



BORSA ITALIANA - STAR segment

PRESS RELEASE

INTERIM REPORT AS AT SEPTEMBER 30TH 2016
(in brackets results as at 30/09/2015)

**GROWING RESULTS FOR THE GROUP
THANKS TO THE EXCELLENT PERFORMANCE OF PRIMA POWER DIVISION
NET PROFIT MORE THAN DOUBLED
ORDER ACQUISITION AND BACKLOG FURTHER STRONGLY IMPROVING**

- Consolidated REVENUES at 274.5 M€ (+ 5.6% against 260.1 M€);
- VALUE OF PRODUCTION at 300.0 (+5.8% against 283.6 M€);
- EBITDA at 24.0 M€ (+10.6% against 21.7 M€);
- GROUP NET PROFIT more than doubled to 5.6 M€ (compared to 2.2 M€);
- NET FINANCIAL POSITION at -122.3 M€ (compared to -110.9 M€ at 30/09/2015 and to -101.7 M€ at 31/12/2015);
- ORDERS' BACKLOG at 144.7 M€ (+34% against 107.6 M€) and further increased to 159.1 M€ at 31/10/2016.

Collegno (TO), November 11th 2016 - 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 Financial Interim Report as at 30/09/2016.

Consolidated revenues at 30/09/2016 amount to 274,536 thousand euro, an increase of 5.6% against the same period of 2015 (revenues were 260,095 thousand euro).

Following is the consolidated revenues geographical breakdown at 30/09/2016 compared with the same period of the previous year:

Revenues	30/09/16		30/09/15	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
EMEA	155.740	56,7	164.303	63,2
AMERICAS	67.781	24,7	54.427	20,9
APAC	51.015	18,6	41.365	15,9
TOTAL	274.536	100,0	260.095	100,0

The above shows that the Group generated consolidated revenues in EMEA for 155,740 thousand euro; in particular, the Group achieved good results in Italy (14.9% of total revenues), in the countries of Northern Europe (9.3% of total revenues), in Spain (6.2% of total revenues) and in Germany (6.0% of total revenues).

The share of turnover in the Americas has grown substantially over the same period of 2015, rising from 54,427 thousand euro to 67,781 thousand euro (+ 24.5%); the increase is attributable to North America, where revenue increased from 52,641 thousand euro to 66,820 thousand euro.

Also with regard to the countries of the APAC revenues increased compared to 2015; the increase is attributable primarily to China, South Korea and India, whose revenues increased respectively from 29,685 thousand euro to 38,044 thousand euro (equal to 13.8% of consolidated sales), from 1,485 thousand euro to 4,520 thousand euro and from 2,096 thousand euro to 4,565 thousand euro.

The breakdown of revenues by division, before inter-sector items, is as follows:

Revenues	30/09/16		30/09/15	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
PRIMA POWER	256.235	93,3	227.842	87,6
PRIMA ELECTRO	30.384	11,1	43.535	16,7
Inter-sector revenues	(12.083)	(4,4)	(11.282)	(4,3)
TOTAL	274.536	100,0	260.095	100,0

The above table shows that the overall growth of revenues is attributable to PRIMA POWER division, while PRIMA ELECTRO division recorded a significant reduction of revenues due to the strong decrease in orbital welding systems sales (destined to the oil & gas sector) as well as to the decrease in sale of CO₂ lasers not yet balanced by important supplies of fiber lasers.

The **value of production** at 30/09/2016 is 299,982 thousand euro, an increase of 5.8% against the same period of 2015 (increase of 16,427 thousand euro).

The value of production includes increases for internal work for 7,926 thousand euro (8,778 thousand euro at 30/09/2015); these costs relate mainly to investments in development activities.

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Performance indicators	30/09/16		30/09/15	
	<i>Euro thousand</i>	% on sales	<i>Euro thousand</i>	% on sales
EBITDA	24.022	8,8	21.717	8,4
EBIT	12.316	4,5	11.816	4,5
EBT	7.223	2,6	4.096	1,6
NET RESULT	5.625	2,0	2.222	0,9
NET RESULT ATTRIBUTABLE TO GROUP SHAREHOLDERS	5.584	2,0	2.622	1,0

Group **EBITDA** was 24,022 thousand euro (8.8% of revenues), growing by 2,305 thousand euro against the same period of previous year (it was 21,717 thousand euro).

