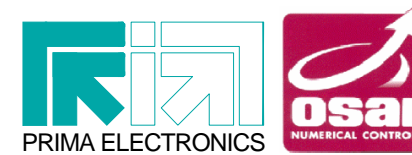


# Acquisition of OSAI SpA Transaction Overview



## Executive Summary

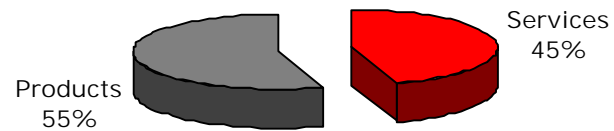
- Prima Electronics, a wholly-owned subsidiary of Prima Industrie announced on March 28, 2007 the acquisition of 100% of the share capital of OSAI SpA, the leading numeric control and drives manufacturer in the wood, marble and glass sectors in Italy. The closing will take place on July 2, 2007.
- With this transaction Prima Industrie reinforces its electronics division by more than doubling its size to € 41m of revenues. On a pro-forma basis the electronics division represents about 22% of group revenues in 2006.
- By integrating OSAI operations with those of Prima Electronics, Prima Industrie will be able to generate significant procurement, production and sales & marketing synergies: steady-state synergies are expected to account for € 1m.
- The net consideration for the acquisition is expected to be approximately € 8.5m<sup>(1)</sup> plus a positive Net Financial Position equal to approximately €0,8m. Prima Electronics has also committed to the payment of an earn-out.



(1) The final consideration will be determined at closing based on the audited consolidated accounts as of December 2006.

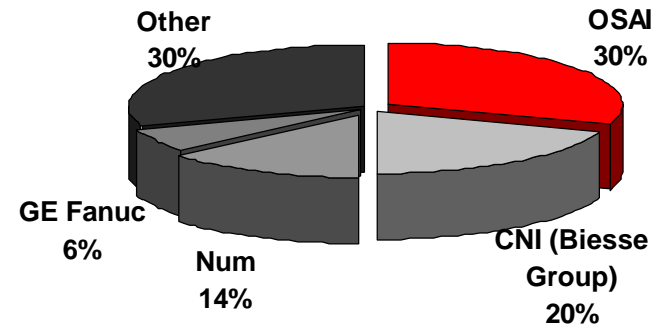
## OSAI Business Overview

Revenue breakdown by Business Line  
(Year 2005)

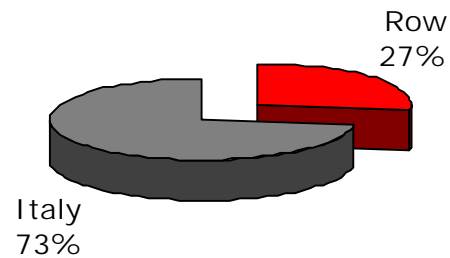


- Products: CNCs (Computerized Numerical Control), PACs (Programmable Automation Control) and Servo-drivers
- Service: Retrofit, service and technical assistance

Wood, Marble and Glass Market (by units)  
Market Leader in Italy with 30%



Revenue breakdown by Geography  
(Year 2005)



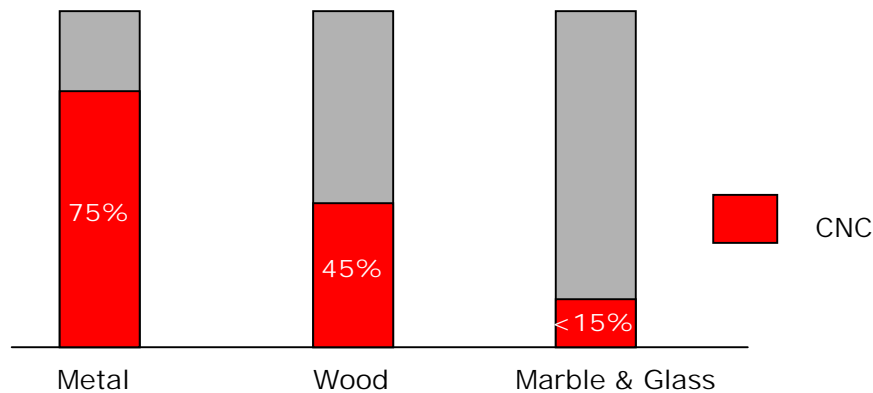
Source: UCIMU, 2004.

## CNC and Drives for the Wood, Marble and Glass Market

- **NICHE MARKET:** The market for wood, marble and glass represents no more than 10% of the total CNC and Drives market, as only recently complex machines (multi-axis), requiring more sophisticated controls, were introduced in these markets. In 2005 the relevant market value in Italy was € 40m (Source: UCIMU).
- **GROWTH DRIVEN BY EXPECTED HIGHER PENETRATION:** While the CNC market for sheet metal working machines is mature with 75% penetration, wood, marble and glass machines with CNCs represent a lower and growing percentage: about 45% of the wood machines manufactured in Italy utilize CNCs; this percentage is only 15% in the marble and glass sector.



