

PRIMA INDUSTRIE GROUP



DIFFERENT TOOLS,
THE SAME PASSION



TheLASER



ThePUNCH



TheCOMBI



TheBEND



STAR Conference London, October 8th 2009



AGENDA

■ **COMPANY OVERVIEW**

■ **MARKET OVERVIEW**

■ **REORGANIZATION & RESTRUCTURING**

■ **FINANCIALS**



PRIMA Key Highlights

- **Leading global player in laser & sheet metal machinery**
- **Over 30 years experience in the sector**
- **Comprehensive product range in laser systems and sources, punching, shearing, bending and automation**
- **About 1,500 employees (~40% in production, ~30% in customer care)**
- **~ 10,000 machines and systems installed worldwide**
- **2008 sales: EUR 367 m**
- **Average yearly R&D costs: 6% of sales**
- **Manufacturing facilities in Italy, Finland, USA, China
R&D centers in Italy, Finland and USA**
- **Worldwide sales and service network**



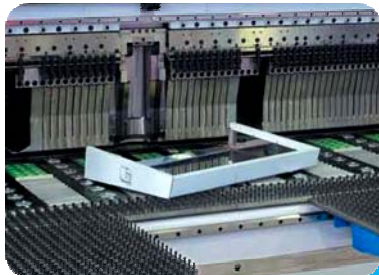
PRIMA Group Sectors



Sheet Metal



Sheet metal fabrication machinery: punching, punching/laser, shearing, bending, automation and FMS



Laser



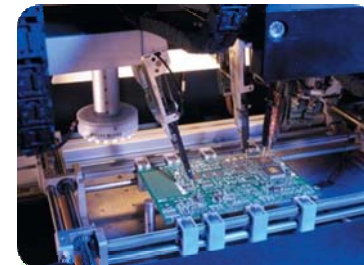
High power CO₂, Nd:YAG and Fibre laser systems and generators for cutting, welding and drilling 2D and 3D parts



Electronics

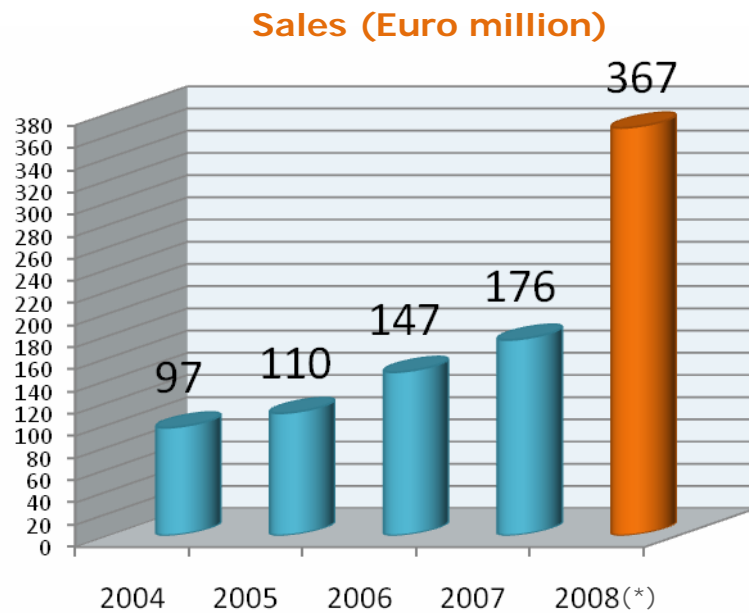


Power and control electronics, Numerical controls (also equipping the machines manufactured by the Group)



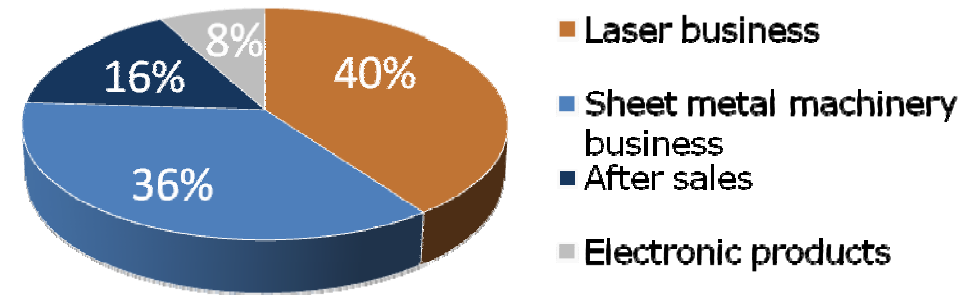
PRIMA Main Figures

Main figures



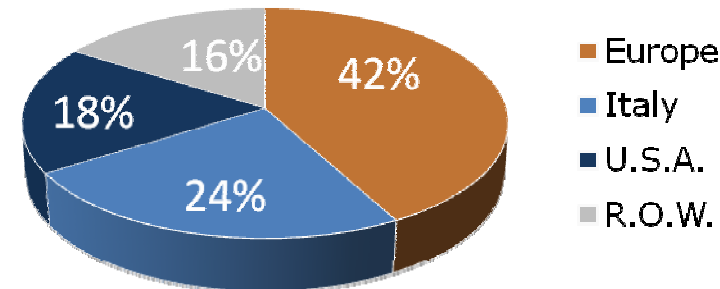
(*) 2008 consolidation area includes Finn-Power Group figures for 11 months (Feb.-Dec.)

