



Company profile

IV Italian Stock Market Opportunities Conference
Banca IMI

September 21-22, 2011



*“We are what we repeatedly do.
Excellence, then, is not an act, but a habit.”*

Aristotle



About us

- **Leading global player** in laser and sheet metal machinery (among the **top 4 players worldwide**).
- **Comprehensive product range** in laser systems and sources, punching, shearing, bending and automation for sheet metal industry
- **Market leader in 3D lasers** for **automotive, aerospace** and **energy** markets.
- Over **30 years** experience in the sector.
- Over **10,000 machines and systems** installed in **60 countries**
- Manufacturing facilities in **Italy, Finland, USA, China**
- **Worldwide** sales and service **network**





Group business segments



Machinery segment

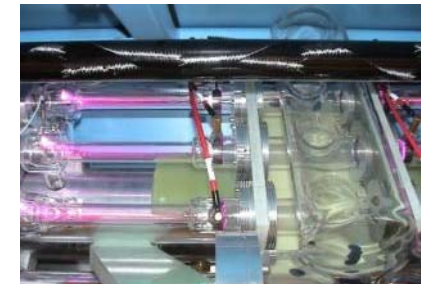
Components segment

Laser machines

Sheet metal processing systems

Industrial electronics

Laser technologies



Laser machines for cutting, drilling and welding

Machines for sheet metal treatment by means of mechanical tools

Power and control electronics