CNC and Drives Penetration in selected market segments



Source: UCIMU

- **THE MARKET IS LOCATED IN EUROPE AND US:** Differently from the sheet metal working segment, manufacturers of wood, marble and glass machines are located in the Western hemisphere, with Germany and Italy being the leading countries.

## Rationale of the Acquisition & Synergies

### Rationale

- Increase importance of the electronics business segment characterized by lower cyclicalities
- OSAI is the Italian leader in CNCs for the wood, marble and glass industry and a recognized brand name in selected world markets
- OSAI fits well into Prima Industrie strategy of becoming leader in its segments: combining Prima Electronics and OSAI, Prima Industrie becomes the largest CNC manufacturer in Italy
- Complementary products and know-how
- OSAI's direct presence in US, UK and Germany and an extensive technical assistance worldwide network will allow Prima Electronics to market its products more effectively on a global basis

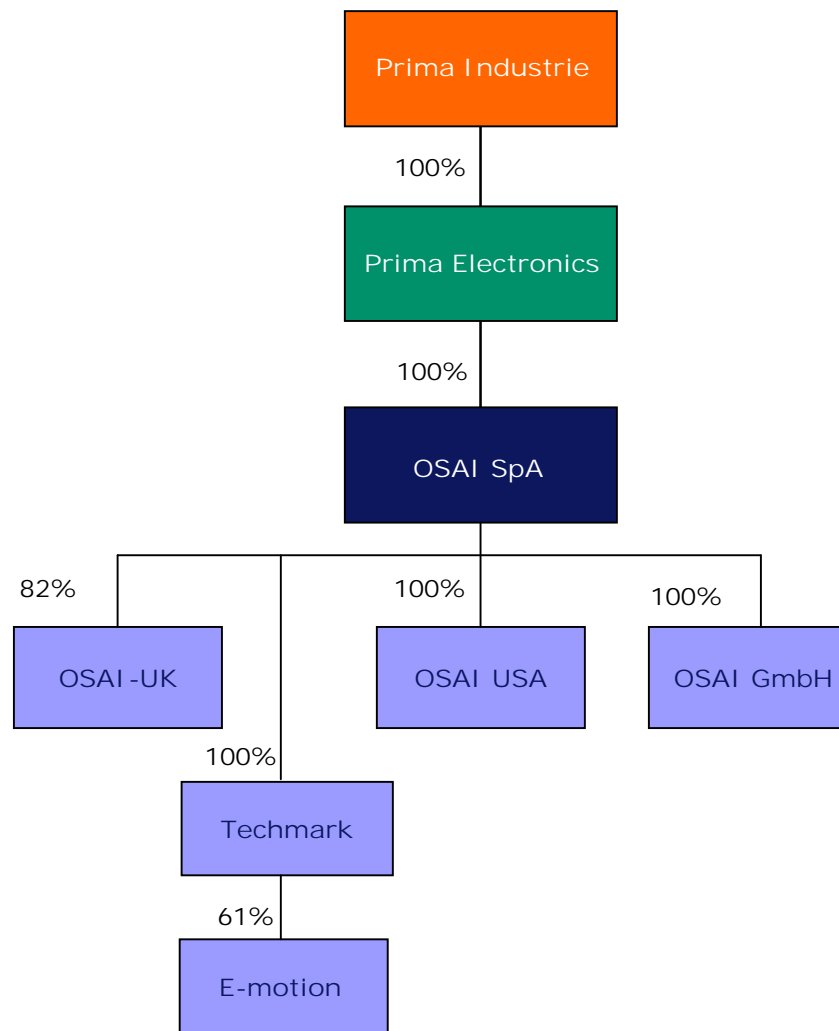
### Synergies

- R&D: development of a common platform for CNCs, I/O modules and Drives avoiding duplications
- Sourcing: improved purchasing power in sourcing electronics components
- Production: insourcing of OSAI's electronic boards currently produced by contract manufacturers
- Sales & Marketing: OSAI's salesforce will be able to sell the wider product portfolio of the combined entity
- G&A: the G&A structure resulting from the aggregation of Prima Electronics and OSAI will be simplified with significant cost savings

Expected steady-state cost synergies of € 1m per annum 18 months after acquisition

## Transaction Structure

- The consideration for the acquisition is expected to be equal approximately to € 9.3m to be paid at closing. The final consideration will be determined at closing based on the audited consolidated accounts as of December 31, 2006.
- Prima Electronics has also committed to the payment of an earn-out calculated on the level of EBITDA achieved in the fiscal year 2007<sup>(1)</sup>. The earn-out is capped at € 1.5m.
- Among OSAI's assets there is a 5,122 sqm building hosting all company's operations.
- The closing of the transaction will take place on July 2, 2007.



(1) The Earn-out formula is as follows: 3 x (EBITDA 2007 – EBITDA 2006)

