

**INTERIM REPORT AS AT 30/09/2014**  
*(in brackets results as at 30/09/2013)*

**STABLE REVENUES AND GROWING PROFITABILITY COMPARED TO THE 9 MONTHS OF 2013  
ORDER ACQUISITION CLOSE TO THE GROUP RECORD LEVEL**

- Consolidated REVENUES at 236.9 M€ (-0.6 %, or +1.5% at constant exchange rates, against 238.3 M€);
- VALUE OF PRODUCTION at 270.2 M€ (+7.2% against 252.0 M€);
- EBITDA at 23.6 M€ (+19% against 19.8 M€);
- EBIT at 15.3 M€ (+39% against 11.0 M€);
- NET PROFIT at 6.8 M€ (+224% against 2.1 M€);
- NET FINANCIAL POSITION at -106.7 M€ (against -134.3 M€ at 30/09/13 and -100.0 M€ at 31/12/13);
- ORDER ACQUISITION at 268.1 M€ (+12% against 239.3 M€).

*Collegno (TO), November 12<sup>th</sup> 2014* - The Board of Directors of Prima Industrie S.p.A, a 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 September 30<sup>th</sup>, 2014.

Consolidated revenues at 30/09/2014 amount to 236,920 thousand euro substantially in line with the same period of previous year. Furthermore the effect of the appreciation of the euro compared to other currencies had such a considerable impact that, at constant exchange rates, the consolidated revenues would have been increasing compared to the same period of previous year (about +1.5%).

Following is the consolidated revenues geographical breakdown at 30/09/2014 compared with the same in the previous year:

Revenues	30/09/2014		30/09/2013	
	<i>Euro thousand</i>	<i>%</i>	<i>Euro thousand</i>	<i>%</i>
EMEA	140.984	59,5	134.161	56,3
AMERICAS	54.728	23,1	57.737	24,2
APAC	41.208	17,4	46.354	19,5
<b>TOTAL</b>	<b>236.920</b>	<b>100,0</b>	<b>238.252</b>	<b>100,0</b>

The Group continues to generate a significant portion of revenues in EMEA, with an important presence in Italy (12.5% of the consolidated revenues), in the Eastern Europe (6.7% of the consolidated revenues) and in Russia where, despite the complex political situation, the Group continues to record strong sales (6.6% of the consolidated revenues). The turnover realized outside Europe was equal to 52.1%, confirming the Group's globalization and the shift of the global economy balance. In respect to AMERICAS the largest share of revenues was reached in NAFTA, which represents 21.5% of the consolidated revenues. As for the APAC countries, China shows the most significant sales (12.5% of the consolidated revenues).

The breakdown of revenues by segment, before inter-sector items, was as follows:

Revenues	30/09/2014		30/09/2013	
	<i>Euro thousand</i>	<i>%</i>	<i>Euro thousand</i>	<i>%</i>
PRIMA POWER	207.364	87,5	211.188	88,6
PRIMA ELECTRO	39.988	16,9	36.843	15,5
Inter-sector revenues	(10.432)	(4,4)	(9.779)	(4,1)
<b>TOTAL</b>	<b>236.920</b>	<b>100,0</b>	<b>238.252</b>	<b>100,0</b>

The division that has been most affected by the appreciation of the euro was PRIMA POWER, which is down by 1.8%, but at constant exchange rates the division would have registered an increased turnover. Revenues of PRIMA ELECTRO division have marginally been affected by exchange rates and register an increase of 8.5% compared to the same period the previous year.

The value of production at 30/09/2014 amounted to 270,210 thousand euro, an increase of 7.2% compared to the same period in 2013 (increase of 18,235 thousand euro).