High-power laser sources for industrial applications

SALES : Euro 217 M *
Employees: 1,124 **

SALES : Euro 48 M *
Employees: 263 **



Prima Industrie Group industrial footprint

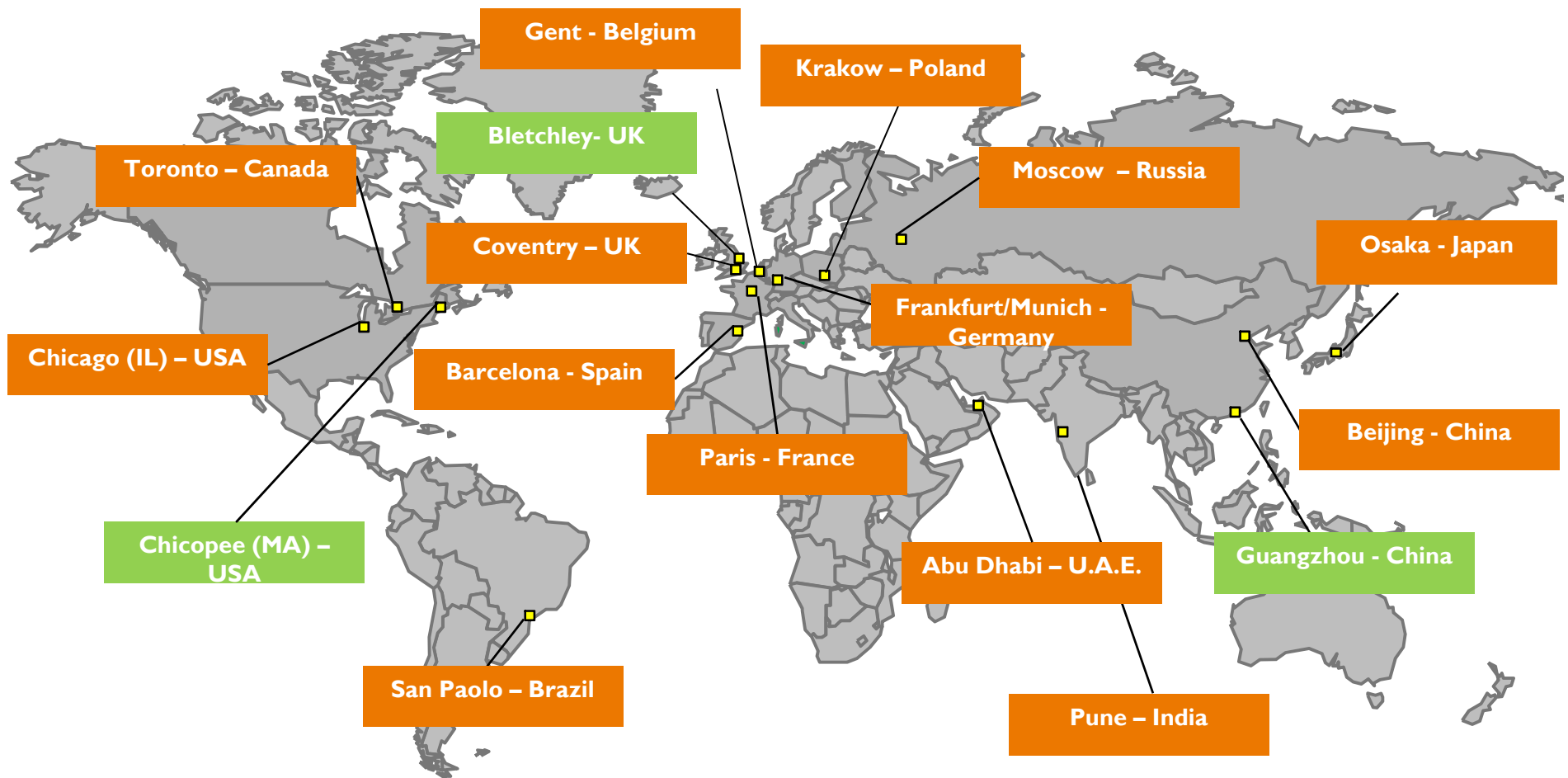


 = Prima Power production plant

 = Prima Electro production plant



Prima Industrie Group sales & service footprint

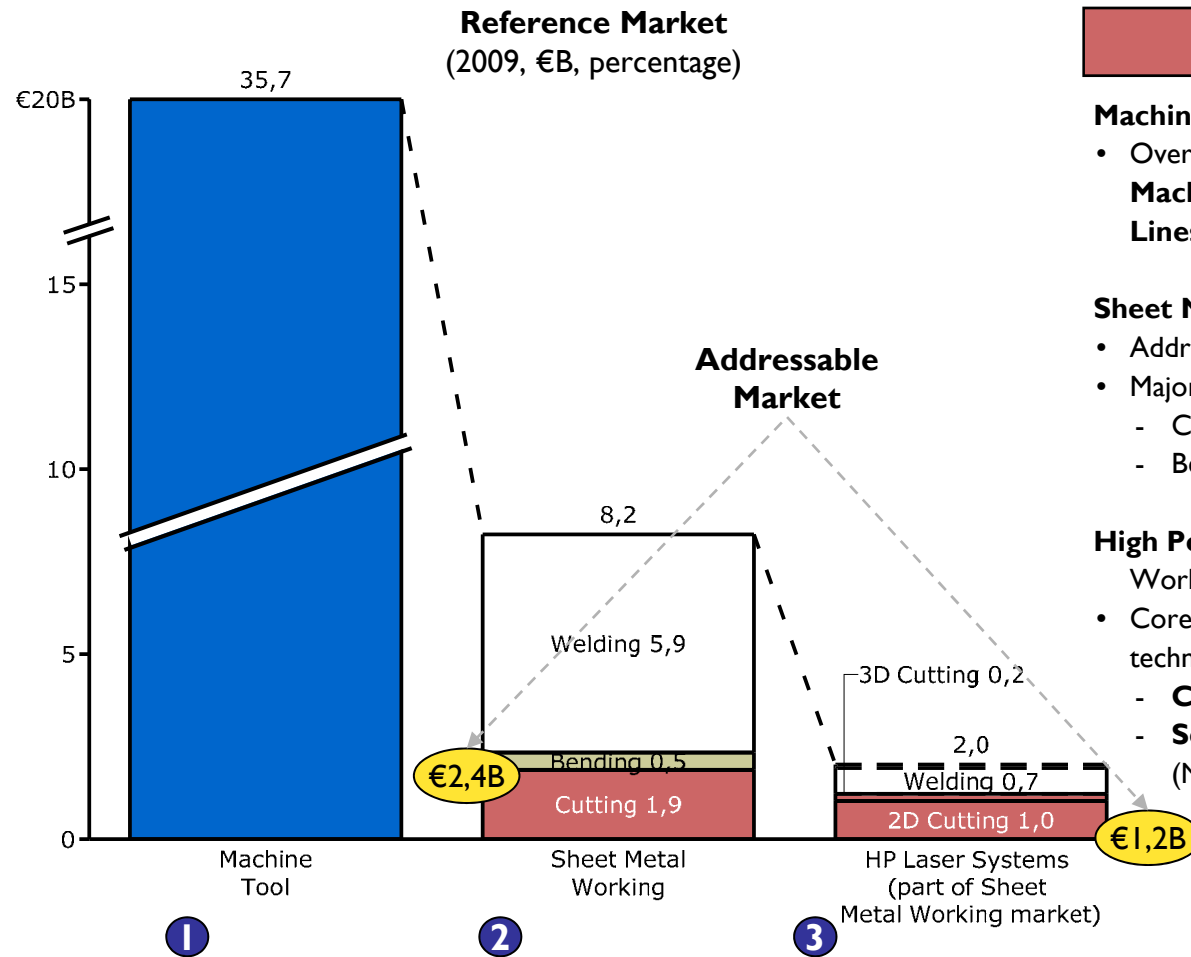


 = Sales & Service Prima Power

 = Sales & Service Prima Electro



Market analysis



Approach

Machine Tool

- Overall Market of €35,7B worldwide including **Machine Units/ Systems, Robots and Automation Lines**

Sheet Metal Working: Cutting & Bending

- Addressable market for **Prima Industrie**: €2,4B
- Major segments:
 - Cutting (€1,9B)
 - Bending (€0,5B)

High Power Laser Systems (part of Sheet Metal Working market)

- Core market for **Prima Industrie**, includes two major technologies:
 - **CO2 Laser**
 - **Solid State Laser**: Lamp-pumped, Diode-pumped (Nd:YAG, Yb:YAG, Fiber), Disk lasers

Cutting and Bending Sheet Metal Working (€2,4B) is the reference market for Prima Industrie

