

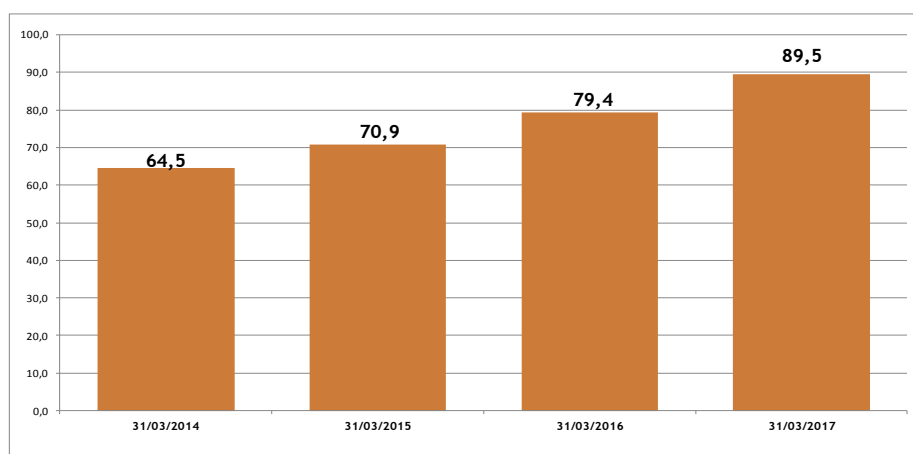
**INTERIM REPORT AS AT MARCH 31<sup>st</sup> 2017**  
 (in brackets results as at 31/03/2016)

**STRONG GROWTH CONTINUES FOR THE GROUP  
 THANKS TO THE EXCELLENT PERFORMANCE OF PRIMA POWER DIVISION  
 AND TO THE RECOVERY OF PRIMA ELECTRO DIVISION  
 FURTHER SIGNIFICANT PROGRESS OF ORDERS' ACQUISITION  
 HIGHEST EVER ORDER BACKLOG**

- Consolidated REVENUES at 89.5 M€ (+ 12.7% against 79.4 M€);
- EBITDA at 6.3 M€ (+34.0% against 4.7 M€);
- GROUP NET PROFIT at 0.8 M€ (against -0.4 M€);
- NET FINANCIAL POSITION at -101.1 M€ (against -117.3 M€);
- ORDERS' ACQUISITION at 112.2 M€ (against 82.5 M€);
- ORDERS' BACKLOG at 164.2 M€ (+35.9% against 120.8 M€), increased to 185.7 M€ at 30/04/2017

*Collegno (TO), May 8<sup>th</sup> 2017* - The board of Directors of Prima Industrie S.p.A, a company leader in high technology laser systems, sheet metal working systems and electronic components for industrial applications, met today to approve the Interim Report as at 31/03/2017.

The Groups ended the first quarter of 2017 reaching consolidated revenues of 89,483 thousand euro, increasing about 12.7% against the same period of the previous year. It is the third year in a row in which the first quarter is growing in comparison with the previous year's (CAGR of 11.5%).



*Value in euro million*

This positive performance was the result of the significant investments made by the Group during the recent years and in particular those in research and development aimed to the renewal of the product range, to the development of the proprietary fiber laser source, as well as investments to strengthen its presence on several geographic markets.

A further accelerator of this growth has been the building of the new HQTC (Headquarters & Technology Center) in Collegno (Torino). The HQTC, where all the Group product lines are exposed, was inaugurated at the end of May 2016 and continues to be visited by many customers from all over the world, contributing significantly to the Group orders acquisition.