The value of production for the period includes increases for internal work for 8,541 thousand euro (6,176 thousand euro at 30/09/2013); these costs relate mainly to investments in development activities

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Performance indicators	30/09/14		30/09/13	
	<i>Euro thousand</i>	<i>% on sales</i>	<i>Euro thousand</i>	<i>% on sales</i>
EBITDA	23.649	10,0	19.755	8,3
EBIT	15.292	6,5	10.981	4,6
EBT	10.272	4,3	3.414	1,4
NET RESULT	6.844	2,9	2.134	0,9
NET RESULT ATTRIBUTABLE TO GROUP SHAREHOLDERS	7.182	3,0	2.145	0,9

The Group's EBITDA amounted to 23,649 thousand euro (10% of sales); compared to the first nine months of 2013 there was an improvement both in terms of percentage (+ 1.7%), and in absolute terms (+3,894 thousand euro).

Below is the EBITDA of the Group as at 30/09/2014 and 30/09/2013 broken down by segment (before inter-sector items):

EBITDA	30/09/14		30/09/13	
	<i>Euro thousand</i>	<i>%</i>	<i>Euro thousand</i>	<i>%</i>
PRIMA POWER	18.868	79,8	15.495	78,4
PRIMA ELECTRO	4.807	20,3	4.835	24,5
Inter sector items and eliminations	(26)	(0,1)	(575)	(2,9)
<b>TOTAL</b>	<b>23.649</b>	<b>100,0</b>	<b>19.755</b>	<b>100,0</b>

Consolidated EBIT at 30/09/2014 is equal to 15,292 thousand euro, an increase of 4,311 thousand euro compared to the first nine months of 2013 (equal to 10,981 thousand euro). This result is affected by depreciation of intangible assets for 6,245 thousand euro and tangible fixed assets of 2,112 thousand euro. Regarding the depreciation of the intangible assets, the main depreciation relates to amortization of the development costs (3,621 thousand euro) and to the amortization of assets with a defined useful life recognized in the FINN-POWER business combination -brand and customer list- for 2,289 thousand euro.

Consolidated EBT at 30/09/2014 amounted to 10,272 thousand euro, an improvement of 6,858 thousand euro compared to the corresponding period in previous year (it was equal to 3,414 thousand euro); this amount reflects net charges arising from financial management (including profits and losses in exchange rates) for 5,019 thousand euro (at 30/09/2013 they amounted to 6,561 thousand euro).

The NET PROFIT at 30/09/2014 amounts to 6,844 thousand euro (it was equal to 2,134 thousand euro at 30/09/2013). Income taxes for the first nine months of 2014 show a balance of 3,428 thousand euro. It should be noted that the tax burden in 2013 was positively affected by a tax credit of 1,048 thousand euro

following the submission of claims for reimbursement of IRES (IRAP deduction for IRES for the years 2007-2011).

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At 30/09/2014 the **net financial position** of the Group shows a net debt of 106,686 thousand euro, increasing compared to 31/12/2013, but significantly improving (-27,658 thousand euro) compared to the corresponding period of the previous year (it was -134,344 thousand euro at 30/09/2013).

Below is a breakdown of the net financial position:

Value expressed in Euro thousand	30/09/14	31/12/13	30/09/13
CASH & CASH EQUIVALENTS	(20.857)	(29.194)	(17.569)
CURRENT FINANCIAL RECEIVABLES	-	(47)	(53)
CURRENT FINANCIAL LIABILITIES	55.379	51.830	63.891
NON CURRENT FINANCIAL LIABILITIES	72.164	77.372	88.075
<b>NET FINANCIAL LIABILITIES</b>	<b>106.686</b>	<b>99.961</b>	<b>134.344</b>

Please note that the financial position at 30/09/2014 includes:

- The FINPOLAR loan which totals 95,800 thousand euro and is subject to compliance with several covenants;
- Payables to leasing companies (almost exclusively for real estate) which amounted to 2,770 thousand euro;
- the negative *fair value* of certain IRS for 3,299 thousand euro; the main IRS were contracted by the parent company to partially hedge the risk of interest rate on the FINPOLAR loan (the signing of these derivatives was set by the underlying loan agreement).

Finally it should be noted that 19,946 thousand euro classified in current liabilities relate to the tranche D of FINPOLAR loan which is a revolving credit line that will be available until 31/01/2016.