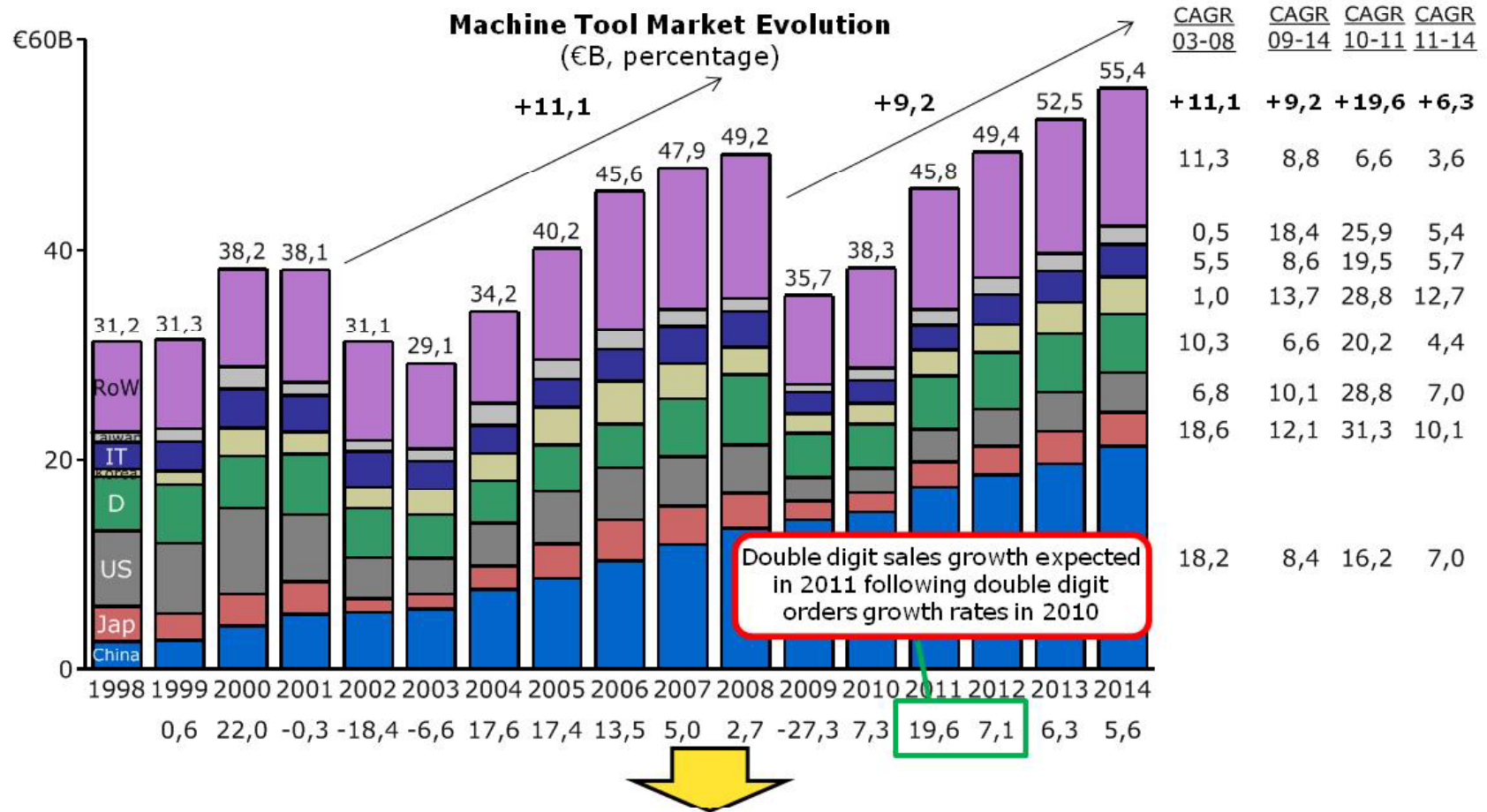


*“There is nothing new in the world
except the history you do not know.”*

Harry S. Truman



Market expectations: changing geographical mix

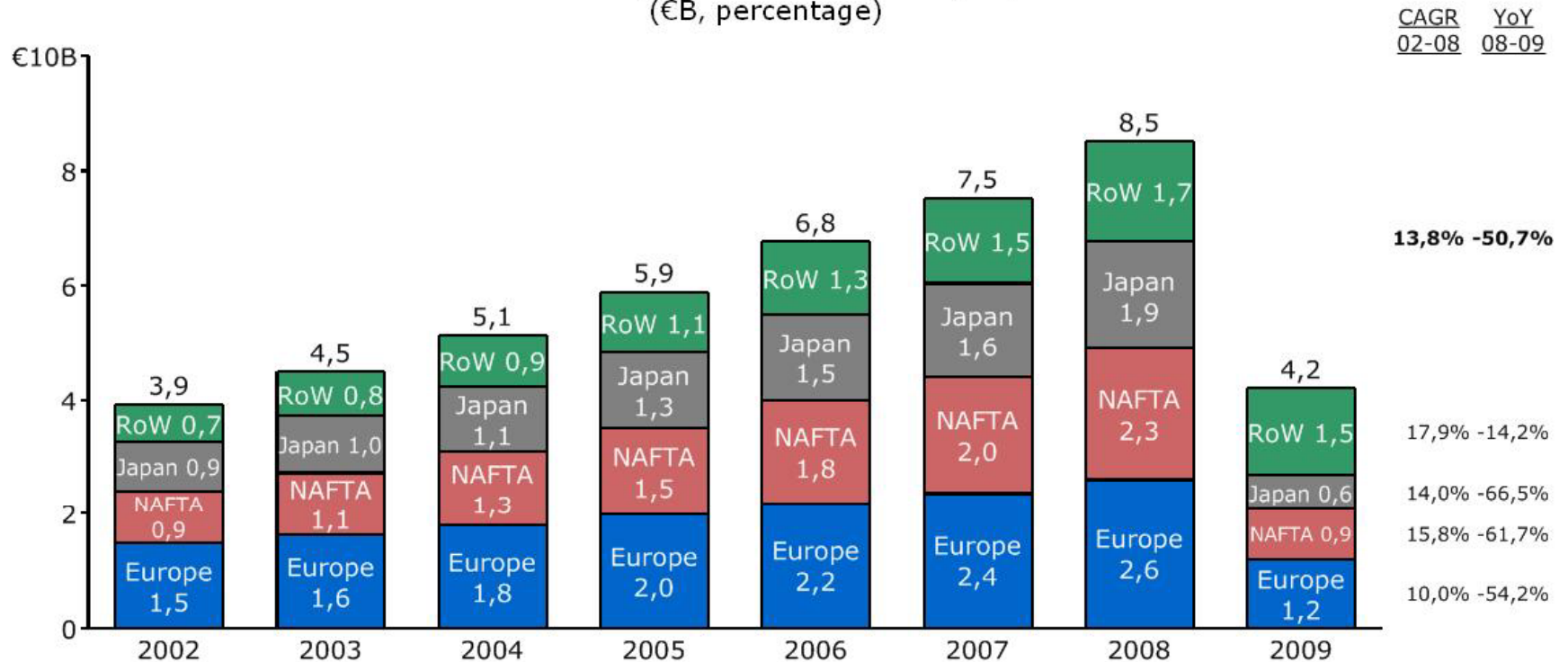


Flat growth and cyclicity of developed markets (e.g. Western Europe, USA, Japan) completely offset by solid growth of developing markets (e.g. China, Korea, Russia, Turkey)



Laser systems market by geographical area

Worldwide Laser System Market by Geographical Area
(€B, percentage)