Below are the main economic indicators of the Group as at 31/03/2017 broken down by Division, compared with the same period of the previous year:

*Value in thousand euro*

| 31/03/17      | Revenues      | Gross Margin  | Gross Margin % | EBITDA       | EBITDA %    | EBIT         | EBIT %      | NET RESULT |
|---------------|---------------|---------------|----------------|--------------|-------------|--------------|-------------|------------|
| PRIMA POWER   | 83.391        | 19.526        | 23,4%          | 5.969        | 7,2%        | 2.518        | 3,0%        | 1.002      |
| PRIMA ELECTRO | 12.090        | 2.732         | 22,6%          | 500          | 4,1%        | (352)        | -2,9%       | (110)      |
| ELIMINATIONS  | (5.998)       | (232)         | 3,9%           | (191)        | 3,2%        | (187)        | 3,1%        | (122)      |
| <b>GROUP</b>  | <b>89.483</b> | <b>22.026</b> | <b>24,6%</b>   | <b>6.278</b> | <b>7,0%</b> | <b>1.979</b> | <b>2,2%</b> | <b>770</b> |

*(% calculated over the revenues)*

*Value in thousand euro*

| 31/03/16      | Revenues      | Gross Margin  | Gross Margin % | EBITDA       | EBITDA %    | EBIT         | EBIT %      | NET RESULT   |
|---------------|---------------|---------------|----------------|--------------|-------------|--------------|-------------|--------------|
| PRIMA POWER   | 73.169        | 17.434        | 23,8%          | 4.830        | 6,6%        | 2.058        | 2,8%        | 455          |
| PRIMA ELECTRO | 9.600         | 2.655         | 27,7%          | 6            | 0,1%        | (879)        | -9,2%       | (438)        |
| ELIMINATIONS  | (3.348)       | 107           | -3,2%          | (134)        | 4,0%        | (131)        | 3,9%        | (449)        |
| <b>GROUP</b>  | <b>79.421</b> | <b>20.196</b> | <b>25,4%</b>   | <b>4.702</b> | <b>5,9%</b> | <b>1.048</b> | <b>1,3%</b> | <b>(432)</b> |

*(% calculated over the revenues)*

The above table shows that the overall growth of revenues is coming both from PRIMA POWER division growth and from the recovery of PRIMA ELECTRO division.

In particular the turnover increase of PRIMA ELECTRO division relates to internal supplies of fiber lasers.

\* \* \* \* \*

Following is the consolidated revenues geographical breakdown at 31/03/2017 compared with same period of the previous year:

| Revenues     | 31/03/17             |              | 31/03/16             |              |
|--------------|----------------------|--------------|----------------------|--------------|
|              | <i>Euro thousand</i> | <i>%</i>     | <i>Euro thousand</i> | <i>%</i>     |
| EMEA         | 46.584               | 52,0         | 47.023               | 59,2         |
| AMERICAS     | 27.096               | 30,3         | 18.244               | 23,0         |
| APAC         | 15.803               | 17,7         | 14.154               | 17,8         |
| <b>TOTAL</b> | <b>89.483</b>        | <b>100,0</b> | <b>79.421</b>        | <b>100,0</b> |

It should be noted that the Group revenues of the first quarter of 2017 (compared with the first quarter of 2016) recorded a significant growth in AMERICAS (+48.5%) and in APAC region in which it achieved an increase of 11.7%; the turnover of EMEA area, in absolute values, remains instead substantially unchanged. Therefore, the Group's turnover is gradually moving more and more out of Europe.

As for EMEA, in particular, the Group recorded good results in Italy (13.0% of consolidated revenues), in Germany (8.1% of consolidated revenues), in Northern Europe (7.1% of consolidated revenues), in the countries of Central Europe (5.5% of consolidated revenues) and in Spain (5.0% of consolidated revenues).

The portion generated by AMERICAS rose significantly compared to 2016, growing from 18,244 thousand euro to 27,096 thousand euro (+48.5%); this growth is related to revenues generated in Canada and Mexico, which rose from a total of 1,623 thousand euro to a total of 9,269 thousand euro.

Revenues in APAC countries at 31/03/2017 also increased compared to the same period of 2016, growing from 14,154 thousand euro to 15,803 thousand euro (+11.7%); this growth mainly refers to China (13.4% of consolidated revenues) whose turnover grew from 10,260 thousand euro to 12,025 thousand euro (+17.2%).