2008 revenues by sector



Figures do not match with Segment Reporting, because they have been restated .

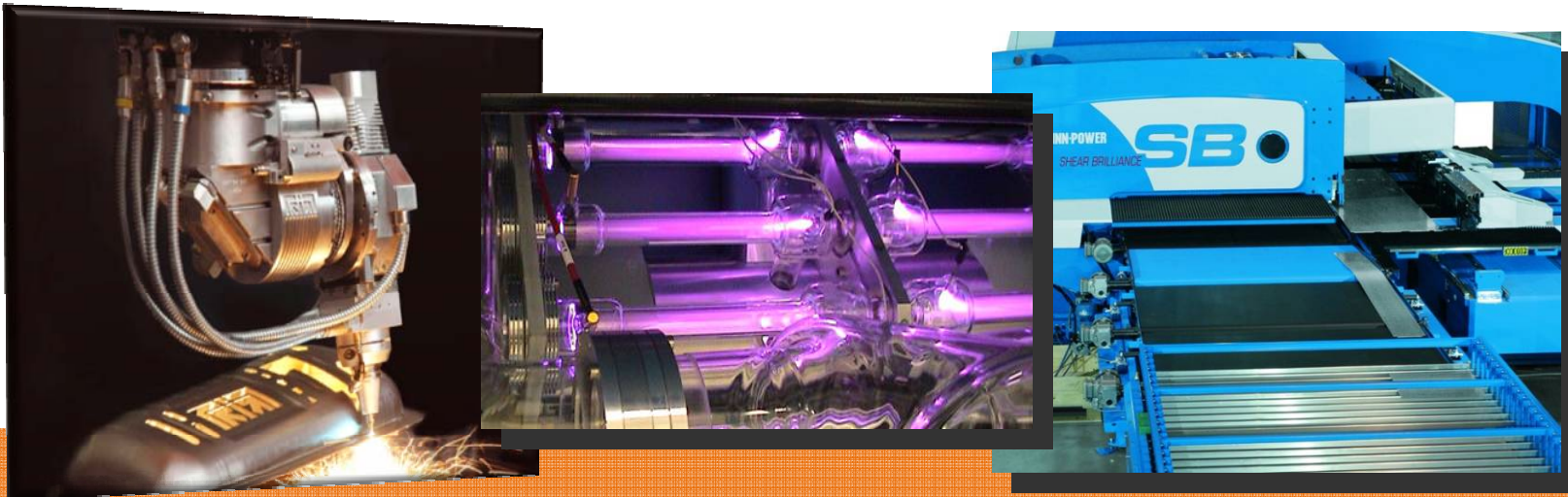
2008 revenues by geography





R&D and Innovation

- A long history of innovation, from the first laser machine for automotive application in 1979 to today's record-breaking machines
- Strong investments in R&D: 6% of sales
- Continuous introduction of new products or product evolutions to keep the machine range always at the cutting edge of technology
- The widest range of modern, efficient, eco-friendly machines for the sheet metal processing