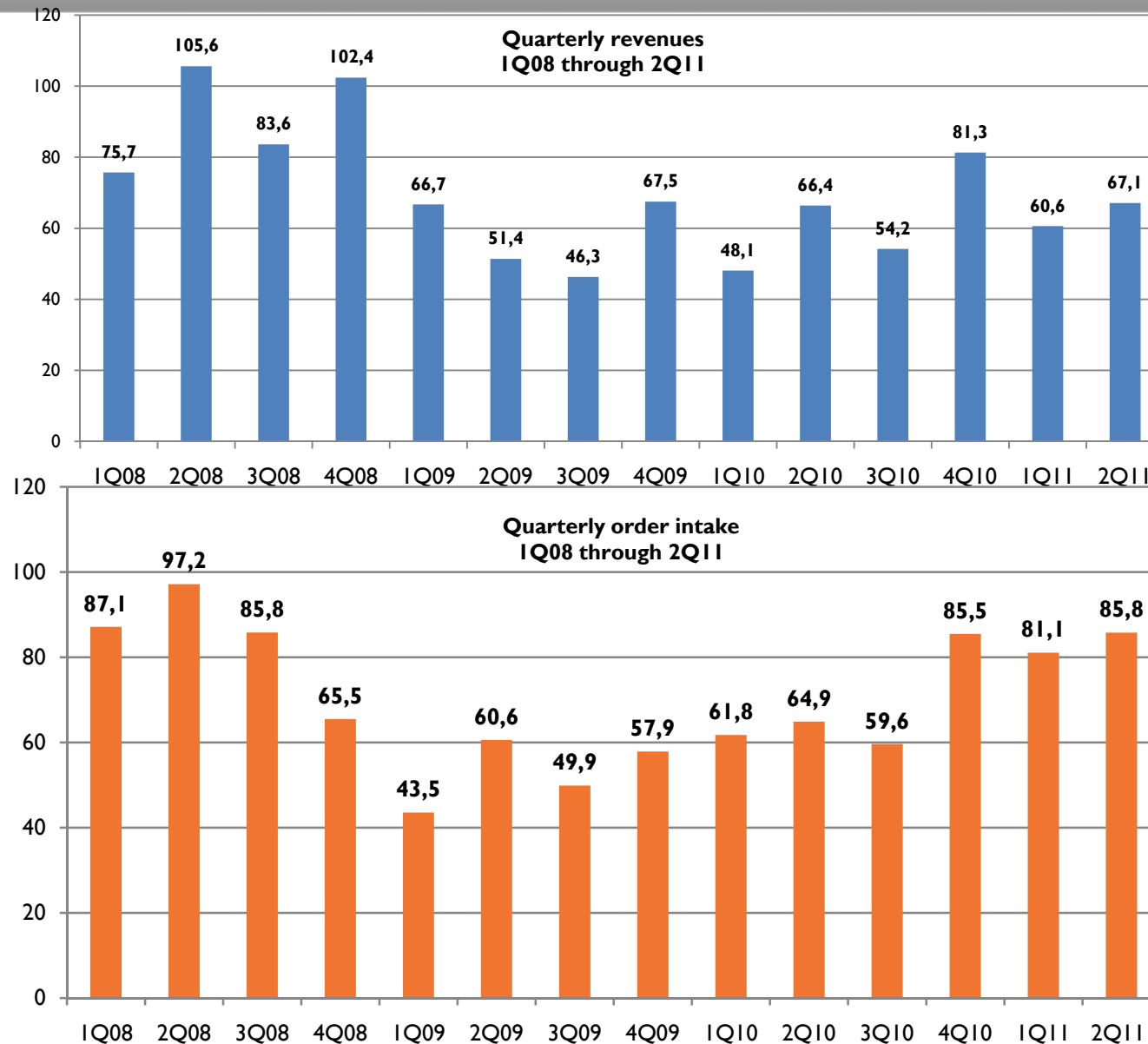


Developed countries (Europe, NAFTA and Japan) represent over 70% of worldwide market for Laser System

Sources: Optech Consulting, Bain analysis



Revenues and orders – quarterly trend





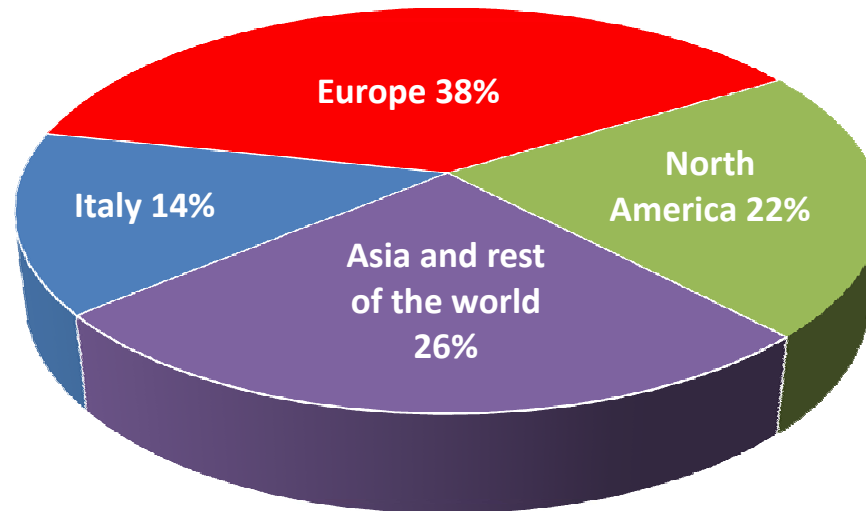
*“The investor of today does not profit
from yesterday's growth”.*

Warren Buffett

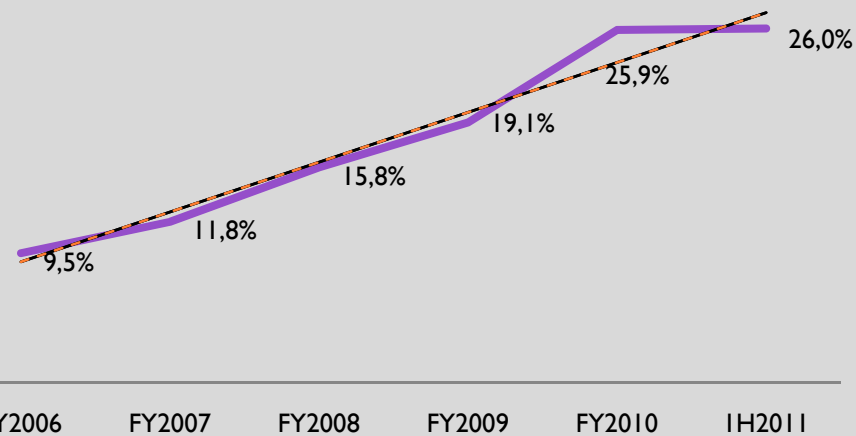


Geographical trends

Revenues as at June 30, 2011



Asia and Rest of the world sales contribution





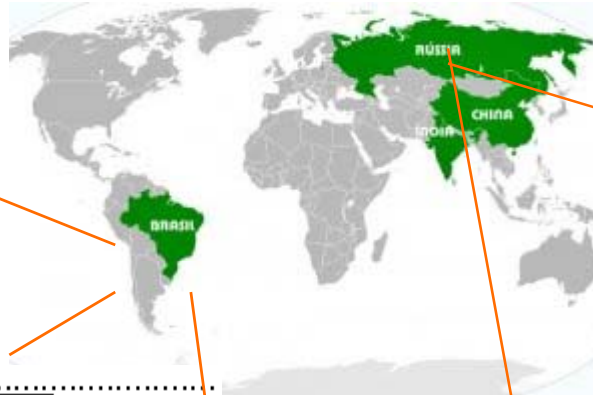
Covering high-growth markets

BRAZIL

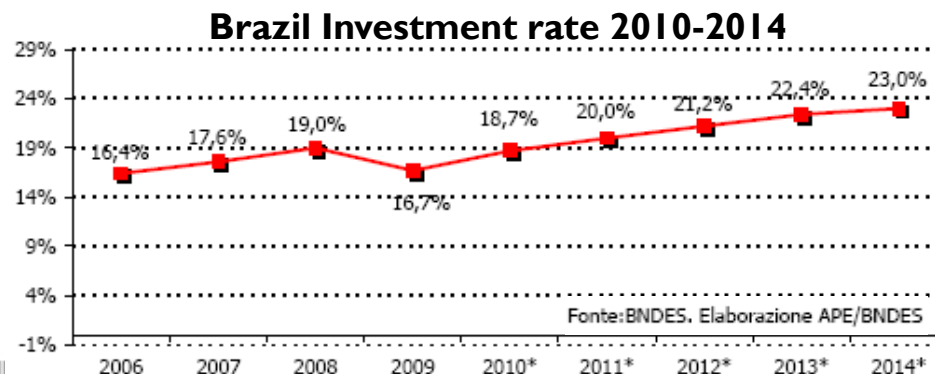
Prima Power Installed base: **87** machines