Following is the Group EBITDA at 30/09/2016 and at 30/09/2015 by segment (before inter-sector items):

EBITDA	30/09/16		30/09/15	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
PRIMA POWER	23.136	96,3	15.427	71,0
PRIMA ELECTRO	969	4,0	6.467	29,8
Inter sector items and eliminations	(83)	(0,3)	(177)	(0,8)
TOTAL	24.022	100,0	21.717	100,0

Consolidated **EBIT** at 30/09/2016 amounted to 12,316 thousand euro (equal to 4.5% of consolidated sales), and is an increase of 500 thousand euro compared to the same period in 2015 (equal to 11,816 thousand euro). Such result is affected by depreciation of intangible assets for 8,688 thousand euro, of tangible fixed assets for 2,890 thousand euro and a devaluation of 127 thousand euro relating to development costs of PRIMA ELECTRO division. With regard to the amortization of intangible assets, they mainly relate to amortization of development costs (5,751 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 2,353 thousand euro.

The consolidated **EBT** at 30/09/2016 was 7,223 thousand euro, increasing by 3,127 thousand euro compared to the same period of 2015 (it was 4,096 thousand euro). This value reflects net financial charges (including profits and losses on exchange rates) for 5,425 thousand euro (at 30/09/2015 they were 7,621 thousand euro). It should be outlined that the value of net financial charges at 30/09/2015 was affected by non recurring financial charges amounting to 2,123 thousand euro incurred for the full advanced repayment of the FINPOLAR loan which also included the cancellation of the related IRS contract.

The Group **NET PROFIT** at 30/09/2016 amounted to 5,625 thousand euro (compared to 2,222 thousand euro at 30/09/2015); while the net result of the Parent Company amounted to 5,584 thousand euro.

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At 30/09/2016, the Group's **net financial position** shows a net debt of 122,252 thousand euro, compared to 110,901 thousand euro at 30/09/2015 and 101,747 thousand euro at 31/12/2015.

The increase reflects higher volumes expected in the last quarter of the year.

Below is a detailed table of net debt:

Value expressed in Euro thousand	30/09/16	31/12/15	30/09/15
CASH & CASH EQUIVALENTS	(28.332)	(41.365)	(36.436)
CURRENT FINANCIAL RECEIVABLES	(847)	(839)	(1.121)
CURRENT FINANCIAL LIABILITIES	33.951	25.731	22.407
NON CURRENT FINANCIAL LIABILITIES	117.480	118.220	126.051
NET FINANCIAL POSITION	122.252	101.747	110.901

During the first nine months of 2016, the Group **order acquisition** (inclusive of the after-sale service) amounted to 305.8 million euro, up by about 12% compared to 274.0 million euro at 30/09/2015. The consolidated **order backlog** (not including the after-sale service) at 30/09/2016 amounted to 144.7 million euro (+ 34% compared to 107.6 million euro at 30/09/2015).

At 31/10/2016, the order backlog stood at 159.1 million euro.

The **research and development** activities carried out by the Group during the nine first months of 2016 totalled 16,711 thousand euro, equal to about 6.1% of revenues.

The capitalized part was 7,655 thousand euro.

The Group Chairman, Gianfranco Carbonato, said: “*In the light of the results achieved in the first nine months of the year and of the substantial order book at the end of the period, the Group expects positive full-year 2016 results, growing compared to the previous year; this is due to the excellent performance*”

of the Prima Power division, which with its product range, wide, innovative and technologically advanced, will enable the Group to overcome the temporary decline in Prima Electro division, which is expected for recovery as early as next year".

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.

"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 30/09/2016 shall be filed and made available at the Company registered offices and on the internet site www.primaindustrie.com as well as on the authorized storage mechanism 1info, www.1info.it, within the prescribed time.

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 over 35 years of experience the Group can count on about 12,000 machines installed in more than 70 countries worldwide and is among the main worldwide manufacturers in its own reference market.

The Group has over 1,600 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, serving more than 70 countries worldwide.

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:

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CONSOLIDATED BALANCE SHEET

Values in Euro	30/09/2016	31/12/2015
Property, plant and equipment	34.578.130	28.465.557
Intangible assets	156.804.302	157.770.974
Investments accounted for using the equity method	1.163.429	1.223.555
Other investments	121.358	121.358
Non current financial assets	35.000	35.000
Deferred tax assets	11.350.721	9.845.765
Other non current assets	-	19.703
NON CURRENT ASSETS	204.052.940	197.481.912
Inventories	108.252.017	93.992.707
Trade receivables	90.571.054	86.413.895
Other receivables	9.343.981	8.019.131
Current tax receivables	4.543.075	7.029.222
Derivatives	55.415	47.225
Financial assets	791.509	791.509
Cash and cash equivalents	28.331.645	41.365.408
CURRENT ASSETS	241.888.696	237.659.097
Assets held for sale	284.000	284.000
TOTAL ASSETS	446.225.636	435.425.009
Capital stock	26.208.185	26.208.185
Legal reserve	4.565.082	4.494.745
Other reserves	70.959.273	72.243.694
Currency translation reserve	4.475.919	5.965.409
Retained earnings	19.396.357	14.786.376
Net result	5.584.130	6.016.715
<i>Stockholders' equity of the Group</i>	<i>131.188.946</i>	<i>129.715.124</i>
<i>Minority interest</i>	<i>1.174.375</i>	<i>1.196.407</i>
STOCKHOLDERS' EQUITY	132.363.321	130.911.531
Interest-bearing loans and borrowings	117.203.531	117.805.350
Employee benefit liabilities	7.677.490	7.912.782
Deferred tax liabilities	9.788.031	10.518.305
Provisions	146.655	150.551
Derivatives	276.351	414.635
NON CURRENT LIABILITIES	135.092.058	136.801.623
Trade payables	74.125.444	78.323.460
Advance payments	26.922.178	21.385.159
Other payables	20.412.032	19.218.309
Interest-bearing loans and borrowings	33.950.994	25.700.281
Current tax payables	5.464.266	7.257.725
Provisions	17.895.343	15.796.491
Derivatives	-	30.430
CURRENT LIABILITIES	178.770.257	167.711.855
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	446.225.636	435.425.009

CONSOLIDATED INCOME STATEMENT

Values in Euro	30/09/2016	30/09/2015
Net revenues	274.536.038	260.095.199
Other income	2.284.415	3.610.171
Change in inventories of finished goods and WIP	15.236.266	11.072.340
Increases in fixed assets for internal work	7.925.552	8.777.872
Use of raw materials, consumables, supplies and goods	(139.054.772)	(124.472.642)
Personnel cost	(75.011.295)	(74.194.678)
Depreciation	(11.578.280)	(9.900.439)
Impairment - Write-off	(127.409)	-
Other operating expenses	(61.894.688)	(63.171.664)
OPERATING PROFIT	12.315.827	11.816.159
Financial income	650.989	718.889
Financial expenses	(5.382.625)	(7.421.334)
Net exchange differences	(693.602)	(918.509)
Net result of investments accounted for using the equity method	332.287	(105.000)
Net result of other investments	-	5.700
RESULT BEFORE TAXES	7.222.876	4.095.905
Taxes	(1.598.279)	(1.874.234)
NET RESULT	5.624.597	2.221.671
- <i>Attributable to Group shareholders</i>	5.584.130	2.621.614
- <i>Attributable to minority shareholders</i>	40.467	(399.943)
RESULT PER SHARE - BASIC (in euro)	0,53	0,25
RESULT PER SHARE - DILUTED (in euro)	0,53	0,25

CONSOLIDATED STATEMENT OF CASH FLOWS

VALUES IN EURO	30/09/2016	30/09/2015
Net result	5.624.597	2.221.671
<i>Adjustments (sub-total)</i>	(5.166.079)	(10.617.291)
Depreciation, impairment & write-off	11.705.689	9.900.439
Net change in deferred tax assets and liabilities	(2.235.230)	(684.156)
Change in employee benefits	(235.292)	(178.969)
Change in inventories	(14.259.310)	(21.724.976)
Change in trade receivables	(4.157.159)	8.770.907
Change in trade payables and advances	1.339.003	(2.588.194)
Net change in other receivables/payables and other assets/liabilities	2.676.220	(4.112.342)
Cash Flows from (used in) operating activities (A)	458.518	(8.395.620)
Cash flow from investments		
Acquisition of tangible fixed assets (*)	(2.466.248)	(3.276.097)
Acquisition of intangible fixed assets	(469.373)	(986.634)
Capitalization of development costs	(7.664.664)	(8.091.365)
Net disposal of fixed assets	171.602	152.551
Changes in capital of investments accounted for using the equity method	60.126	(464.483)
Net result of investments accounted for using the equity method	-	105.000
Cash Flows from (used in) investing activities (B)	(10.368.557)	(12.561.028)
Cash flow from financing activities		
Change in other financial assets/liabilities and other minor items	347.491	(2.993.474)
Increases in loans and borrowings (including bank overdrafts)	10.526.285	137.071.170
Repayment of loans and borrowings (including bank overdrafts)	(9.824.693)	(114.335.546)
Dividends paid	(2.620.818)	(2.096.655)
Change in currency translation reserve	(1.489.490)	3.340.876
Other variations	-	92.213
Cash Flows from (used in) financing activities (C)	(3.061.225)	21.078.584
Cash Flows from (used in) change of minority shareholders (D)	(62.499)	447.113
Net change in cash and equivalents (E=A+B+C+D)	(13.033.763)	569.049
Cash and equivalents beginning of period (F)	41.365.408	35.866.508
Cash and equivalents end of period (G=E+F)	28.331.645	36.435.557

(*) not included the acquisition of real estate assets by means of a financial lease