



PRESS RELEASE

NUOVO MERCATO OF THE ITALIAN STOCK EXCHANGE

PRIMA INDUSTRIE SpA

- ***APPROVED BY THE BOARD OF DIRECTORS THE SIX MONTHS REPORT AS AT JUNE 30TH, 2002***
- ***SATISFACTORY PERFORMANCE OF THE HEAD COMPANY PRIMA INDUSTRIE S.p.A. (SALES AT 29.7 MILLION EURO; EBIT AT 0.7 MILLION EURO) AND OF PRIMA ELECTRONICS S.p.A. (SALES AT 7.8 MILLION EURO, EBIT AT 1.3 MILLION EURO) NOTWITHSTANDING THE INTERNATIONAL ECONOMIC SITUATION***
- ***CONSOLIDATED RESULTS (SALES AT 42.2 MILLION EURO, EBIT -2.2 MILLION EURO) PENALIZED BY THE US COMPANIES, BY THE DIFFICULT SITUATION OF SOME REFERENCE MARKETS (AEROSPACE AND AUTOMOTIVE) AND BY THE DEVALUATION OF DOMESTIC PARTICIPATIONS***
- ***EXPORT EXCEEDING 74%. GOOD ORDER BACKLOG AT 32 MILLION EURO***

Collegno (Torino), August 28, 2002 – The Board of Directors of Prima Industrie, a leader company in the high technology sector of laser systems for industrial applications, listed at Nuovo Mercato of the Italian Stock Exchange, discussed and approved today the Company Consolidated Accounts as at June 30th, 2002.

First six months closed with consolidated sales of 46.2 million euro (51.1 last year, same period). The reduction is due to a lower market demand for capital goods which influenced the sales mix in respect of the previous year; sales show in fact a higher number of 2D machines, destined to very diversified industrial markets, which have lower unit value in respect of the 3D machines, mainly addressed to the automotive and aerospace markets. The growth in the 2D segment is a positive fact because it has been achieved in a negative economic situation, so confirming the company vitality.

In terms of geographical distribution, the trend was similar to that of 2001 first semester, where prevailed the European market (approx. 43% as at June 30, 2002) in respect of the Italian (26% approx.) and the North American (20% approx.). Remarkable was the increase (+23% approx. vis-à-vis June 30, 2001) on the “overseas” sales and in particular in China, Russia and Brazil, less liable to the unfavourable cycle of the latest months and with good perspectives of future growth (China and Russia).



The Group economic result, EBITDA –0.9 million euro (+3.3 as at June 30, 2001) and EBIT –2.2 million euro (+2.1 as at June 30, 2001) appears to be still heavily influenced by the trend of the American companies Convergent Prima and Laserdyne Prima, which are operating in a very critical context both in geographical terms as well as reference markets.

Currently we have made a drastic reorganization process in these two companies, reducing their staff from 171 units as at June 30, 2001 to the present 122 units (-28%).

The completion of the reorganization, which plans the merging of the two companies together with their relocation, shall be accomplished within the 1st quarter 2003 and will certainly considerably reduce fixed expenses.

Profit before taxes for the period (-4.1 million euro as against +2.3 million euro as at June 30, 2001) is also influenced by the dollar devaluation towards the euro for an amount of about 0.4 million euro and by the cancellation of the Company participation, acquired in early 1999, into Rambaudi Industriale S.p.A. (an historical Italian machine tool trade mark) of about 0.8 million euro, in connection with the liquidation of this Company resolved in July.

At the end of the period, the Group shows a net financial position of 33 million euro (67% medium long term) with a ratio of 1.1 on equity.

As for Prima Industrie S.p.A., the Board acknowledges its sales for 29.7 million euro (31 million as at June 30, 2001) as well as the reduction of the margins of profit (EBITDA at 1.1 million euro equal to 3.7% of sales against 2.4 million as at June 30, 2001 and an EBIT of 0.7 million euro equal to 2.3% of sales against 2.0 million euro as at June 30, 2001) due to the laser products mix dominated, as already mentioned, by the sales of 2D machines against the 3D machines, which are much more profitable but also more sensitive to the trend of the automotive industry.

In commenting this first part of the year, the C.E.O. of Prima Industrie S.p.A., Gianfranco Carbonato, said: *“After six years of continuous growth and profits, the six-month report highlights a negative result mainly due to the well-known US situation. We are very confident on the future Group perspectives as shown by the acceptable results achieved by the companies operating in Italy though the difficult period. This is thanks to the diversification of our reference markets, both geographically and by destination, together with the high technological content of our products which we are still improving, having charged to Profit & Loss Account, during the first half of this year, more than 3 million euro for R&D.*

Furthermore, the good order backlog, confirmed by a satisfactory acquisition during August, together with the costs reduction made in U.S.A., will reasonably make us to expect a positive second half of the year”.

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www.primaindustrie.com and www.adhoccommunication.it*