Market potential:

- 150-200 laser machines/year
- 200-250 punch-press

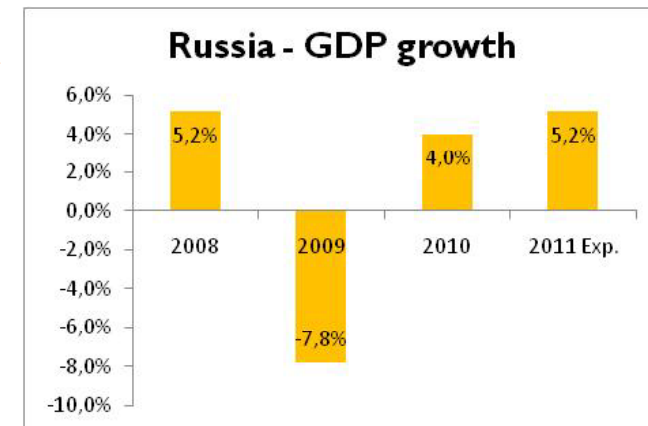


Source: Oxford Economics



RUSSIA

Prima Power Installed base: **540** machines



Source: company data



Covering high-growth markets

INDIA

Installed base: **93** machines

Estimated total machine tool consumption in India in 2010 is 1.5 bn€ which will grow to 6.0 bn€ in 2020

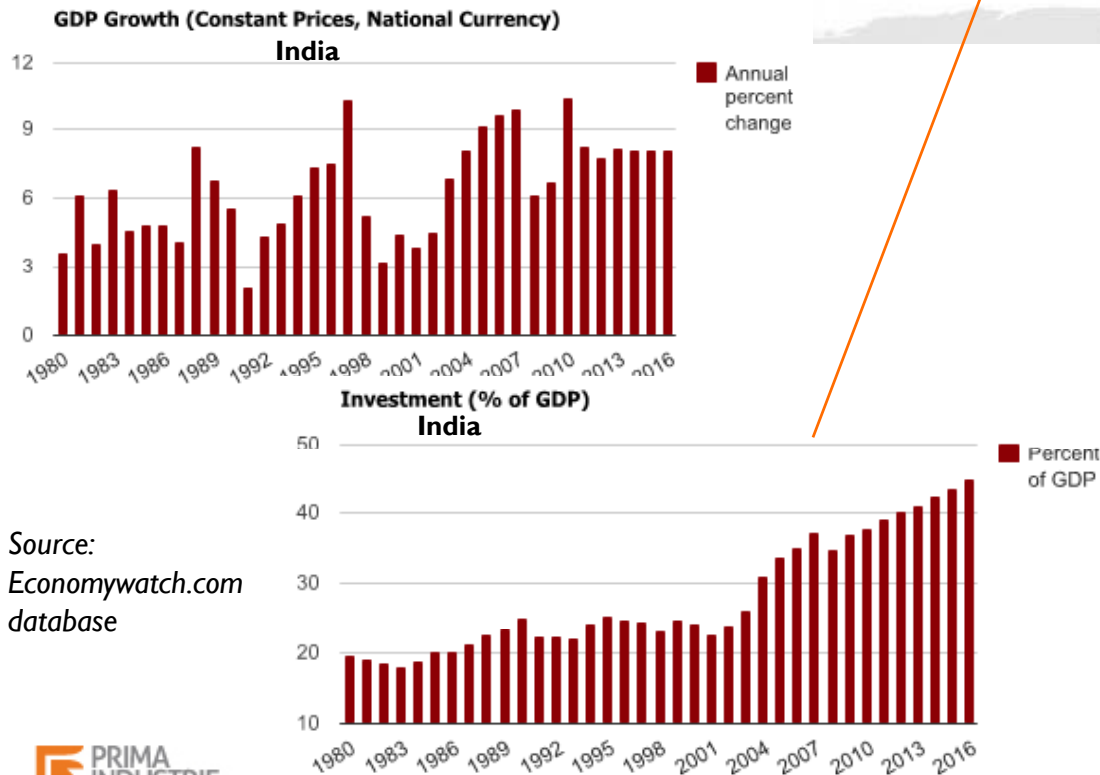


CHINA

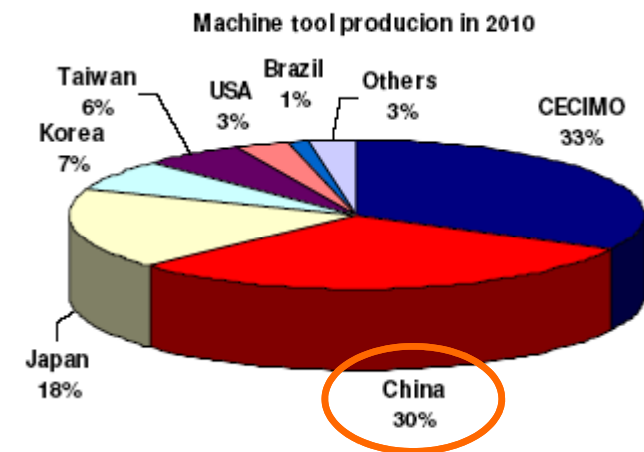
Installed base: over **1500** machines (including JV's)

Prima Power has

- 5-10% market share in punching machines
- almost 30% market share in laser machines



Source: Economywatch.com database



Source: Gardner and CECIMO estimation



Covering high-growth markets

PRIMA POWER IN THE BRICS

- CHINA: first JV and branch office in 1999. Currently present with one JV and one subsidiary.
- RUSSIA: incorporation of subsidiary in 3Q2010 (OOO Prima Power - Moscow)
- BRAZIL: incorporation of subsidiary in 2Q2011 (Prima Power South America Ltda – San Paolo)
- INDIA: incorporation of subsidiary in 3Q2011 (Prima Machine Services India Private Ltd. - Pune)