Products

THE WIDEST PRODUCT RANGE IN LASER AND SHEET METAL MACHINERY



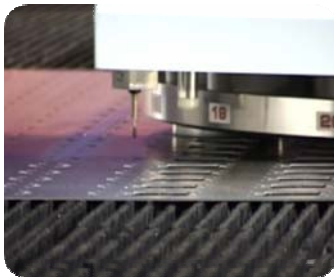
2D laser cutting



3D laser cutting



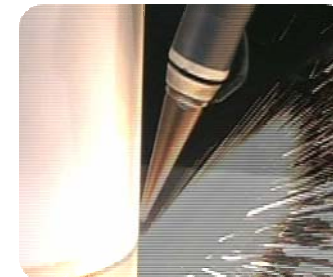
3D laser welding



punching



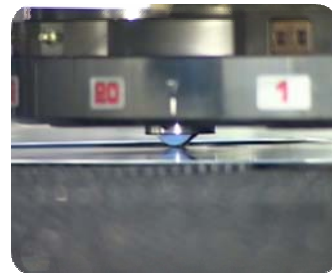
bending



laser drilling



punching/
laser



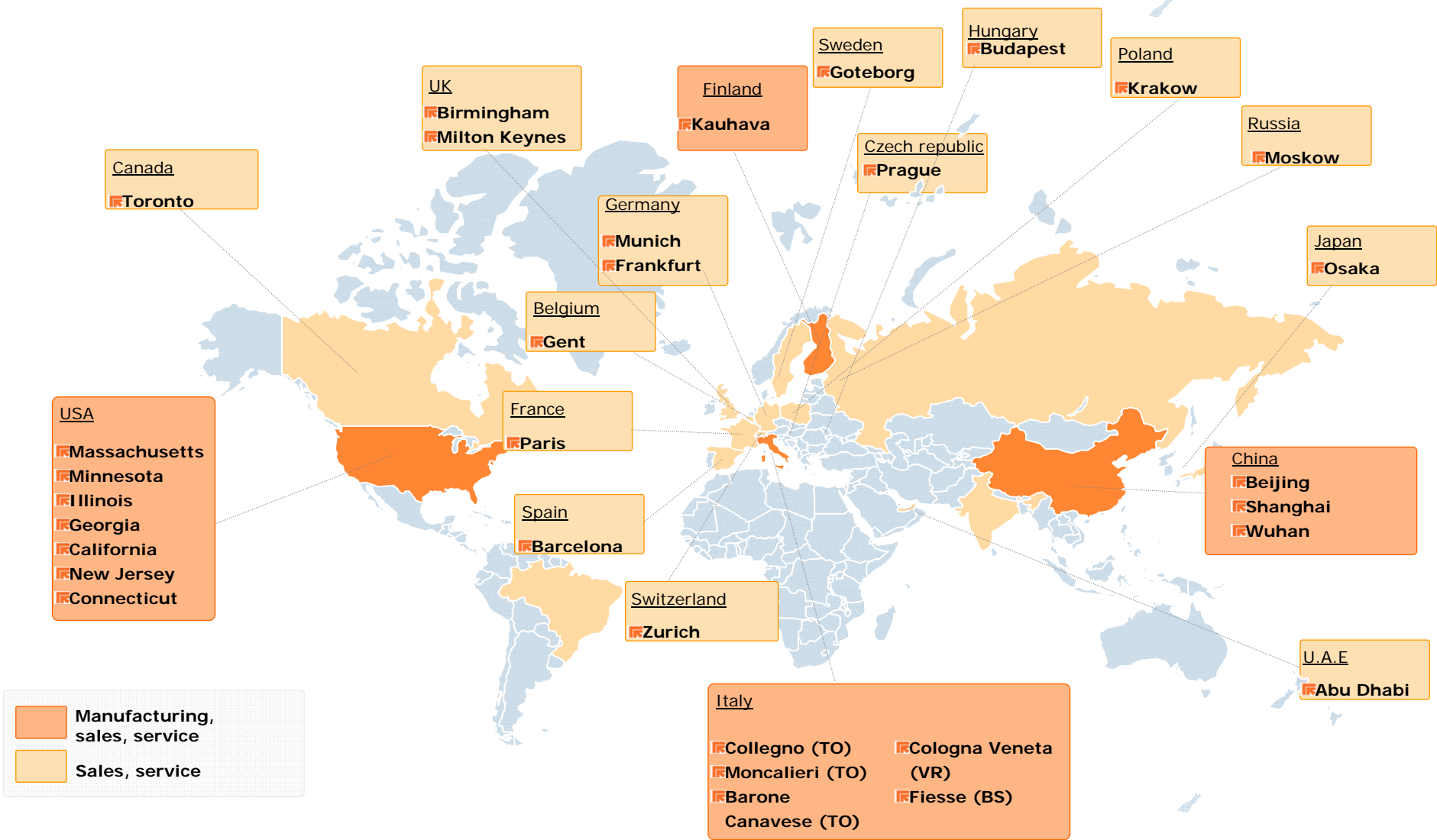
punching/
shearing



FMS



Worldwide presence



Direct Presence in 18 Major Markets and distribution in about 60 countries

Selected Customers

Automotive



Aerospace



Energy



Agricultural & Construction Machinery, Trucks & Trailers



Selected Customers

Forklifts & Industrial Machinery



HVAC & White Goods



Miscellaneous End Products



Electronics



Contract Manufacturing





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Market overview

Industry associations & researches

Market Association	Date	Comment
	Spring 2009	"Global machine tools consumption is forecast to fall by about 28% this year. This is a much bigger decline than we were expecting six months ago."
<i>OPTECH CONSULTING</i>	19/05/09	"The Laser Macro Processing Index was down by -30.9% in quarter I / 2009 vs the previous quarter, and decreased by -44.5 vs quarter I / 2008. The total duration of the downturn depends on the macro economic trend. For the macro economic recovery a variety of scenarios exists, ranging from a V-shape quick recovery, over W and U formations, to the worst case of an L-shape trend."
	06/09	"CECIMO has assessed that the production of machine tools in CECIMO countries might decrease by 34% in 2009, in line with the global forecast for the industry going back to the 2005 level."
	06/09	"Demand expected to slip to 850 billion yen in FY2009 and FY2010, down 35% compared to FY 2008 (40% decline in domestic demand, 30% decline in export demand)."
	22/07/09	"During 2009 the order acquisition for machine tools decreased by 63.1% compared to 2Q08"
	05/08/09	"In the second quarter of 2009, orders plummeted once more by 65 per cent over against the previous year's figures"
	10/08/09	"June U.S. manufacturing technology consumption totaled \$135.85 million. This total was up 22.0% from May but down 69.2% from the total reported for June 2008. With a year-to-date total of \$759.03 million, 2009 is down 70.1% compared with 2008."