\* \* \* \* \*

The Group's **EBITDA** at 31/03/2017 amounted to 6,278 thousand euro (7.0% of revenues), an increase of 1,576 thousand euro compared to the same period of the previous year (it was 4,702 thousand euro, equal to 5.9% of revenues).

The Group's **EBIT** at 31/03/2017 is equal to 1,979 thousand euro (2.2% of revenues), an increase of 931 thousand euro compared to 31/03/2016 (it was 1,048 thousand euro, equal to 1.3% of revenues). This result is affected by depreciation of intangible assets for 3,238 thousand euro and of tangible assets for 1,061 thousand euro. With regard to the amortization of intangible assets, the main relates to amortization of development costs (2,238 thousand euro) and to the amortization related to assets with a defined useful life recognized in the FINN-POWER Group business (brand and customer relations - "customer list") which are equal to 795 thousand euro.

Consolidated **EBT** at 31/03/2017 amounts to 1,040 thousand euro and significantly increased compared to 31/03/2016, when EBT was negative for 821 thousand euro. Consolidated EBT reflects net financial charges (including profits and losses on exchange rates) for 1,165 thousand euro (at 31/03/2016 they were equal to 2,079 thousand euro).

The Group **NET RESULT** at 31/03/2017 is positive for 770 thousand euro (it was negative for 432 thousand euro at 31/03/2016); the Net Result attributable to the Parent Company is equal to 837 thousand euro.

\* \* \* \* \*

At 31/03/2017 **net financial position** of the Group shows a net debt of 101,122 thousand euro, compared to 117,334 thousand euro at 31/03/2016 and to 84,215 thousand euro at 31/12/2016. The increase in indebtedness in the first quarter of 2017 reflects the higher volumes expected in the coming quarters of the year; the growth in sales volumes expected over the coming months is confirmed by the high orders' backlog, with consequent effect on the working capital of the Group.

Below is the break down of the net financial position:

| Value expressed in Euro thousand  | 31/03/17       | 31/12/16      | 31/03/16       |
|-----------------------------------|----------------|---------------|----------------|
| CASH & CASH EQUIVALENTS           | (43.817)       | (62.680)      | (26.543)       |
| CURRENT FINANCIAL RECEIVABLES     | (792)          | (792)         | (1.224)        |
| CURRENT FINANCIAL LIABILITIES     | 32.764         | 35.790        | 26.228         |
| NON CURRENT FINANCIAL LIABILITIES | 112.967        | 111.897       | 118.873        |
| <b>NET FINANCIAL POSITION</b>     | <b>101.122</b> | <b>84.215</b> | <b>117.334</b> |

\* \* \* \* \*

During the three first months of 2017 the **order acquisition** of the Group (including after-sale service) amounted to 112.2 million euro, an increase of 36% against 82.5 million euro at 31/03/2016. Order acquisition of PRIMA POWER segment was equal to 105.1 million euro, order acquisition relating to PRIMA ELECTRO segment, from customers outside the Group only, was equal to 7.1 million euro.

Consolidated **order backlog** (not including after-sale service) at 31/03/2017 amounts to 164.2 million euro (against 120.8 million euro at 31/03/2016). The backlog includes 157.1 million euro relating to PRIMA POWER segment and 7.1 million euro relating to PRIMA ELECTRO segment.

At 30/04/2017 the order backlog amounts to 185,7 million euro.

The Group Chairman, Gianfranco Carbonato, noted: *"Notwithstanding the fact that the first quarter of the year is seasonally weak, the first quarter of 2017 was affected by good results achieved by PRIMA POWER division, also thanks to the excellent performance fulfilled in North America and in China, and thanks to the recovery of PRIMA ELECTRO division, mainly due to an increasing amount of fiber lasers delivered. Considering the high backlog, which confirms the positive market trend, we expect to maintain our growth trend also for the next quarters of the year".*

*"The manager responsible for preparing the company's financial reports, Davide Danieli, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law of Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records".*

The document with the Interim Report as at 31/03/2017 shall be filed and made available at the Company registered offices and on the internet site [www.primaindustrie.com](http://www.primaindustrie.com) as well as on the authorized storage mechanism 1info, [www.1info.it](http://www.1info.it), within the prescribed time.