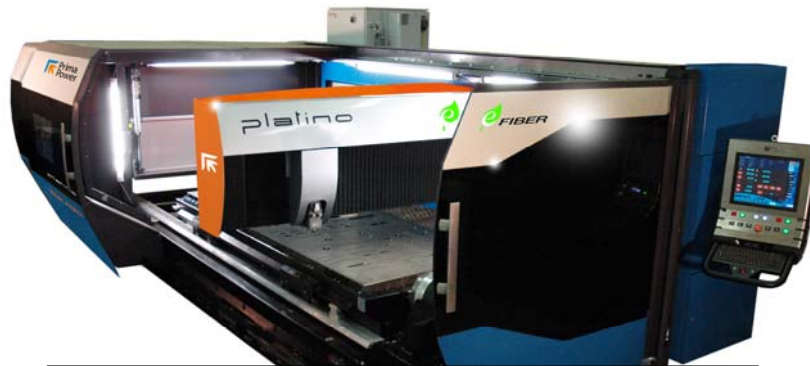


WHY WE HAD TO BE THERE IN SHORT:

- BRICS are among the fastest growing economies
- All major players in the world are present
- Machines from foreign producers still have a competitive advantage over domestic manufacturers
- Local presence gives long term assurance to the customer
- Good service support is essential to consolidate the relationship with the customers and gain their trust



R&D: investing for the future



Platino with fiber laser



Premio Italiano Meccatronica



New SG, electrical shearing system



Premio Le Fonti: awarded as Best Italian Company



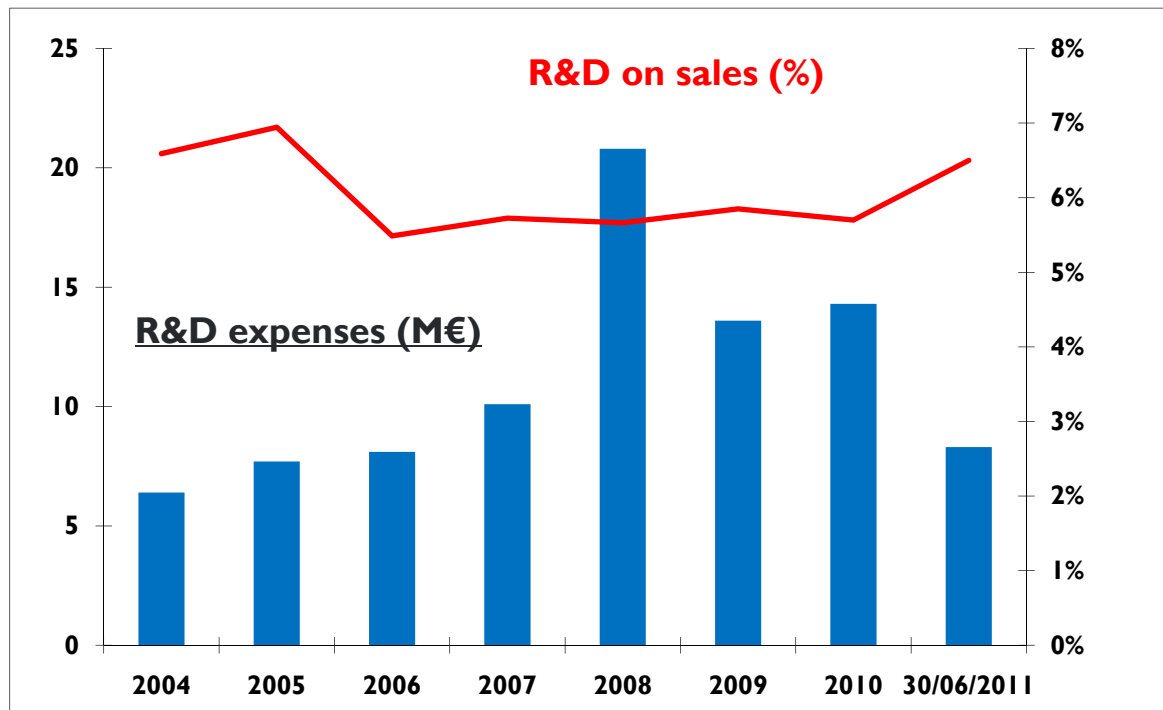
R&D: investing for the future



LAB ON NEW GENERATION LASERS
in cooperation with
Politecnico di Torino



Opening ceremony on October 19, 2011



Over 10% of headcount employed in R&D



*“However beautiful the strategy,
you should occasionally look at the results”.*

Winston Churchill



Financial statements as at June 30, 2011

BALANCE SHEET

(figures in Euro thousand)	30/06/2011	31/12/2010
Tangible and intangible assets	75,053	76,091
Goodwill	102,504	102,677
Other non current assets	13,524	13,252
NON CURRENT ASSETS	191,081	192,020
Inventory	88,881	70,151
Trade receivables	63,540	64,595
Trade payables and down payments	(99,434)	(78,163)
NET WORKING CAPITAL	52,987	56,583
Other current assets and liabilities	(7,267)	(4,923)
Other non current liabilities	(23,803)	(26,167)
NET INVESTED CAPITAL	212,998	217,513
NET DEBT	140,770	141,268
NET EQUITY	72,228	76,245
FINANCIAL SOURCES	212,998	217,513