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During the first nine months of 2014 the **order intake** of the Group (inclusive of after-sale service) amounted to 268.1 million euro (+12% compared to 239.3 million euro at 30/09/2013). Orders received by PRIMA POWER segment amounted to 232.3 million euro, the ones relating to PRIMA ELECTRO, exclusively from customers outside the Group, amounted to 35.8 million euro.

The consolidated **order backlog** (not including after-sale service) at 30/09/2014 rose to 102.1 (compared to 85.7 million euro at 30/09/2013). The backlog includes 86.7 million euro relating to PRIMA POWER segment and 15.4 million euro relating to PRIMA ELECTRO.

At 31/10/2014 the order backlog rose to 112.7 million euro.

**Research and development** activities carried out by the Group during the first nine months of 2014 were a total of 14,759 thousand euro, equal to 6.2% of revenues.

The capitalized portion amounted to 8,212 thousand euro.

Prima Industrie Chairman, Gianfranco Carbonato, declared "The first nine months of the year were characterized by the improvement in profitability and by a strong trend in order collection (which continued also after 30/09/2014); for the latter part of the year we also expect an increase in sales as well as the maintenance of the increased profitability".

*"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 Financial Interim Report as at 30/09/2014 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.

**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 1,500 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.

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## CONSOLIDATED BALANCE SHEET

Values in Euro	30/09/2014	31/12/2013
Property, plant and equipment	26.363.285	24.200.931
Intangible assets	154.624.820	151.571.901
Other investments	1.032.403	288.735
Non current financial assets	35.000	113.000
Deferred tax assets	8.711.770	7.647.333
Other non current assets	19.864	20.624
<b>NON CURRENT ASSETS</b>	<b>190.787.142</b>	<b>183.842.524</b>
Inventories	94.256.828	66.214.465
Trade receivables	70.086.351	78.833.076
Other receivables	8.223.098	5.909.406
Current tax receivables	7.445.296	4.305.160
Derivatives	-	46.969
Cash and cash equivalents	20.857.274	29.194.149
<b>CURRENT ASSETS</b>	<b>200.868.847</b>	<b>184.503.225</b>
<b>ASSETS HELD FOR SALE</b>	<b>1.576.526</b>	<b>1.483.839</b>
<b>TOTAL ASSETS</b>	<b>393.232.515</b>	<b>369.829.588</b>
Capital stock	26.208.185	26.208.185
Legal reserve	4.455.497	4.321.310
Other reserves	71.497.026	68.144.867
Currency translation reserve	895.174	(2.138.106)
Retained earnings	5.747.961	3.010.955
Net result	7.181.509	5.428.982
<b>Stockholders' equity of the Group</b>	<b>115.985.352</b>	<b>104.976.193</b>
<i>Minority interest</i>	<i>1.679.221</i>	<i>1.084.685</i>
<b>STOCKHOLDERS' EQUITY</b>	<b>117.664.573</b>	<b>106.060.878</b>
Interest-bearing loans and borrowings	68.974.023	72.442.235
Employee benefit liabilities	7.791.733	7.731.540
Deferred tax liabilities	10.958.258	10.350.390
Provisions	135.858	137.137
Derivatives	3.190.207	4.929.519
<b>NON CURRENT LIABILITIES</b>	<b>91.050.079</b>	<b>95.590.821</b>
Trade payables	74.994.288	68.117.926
Advance payments	17.878.406	13.580.141
Other payables	18.250.166	17.513.397
Interest-bearing loans and borrowings	55.270.307	51.830.029
Current tax payables	4.827.961	4.707.193
Provisions	13.188.047	12.429.203
Derivatives	108.688	-
<b>CURRENT LIABILITIES</b>	<b>184.517.863</b>	<b>168.177.889</b>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<b>393.232.515</b>	<b>369.829.588</b>