\* \* \* \* \*

The alternative performance indicators used and accompanied by an explanation which reflects their content and basis of calculation are as follows:

- EBIT (which corresponds to "Operating income");
- EBITDA ( "Earnings before interest, taxes, depreciation and amortization"), which is determined by adding to the "Operating Profit" in the financial statements the "Amortization" and the "Impairment and write-downs";
- EBT (which corresponds to the "Profit before tax");
- EBITDA, EBIT and EBT Adjusted (for brevity hereinafter "Adj") correspond to the mentioned alternative performance indicators net of non-recurring items.

**PRIMA INDUSTRIE** heads a leading Group in developing, manufacturing and marketing of laser systems for industrial applications, sheet metal processing machinery, as well as industrial electronics and laser technologies.

The parent company Prima Industrie S.p.A. is listed on the Italian Stock Exchange since 1999 (MTA- STAR segment).

With 40 years of experience the Group can count on over 12,000 machines installed in more than 80 countries worldwide and is among the main worldwide manufacturers in its own reference market.

The Group has over 1,650 employees 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 ELECTRO North America Llc, PRIMA POWER LASERDYNE Llc.) and **China** (PRIMA POWER SUZHOU Co. Ltd.). Remarkable is as well its direct commercial and after-sales presence in BRIC, NAFTA, European Union and other emerging Asian countries.

The Prima Industrie Group is structured on 2 Business Units:

**Laser and sheet metal processing machines (Prima Power)**: 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).

**Industrial electronics and laser technologies (Prima Electro)**: 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.

For further information:

|  |   |
|--|---|
| <b>PRIMA INDUSTRIE S.p.A.</b><br><b>Chiara Roncolini</b><br>Investor Relator<br>tel. 011 4103204<br><a href="mailto:ir@primaindustrie.com">ir@primaindustrie.com</a> | <b>Studio Mailander</b><br><b>Press Office</b><br>tel. 011 5527311<br>Bruno Caprioli<br>335 5901402 - <a href="mailto:caprioli@mailander.it">caprioli@mailander.it</a><br>Carlo Dotta<br>333 2306748 - <a href="mailto:c.dotta@mailander.it">c.dotta@mailander.it</a> |
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## CONSOLIDATED BALANCE SHEET