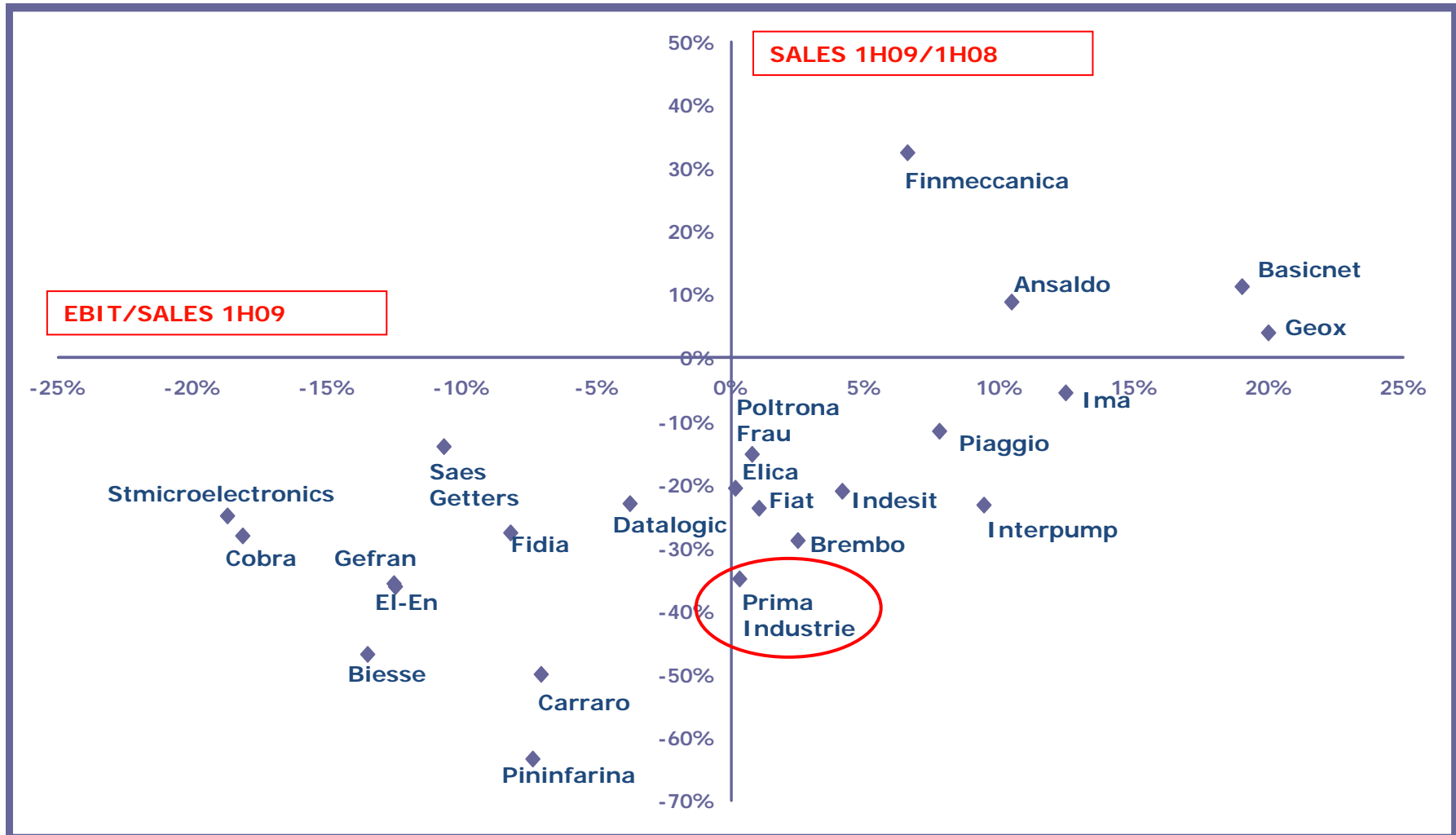
Market overview

Competitors

Company	Date	Newsflow
 	24/06/09	<p>"The Conzzeta Group's machinery and systems engineering businesses (Bystronic) are facing massive declines in incoming orders of up to 60%, as already reported in the interim report as of April 30, 2009....</p> <p>The planned program of capacity adjustments will result in the loss of around 400 jobs (approx. 11%)."</p>
	17/07/09	Bankruptcy filing
	22/07/09	<p>"Net Sales totaled \$76.6 million for the third quarter ended June 30, 2009, a 49% decrease from the comparable quarter of 2008. For the nine months ended June30, 2009 net sales totaled \$259.1 million, a decrease of 38% from the comparable period in 2008"</p>
	27/07/09	<p>"Sales sunk by 23% to 1.66 billion Euros. TRUMPF expects orders received to fall by 35% to 1.35 billion Euros. The company recorded a downturn in all regions of the world and in all of its divisions."</p>
	05/08/09	<p>Net sales down 55% for the three months ended June 30, 2009.</p> <p>Expected forecast sales for fiscal year ending March 31, 2009: -34%.</p>

Market overview

Listed Italian Industrials





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Reorganization & Restructuring process

LEGAL ENTITIES AND FACILITIES (1/2)

	Company	Actions	Status	Date
1.	PI SpA	Shut down R&D center in Bari and transfer key people to Torino	Done	Jun-09
2.	PI SpA	Closing of Prima Branch Office in Zurich	In progress	Jun-10
3.	FP Oy	Shut down Vilppula plant and relocation of activities to Kauhava and suppliers (outsourcing)	Done	Aug-09
4.	PE SpA	Merger of Osai SpA in Prima Electronics	Done	Jan-09
5.	PE SpA	Shut down of Osai service office in Bologna and concentration in Milan and Padua	In progress	Oct-09
6.	FP Italia	Transfer all activities (except Demo Center) from Fiesse to Cologne Veneta	In progress	Dec-09
7.	PNA	Transfer of PLS division to PFP NA and focus of PNA on CVL and LDS divisions	Done	Jun-09
8.	PI GmbH	Merger of FP GmbH into PI GmbH and change name into PFP GmbH	In progress	Jan-10
9.	PFP France	Transfer of Prima Branch Office to PFP France	Done	Jul-08



Reorganization & Restructuring process

LEGAL ENTITIES AND FACILITIES (2/2)

Company	Actions	Status	Date
10. PFP France	Relocation into a common facility	Done	Aug-09
11. PFP Iberica	Transfer of Prima Branch Office to PFP Iberica	Done	Jan-09
12. PFP Iberica	Relocation into a common facility	Done	Feb-09
13. Osai US	Relocation into PNA facilities in Chicopee (MA)	Done	Aug-09
14. Osai GmbH	Liquidation	Done	Jul-09
15. SPLMC	Liquidation of JV with Shenyang Machine Tool Co.	In progress	Dec-09

Reorganization & Restructuring process

WORKFORCE PERMANENT REDUCTIONS

Company	Actions	Status	Date	FTE
1. PI SpA	Shut down of R&D center in Bari	Done	Jun-09	5
2. PI SpA	Temporary and interim contracts not renewed	Done	Apr-09	30
3. FP Oy	Shut down of Vilppula plant	Done	Aug-09	40
4. FP Oy	Restructuring of Kauhava organization	In progress	Dec-09	70
5. PE SpA	"Mobilità" (also in Osai)	Done	Jul-09	20
6. FP Italia	CIGS and "Mobilità"	In progress	Oct-10	40
7. PNA	Lay-offs	Done	Jul-09	25
8. PFP NA	Lay-offs	Done	Sep-09	14
9. Subsidiaries in Europe	Lay-offs	In progress	Dec-09	TBD
TOTAL				244+



Reorganization & Restructuring process

ADDITIONAL WORKFORCE TEMPORARY REDUCTIONS

	Company	Procedure	In place since
1.	PI SpA	CIG	Apr-09
2.	FP Oy	YT	Jan-09
3.	FP Italia	CIGS	Sep-09
4.	PE SpA	CIG/CIGS	May-09
5.	PNA	Working 4 days out of 5	Jan-09
6.	PFP Iberica	E.R.E.	Sep-09
7.	PI GmbH / FP GmbH	Kurtz Arbeit	TBD
7.	PFP France	Chômage technique	TBD

New product development & Market launch

NEW ZAPHIRO



**R & D activities were not stopped during the crisis,
but focused on more qualified projects,
to be ready to seize new opportunities as soon as markets recover**