## CONSOLIDATED INCOME STATEMENT

Values in Euro	Notes	30/09/2014	30/09/2013
Net revenues	6.18	236.920.029	238.251.608
Other income	6.19	4.906.975	2.935.819
Change in inventories of finished goods and WIP	-	19.841.627	4.611.237
Increases in fixed assets for internal work	6.20	8.541.244	6.176.329
Use of raw materials, consumables, supplies and goods	-	(120.058.150)	(110.166.868)
Personnel cost	6.21	(68.242.583)	(66.170.290)
Depreciation	6.22	(8.357.100)	(8.690.564)
Impairment	6.22	-	(84.283)
Other operating expenses	6.23	(58.260.406)	(55.882.428)
<b>OPERATING PROFIT</b>		<b>15.291.636</b>	<b>10.980.560</b>
Financial income	6.24	88.176	270.499
Financial expenses	6.24	(5.422.942)	(6.014.087)
Net exchange differences	6.24	315.356	(817.197)
Net result of investments not fully consolidated	-	-	(1.006.019)
<b>RESULT BEFORE TAXES</b>		<b>10.272.226</b>	<b>3.413.756</b>
Taxes	6.25	(3.428.008)	(1.279.612)
<b>NET RESULT</b>		<b>6.844.218</b>	<b>2.134.144</b>
- <i>Attributable to Group shareholders</i>		<i>7.181.509</i>	<i>2.134.144</i>
- <i>Attributable to minority shareholders</i>		<i>(337.291)</i>	<i>(10.823)</i>
<b>RESULT PER SHARE - BASIC (in euro)</b>	6.26	<b>0,69</b>	<b>0,25</b>
<b>RESULT PER SHARE - DILUTED (in euro)</b>	6.26	<b>0,69</b>	<b>0,20</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

VALUES IN EURO	30/09/2014	30/09/2013
Net result	6.844.218	2.134.144
Adjustments (sub-total)	(3.998.253)	(6.700.840)
Depreciation and impairment	8.357.100	8.774.847
Net change in deferred tax assets and liabilities	(456.569)	(317.957)
Change in employee benefits	60.193	104.146
Change in inventories	(28.042.363)	(2.907.125)
Change in trade receivables	8.746.725	1.395.100
Change in trade payables and advances	11.174.627	(9.217.192)
Net change in other receivables/payables and other assets/liabilities	(3.837.966)	(4.532.659)
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)</b>	<b>2.845.965</b>	<b>(4.566.696)</b>
<b>Cash flow from investments</b>		
Acquisition of tangible fixed assets (*)	(3.874.381)	(1.746.409)
Acquisition of intangible fixed assets	(399.027)	(262.817)
Capitalization of development costs	(8.211.845)	(5.934.732)
Net disposal of fixed assets (*)	51.346	103.051
Sale price of 10% SUP JV investment	-	2.162.242
Liquidation of SNK JV investment	-	77.780
Net result of JV investments	-	(11.486)
Purchase/capital increase of other investments	(743.668)	(214.014)
Devaluation of other investments	-	487.428
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(13.177.575)</b>	<b>(5.338.957)</b>
<b>Cash flow from financing activities</b>		
Change in other financial assets/liabilities and other minor items	(1.372.883)	4.309.119
Increases in loans and borrowings (including bank overdrafts)	8.296.741	14.107.303
Repayment of loans and borrowings (including bank overdrafts)	(8.449.904)	(15.229.652)
Increases/(repayments) in financial lease liabilities	(146.016)	10.930
Capital increase	-	110.041
Other variations	2.734.970	(875.736)
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)</b>	<b>1.062.908</b>	<b>2.432.005</b>
<b>CASH FLOWS FROM (USED IN) CHANGE OF MINORITY SHAREHOLDERS (D)</b>	<b>931.827</b>	<b>583.988</b>
<b>Net change in cash and equivalents (E=A+B+C+D)</b>	<b>(8.336.875)</b>	<b>(6.889.660)</b>
<b>Cash and equivalents beginning of period (F)</b>	<b>29.194.149</b>	<b>24.458.666</b>
<b>Cash and equivalents end of period (G=E+F)</b>	<b>20.857.274</b>	<b>17.569.006</b>

(\*) included tangible fixed assets classified in the assets held for sale