	(4.340.072)	(4.293.123)
Net exchange differences	(728.148)	1.307.238
Net result of investments accounted for using the equity method	99.483	265.484
RESULT BEFORE TAXES	(2.421.466)	(5.316.822)
Taxes	(999.110)	270.251
NET RESULT	(3.420.576)	(5.046.571)
- <i>Attributable to Group shareholders</i>	<i>(3.420.576)</i>	<i>(5.046.571)</i>
- <i>Attributable to minority shareholders</i>	-	-
RESULT PER SHARE - BASIC (in euro)	(0,40)	(0,63)
RESULT PER SHARE - DILUTED (in euro)	(0,40)	(0,63)

CONSOLIDATED STATEMENT OF CASH FLOWS

VALUES IN EURO	30/06/2011	30/06/2010
Net result	(3.420.576)	(5.046.571)
Adjustments (sub-total)	8.932.921	(320.131)
Depreciation and amortization	4.842.676	5.034.395
Net change in deferred tax assets and liabilities	(691.547)	(1.337.998)
Net result of investments accounted for using the equity method	(99.483)	(265.484)
Change in employee benefits	(14.776)	(543.054)
Change in inventories	(18.730.193)	(8.381.186)
Change in trade receivables	1.055.062	(5.782.987)
Change in trade payables	21.271.093	12.963.404
Net change in other receivables/payables and other assets/liabilities	1.300.089	(2.007.221)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)	5.512.345	(5.366.702)
<i>Cash flow from investments</i>		
Acquisition of tangible fixed assets (*)	(2.495.442)	(735.638)
Acquisition of intangible fixed assets	(139.094)	(43.605)
Capitalization of development costs	(2.939.986)	(3.050.311)
Disposal/(Purchase) investments accounted for using the equity method	-	(47.000)
Net disposal of fixed assets and investment properties (*)	236.905	168.081
Change in other investments	(32.889)	-
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	(5.370.506)	(3.708.473)
<i>Cash flow from financing activities</i>		
Change in other non current financial liabilities and other minor items	(695.584)	515.680
Increases in loans and borrowings (including bank overdrafts)	12.438.834	3.092.009
Repayment of loans and borrowings (including bank overdrafts)	(9.641.090)	(16.527.134)
Increases/(repayments) in financial lease liabilities	250.739	(140.658)
Capital increase	2.984	15.212.465
Other changes	(598.681)	2.569.836
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)	1.757.202	4.722.198
Net change in cash and equivalents (D=A+B+C)	1.899.041	(4.352.977)
Cash and equivalents beginning of period (E)	14.837.872	15.083.752
Cash and equivalents end of period (F=D+E)	16.736.913	10.730.775

(*) included assets held for sale