NEW E5X

New product development & Market launch

Company	New product	Date
PI SpA	New ZAPHIRO 2D laser machine	EMO (10/09) & FABTECH (11/09) Sold 1 st unit to Beta test US customer
PI SpA	New SYNCRONO 2D with IPG fiber laser	TBD
PI SpA	New RAPIDO with IPG fiber laser	Beta test in progress at US customer
FP Oy	New Laser Combi with CP laser	Sold 1 st unit to German customer
FP Oy	New low cost electric E5X punching machine with OPEN CNC	EMO (10/09) & FABTECH (11/09) Sold 1 st unit to Finnish customer
FP Italia	Camelia Project	TBD
PE SpA	New OPEN CNC line & P30 L	EMO (10/09) & FABTECH (11/09)
PE SpA & PNA	Fiber Laser 350 W module	TBD
FP Oy & FP Italia	"All electric machinery for energy saving and environment care"	TBD



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Figures at June 30, 2009

BALANCE SHEET

	30/06/09	31/12/08
K€		
NON CURRENT ASSETS	199,046	202,060
CURRENT ASSETS	166,344	203,932
TOTAL ASSETS	365,390	405,992
EQUITY	73,639	75,087
NON CURRENT LIABILITIES	138,617	69,044(*)
CURRENT LIABILITIES	153,134	261,861(*)
TOTAL LIABILITIES & EQUITY	365,390	405,992

(*) = in accordance with IAS/IFRS, at 31/12/08 the FP acquisition loan was wholly restated within the current liabilities because Prima received formal notice of covenants changes only after 31/12/08.

PROFIT & LOSS

	30/06/2009	30/06/2008 (*)
K€		
SALES	118,085	181,329
VALUE OF PRODUCTION	103,814	189,772
EBITDA	5,052	18,142
% on sales	4.3%	10.0%
EBIT	397	14,357
% on sales	0.3%	7.9%
EBT	(1,039)	9,491
% on sales	(0.9)%	5.2%
NET INCOME	(525)	6,846
% on sales	(0.4)%	3.8%