Financial statements as at June 30, 2011

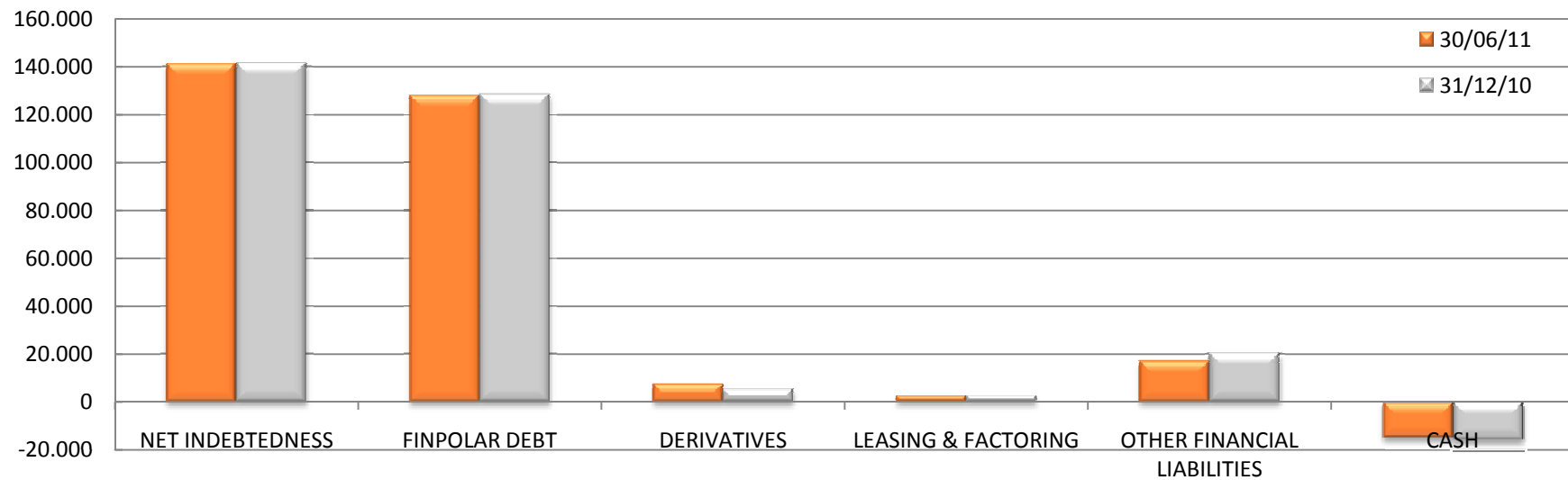
PROFIT & LOSS

(figures in Euro thousand)	30/06/2011	30/06/2010
SALES	127,679	114,512
VALUE OF PRODUCTION	143,736	122,762
EBITDA	7,302	2,358
% on sales	5.7%	2.1%
EBIT	2,459	(2,677)
% on sales	1.9%	(2.3%)
EBT	(2,421)	(5,317)
% on sales	(1.9%)	(4.6)%
NET INCOME	(3,421)	(5,047)
% on sales	(2.7%)	(4.4)%



Net debt as at June 30, 2011

	Jun 30, 2011	Dec 31, 2010
Finpolar Debt	128.628	128.048
Derivatives	6.528	7.830
Leasing & Factoring	3.473	2.887
Other financial liabilities	18.878	17.341
Cash	(16.737)	(14.838)
NET DEBT	140.770	141.268

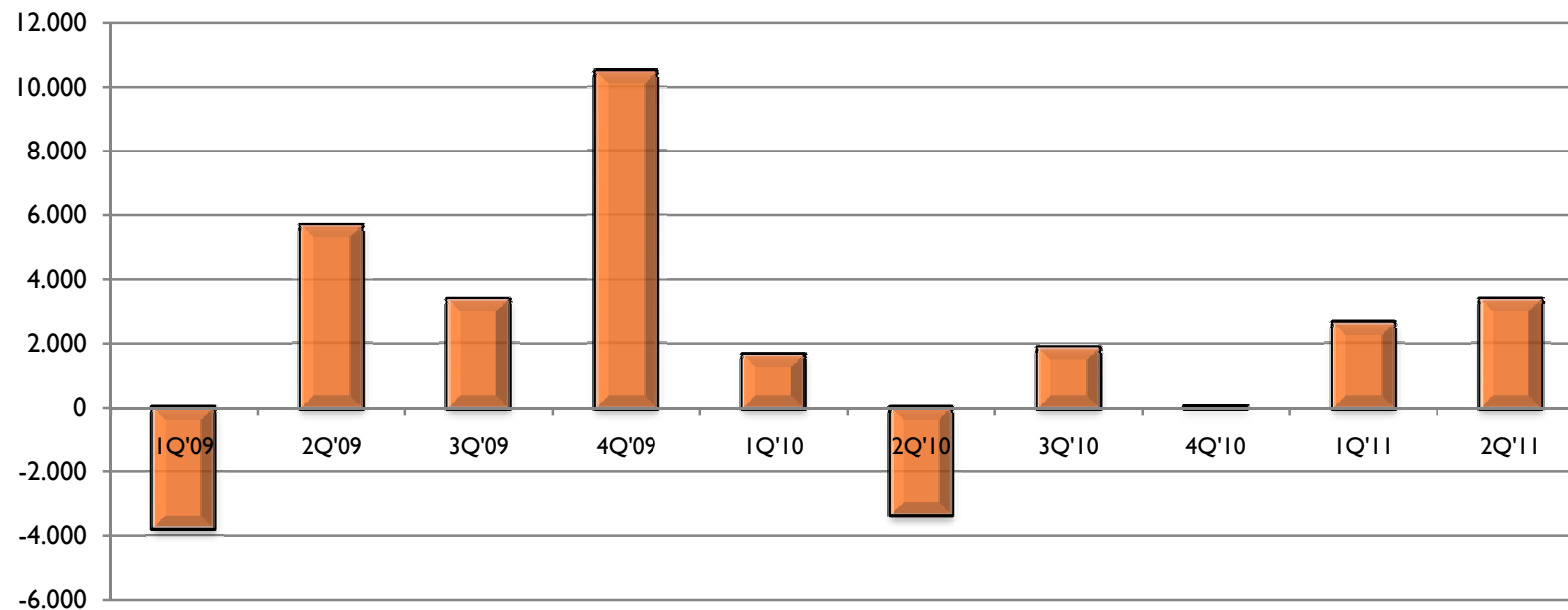




Cash flow from (used in) working capital management

<i>Values expressed in euro/000</i>	1Q'09	2Q'09	3Q'09	4Q'09	1Q'10	2Q'10	3Q'10	4Q'10	1Q'11	2Q'11
Change in inventories	11.284	11.260	727	11.108	(5.881)	(2.500)	(1.967)	12.005	(10.190)	(8.540)
Change in trade receivables	8.574	7.649	1.212	(3.992)	6.772	(12.555)	4.500	(4.489)	4.960	(3.905)
Change in trade payables & advances	(22.256)	(12.781)	4.207	3.835	2.604	10.359	1.955	(7.850)	8.058	13.213
Net change in other receivables/payables and other assets/liabilities	(1.385)	(481)	(2.797)	(509)	(1.860)	1.337	(2.638)	346	(201)	2.588
Cash flow from (used in) working capital management	(3.783)	5.647	3.349	10.442	1.635	(3.359)	1.850	12	2.627	3.356