| Values in Euro                                    | 31/03/2017         | 31/12/2016         |
|---|--------------------|--------------------|
| Property, plant and equipment                     | 34.761.324         | 35.281.369         |
| Intangible assets                                 | 154.367.930        | 155.713.399        |
| Investments accounted for using the equity method | -                  | 1.009.341          |
| Other investments                                 | 179.551            | 139.051            |
| Non current financial assets                      | 9.578              | 9.578              |
| Deferred tax assets                               | 12.702.300         | 11.555.324         |
| Other non current assets                          | -                  | -                  |
| <b>NON CURRENT ASSETS</b>                         | <b>202.020.683</b> | <b>203.708.062</b> |
| Inventories                                       | 117.563.897        | 98.561.165         |
| Trade receivables                                 | 85.624.409         | 88.376.748         |
| Other receivables                                 | 8.261.808          | 6.425.617          |
| Current tax receivables                           | 7.305.127          | 5.053.888          |
| Financial assets                                  | 791.509            | 791.509            |
| Cash and cash equivalents                         | 43.816.685         | 62.679.901         |
| <b>CURRENT ASSETS</b>                             | <b>263.363.436</b> | <b>261.888.828</b> |
| <b>Assets held for sale</b>                       | <b>1.303.208</b>   | <b>318.812</b>     |
| <b>TOTAL ASSETS</b>                               | <b>466.687.326</b> | <b>465.915.702</b> |
| Capital stock                                     | 26.208.185         | 26.208.185         |
| Legal reserve                                     | 4.565.082          | 4.565.082          |
| Other reserves                                    | 72.532.677         | 70.738.752         |
| Currency translation reserve                      | 6.286.626          | 6.848.598          |
| Retained earnings                                 | 27.621.702         | 19.276.926         |
| Net result  | 836.514            | 10.102.304         |
| <i>Stockholders' equity of the Group</i>          | <i>138.050.785</i> | <i>137.739.847</i> |
| <i>Minority interest</i>                          | <i>1.138.245</i>   | <i>1.212.065</i>   |
| <b>STOCKHOLDERS' EQUITY</b>                       | <b>139.189.030</b> | <b>138.951.912</b> |
| Interest-bearing loans and borrowings             | 112.913.724        | 111.675.762        |
| Employee benefit liabilities                      | 7.976.956          | 8.100.353          |
| Deferred tax liabilities                          | 8.407.960          | 8.340.653          |
| Provisions  | 160.545            | 162.684            |
| Derivatives                                       | 53.833             | 220.866            |
| <b>NON CURRENT LIABILITIES</b>                    | <b>129.513.018</b> | <b>128.500.318</b> |
| Trade payables                                    | 84.148.336         | 88.448.383         |
| Advance payments                                  | 30.463.089         | 26.029.170         |
| Other payables                                    | 22.839.886         | 22.076.067         |
| Interest-bearing loans and borrowings             | 32.362.645         | 34.894.444         |
| Current tax payables                              | 7.207.921          | 7.695.264          |
| Provisions  | 20.562.965         | 18.424.370         |
| Derivatives                                       | 400.436            | 895.774            |
| <b>CURRENT LIABILITIES</b>                        | <b>197.985.278</b> | <b>198.463.472</b> |
| <b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b> | <b>466.687.326</b> | <b>465.915.702</b> |

## CONSOLIDATED INCOME STATEMENT

| Values in Euro  | 31/03/2017        | 31/03/2016        |
|---|-------------------|-------------------|
| Net revenues  | 89.482.554        | 79.420.511        |
| Cost of goods sold  | (67.456.640)      | (59.224.520)      |
| <b>GROSS MARGIN</b>   | <b>22.025.914</b> | <b>20.195.991</b> |
| Research and Development costs                                  | (3.237.748)       | (3.033.516)       |
| Sales and marketing expenses                                    | (6.916.527)       | (6.832.778)       |
| General and administrative expenses                             | (5.593.246)       | (5.627.766)       |
| <b>OPERATING GROSS MARGIN (EBITDA)</b>                          | <b>6.278.393</b>  | <b>4.701.931</b>  |
| Impairment - Write-off  | -                 | -                 |
| Depreciation  | (4.299.307)       | (3.653.902)       |
| <b>OPERATING PROFIT (EBIT)</b>                                  | <b>1.979.086</b>  | <b>1.048.029</b>  |
| Financial income  | 666.105           | 501.928           |
| Financial expenses  | (1.692.113)       | (1.751.578)       |
| Net exchange differences  | (139.282)         | (829.183)         |
| Net result of investments accounted for using the equity method | -                 | 209.324           |
| Net result of other investments                                 | 226.664           | -                 |
| <b>RESULT BEFORE TAXES (EBT)</b>                                | <b>1.040.460</b>  | <b>(821.480)</b>  |
| Taxes   | (270.797)         | 389.754           |
| <b>NET RESULT</b>   | <b>769.663</b>    | <b>(431.726)</b>  |
| - Attributable to Group shareholders                            | 836.514           | (359.397)         |
| - Attributable to minority shareholders                         | (66.851)          | (72.329)          |
| <b>RESULT PER SHARE - BASIC (in euro)</b>                       | <b>0,08</b>       | <b>(0,03)</b>     |
| <b>RESULT PER SHARE - DILUTED (in euro)</b>                     | <b>0,08</b>       | <b>(0,03)</b>     |