(*) = FP consolidated for 5 months only

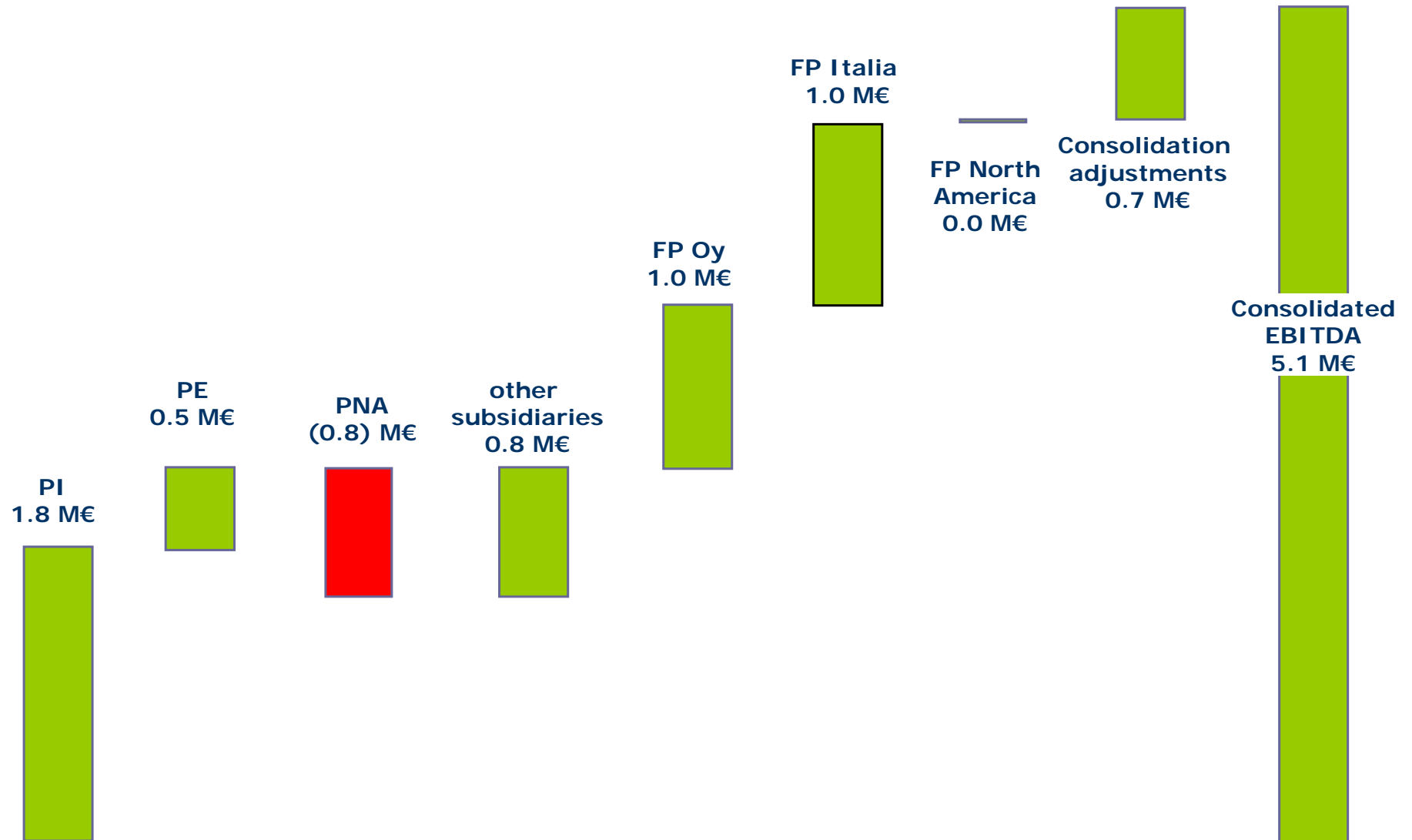


Settlement with EQT

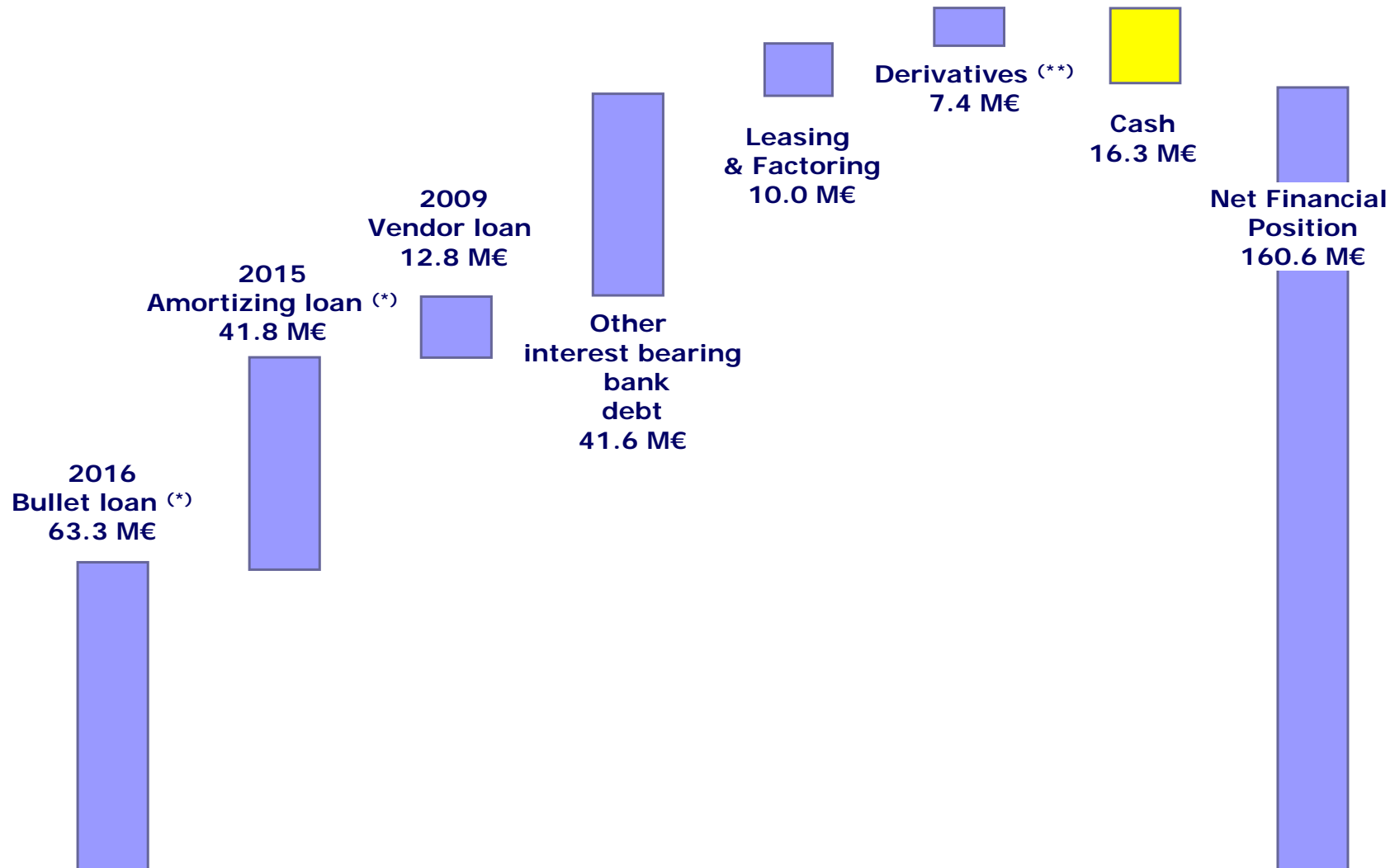
EQT SETTLEMENT

- **Prima Industrie S.p.A. will pay only 12.8 million euros (of which 12,2 million euros to the main Vendor EQT and the rest to the vending minorities);**
- **The consideration payment will take place within 30/11/2009;**
- **Interests (6%) on the deferred consideration are cancelled;**
- **The settlement signing releases both parties from any present and/or future obligation and claim should arise in relation to the acquisition;**
- **Significant benefits on P&L (both on EBITDA for 6.2 million euros and net financial charges for 2.8 million euros) and on the net debt which is reduced by 14 million euros.**

Walk across EBITDA at June 30, 2009



Walk across NFP at June 30, 2009



(*) = Average spread: ~ 200 bps.