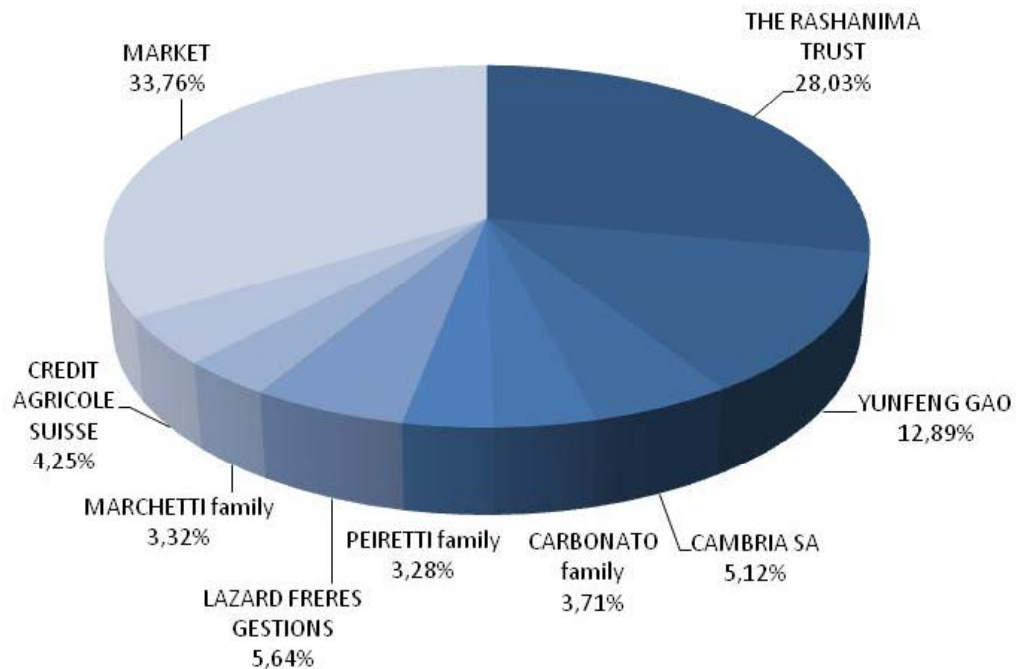
Cash flow from (used in) working capital management





Shareholders & Governance

SHAREHOLDERS' STRUCTURE



Number of outstanding shares: 8.640.696
Face value: Euro 2.50

Number of outstanding warrants (exp. 2013): 2.239.304
Strike price: Euro 8.50

BOARD of DIRECTORS

Gianfranco CARBONATO – Chairman & CEO
Ezio BASSO – Managing director
Domenico PEIRETTI – Managing director
Sandro D'ISIDORO – Independent director
Enrico MARCHETTI – Independent director
Mario MAURI – Independent director
Yunfeng GAO – Non executive director
Michael MANSOUR – Non executive director
Rafic MANSOUR – Non executive director



“Business is not just doing deals; business is having great products, doing great engineering, and providing tremendous service to customers. Finally, business is a cobweb of human relationships”.

Ross Perot



An industrial success story

1980-1989: Evolution into an Industrial Company

- ▣ Leadership in 3D laser robots (OPTIMO)
- ▣ Development of industrial electronics & software
- ▣ Player in industrial robots for arc welding & handling
- ▣ Leader in measuring robots
- ▣ First International subsidiary (Germany)

1990-1995: Focus on Laser

- ▣ Increase 3D products range (RAPIDO)
- ▣ Development of International sales/service subsidiaries (US, France, UK)
- ▣ Sale of non-core activities
- ▣ Entry in 2D laser market through acquisition of the Swiss Company LASERWORK AG

2000-2007: Internationalization

- ▣ Acquisition of Convergent Energy and Laserdyne (presently both divisions of PRIMA North America)
- ▣ Second JV in China: SHANGHAI UNITY PRIMA
- ▣ Launch of SYNCRONO and RAPIDO EVOLUZIONE
- ▣ Strengthening EU sales/service (Prima GmbH, Prima Scandinavia, Prima Polska)



1977-1979: Start Up as Engineering Company

- ▣ Incorporation under the name of PRIMA PROGETTI
- ▣ Incorporation of PRIMA ELECTRONICS
- ▣ Developments of a wide range of hi-tech products
- ▣ First 3D laser machine developed in 1979 (ZAC)

1996-1999: Strong Growth and IPO

- ▣ ISO 9001 certification
- ▣ New 2D product launch (PLATINO)
- ▣ R&D investment program to extend the product range (New OPTIMO, DOMINO, MAXIMO)
- ▣ First JV in China and Branch office in Beijing
- ▣ Listing on Italian Stock Exchange (presently STAR segment)

2007-2008: External growth

- ▣ Acquisition of OSAI
- ▣ Acquisition of Finn Power



Prima Power 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



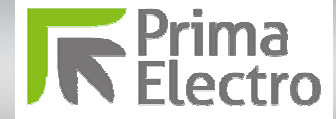
Punching/ shearing



FMS



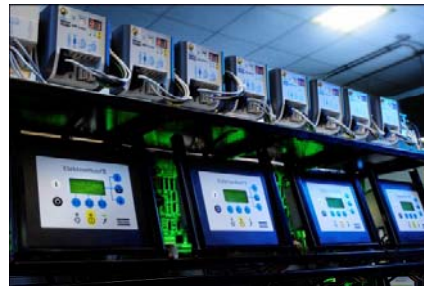
Prima Electro Products



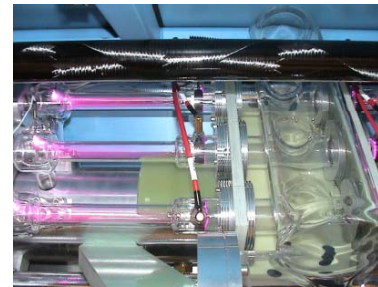
Power and control electronics, and of high-power laser sources for industrial applications



OPEN control console



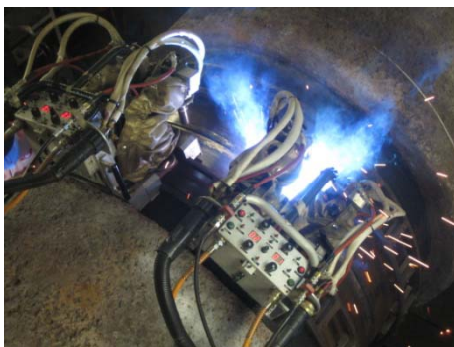
Industrial controllers



High-power laser sources



CNC for laser machines



Orbital welding systems



VFD servodrives



Teach Pendant



Bogie&stability monitoring control units



Selected customers

Automotive



Aerospace



Energy



Agricultural & Construction Machinery, Trucks & Trailers





Selected customers

Forklifts & Industrial Machinery



HVAC & White Goods



Miscellaneous End Products



Electronics



Contract Manufacturing