### NOTE

In order to allow a better representation of its economic results, starting from 2017 (and therefore from the Interim report at 31/03/2017) the Company will present the income statement with a view by function, rather than by nature (as it was up to the 2016 Annual Report). Therefore, the income statement will be presented by function, otherwise defined as "cost of goods sold"; this costs analysis carried out according to the destination of the same is considered more representative than the so-called presentation by nature. This format is in fact compliant with the internal reporting and management and is in line with international practice in the industry in which the Group operates.

## CONSOLIDATED STATEMENT OF CASH FLOWS

| VALUES IN EURO  | 31/03/2017          | 31/03/2016 (**)     |
|---|---------------------|---------------------|
| Net result  | 769.663             | (431.726)           |
| <i>Adjustments (sub-total)</i>  | <i>(14.921.442)</i> | <i>(10.147.984)</i> |
| Depreciation, impairment & write-off  | 4.299.307           | 3.653.902           |
| Gain from sales of shares in other investments                              | (226.664)           | -                   |
| Net change in deferred tax assets and liabilities                           | (1.079.668)         | (769.040)           |
| Change in employee benefits   | (123.397)           | 21.123              |
| Change in inventories   | (19.002.732)        | (15.682.653)        |
| Change in trade receivables   | 2.752.339           | 1.997.350           |
| Change in trade payables and advances                                       | 133.872             | 930.495             |
| Net change in other receivables/payables and other assets/liabilities       | (1.674.498)         | (299.161)           |
| <b>Cash Flows from (used in) operating activities (A)</b>                   | <b>(14.151.780)</b> | <b>(10.579.710)</b> |
| <b>Cash flow from investments</b>   |                     |                     |
| Acquisition of tangible fixed assets (*)                                    | (650.945)           | (812.979)           |
| Acquisition of intangible fixed assets                                      | (82.663)            | (352.811)           |
| Capitalization of development costs   | (1.878.999)         | (2.697.798)         |
| Net disposal of fixed assets  | (10.147)            | 47.464              |
| Capital increase/decrease in Other investments                              | 217.737             | -                   |
| Capital increase/decrease investments accounted for using the equity method | -                   | 37.100              |
| <b>Cash Flows from (used in) investing activities (B)</b>                   | <b>(2.405.017)</b>  | <b>(3.779.024)</b>  |
| <b>Cash flow from financing activities</b>                                  |                     |                     |
| Change in other financial assets/liabilities and other minor items          | (470.004)           | 232.437             |
| Increases in loans and borrowings (including bank overdrafts)               | 4.214.293           | 2.412.232           |
| Repayment of loans and borrowings (including bank overdrafts)               | (5.364.529)         | (1.077.218)         |
| Repayments in financial lease liabilities                                   | (117.239)           | (89.632)            |
| Change in currency translation reserve                                      | (561.972)           | (1.970.615)         |
| Other variations  | -                   | 75.055              |
| <b>Cash Flows from (used in) financing activities (C)</b>                   | <b>(2.299.451)</b>  | <b>(417.741)</b>    |
| <b>Cash Flows from (used in) change of minority shareholders (D)</b>        | <b>(6.969)</b>      | <b>(45.891)</b>     |
| <b>Net change in cash and equivalents (E=A+B+C+D)</b>                       | <b>(18.863.216)</b> | <b>(14.822.366)</b> |
| <b>Cash and equivalents beginning of period (F)</b>                         | <b>62.679.901</b>   | <b>41.365.408</b>   |
| <b>Cash and equivalents end of period (G=E+F)</b>                           | <b>43.816.685</b>   | <b>26.543.042</b>   |

(\*) not included the acquisition of real estate assets by means of a financial lease and included assets held for sale

(\*\*) for a better comprehension, the 2016 figures have been re-exposed