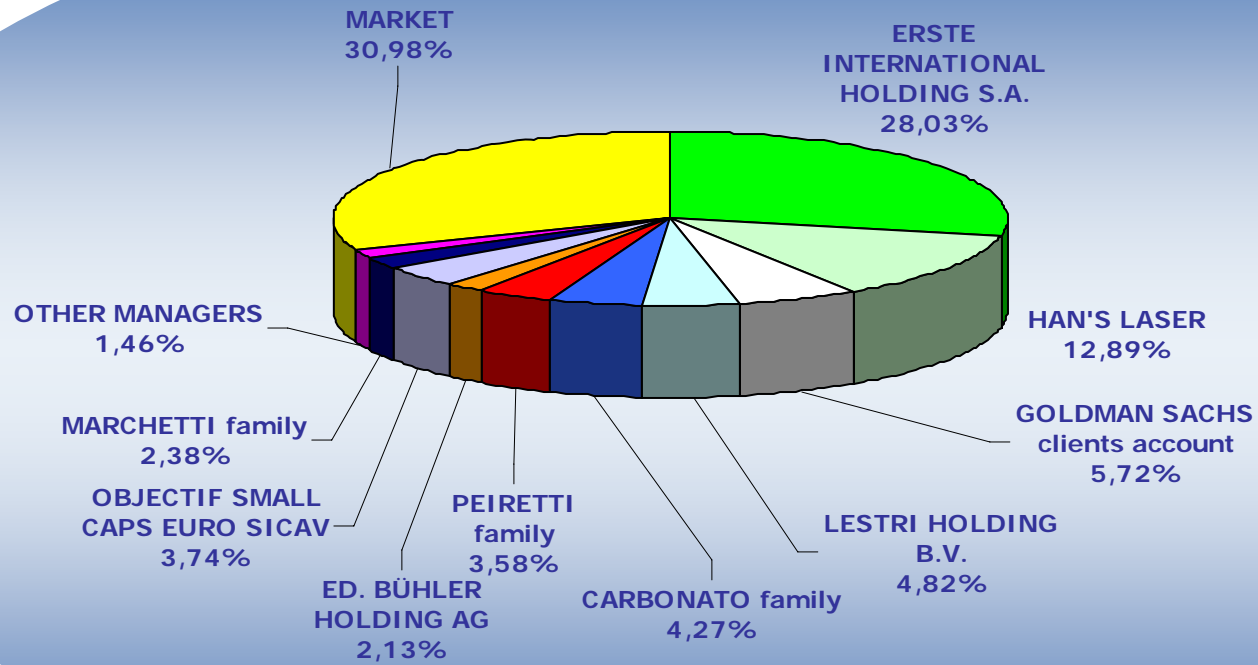
(**) = including hedge derivatives for 5.8 M€

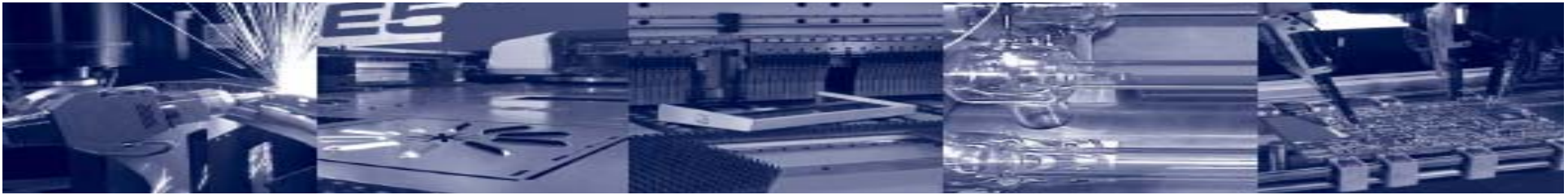


On-going financial steps

Issue	Description
Capital increase	<ul style="list-style-type: none">• Shareholders Meeting proxy already granted to BoD (08/06/09)• Expected amount ranging from €15 to €20 million• Forecasted within 2009
Re negotiations with banks	<p>Main positive on-going negotiations include:</p> <ul style="list-style-type: none">• renegotiation of FINPOLAR loan, aimed at the anticipated financing of a €25 million credit line originally forecasted for 2011, for payment of EQT vendor loan (€12.8 million) and other working capital needs• covenants 31/12/2009

Shareholding structure





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