



**PRESS RELEASE**

**ITALIAN STOCK EXCHANGE – STAR SEGMENT**

**PRIMA INDUSTRIE**

**INTERIM REPORT AT MARCH 31, 2010**

**REVENUES DECREASING BY 28% AND ORDERS GROWING BY 43%  
COMPARED TO THE FIRST QUARTER OF 2009**

- **REVENUES** at 48.1 M€ (66.7 M€ at 31/03/2009);
- **EBITDA** at – 1.7 M€ (1.9 M€ at 31/03/2009);
- **NET RESULT** at -4.6 M€ (-2.8 M€ at 31/03/2009);
- **NET FINANCIAL POSITION** at -140.2 M€ (-150.1 M€ at 31/12/2009);
- **ORDER BACKLOG** at 79.7 M€ at 30/04/2010 (75.6 M€ at 31/03/2010 and 71.2 M€ at 31/03/2009).

*Collegno (TO), May 13<sup>th</sup>, 2010* – 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 at March 31, 2010.

Consolidated **REVENUES** at 31/03/2010 stand at 48,060 thousand Euros, down 28% against the same period of 2009.

Revenues for the first quarter 2010 are affected by the weak order acquisition of 2009, whilst the first quarter of 2009 still benefited from the 2008 order backlog prior to the crisis effects.

The consolidated revenues geographical break down at 31/03/2010 is the following:

Revenues	I Quarter 2010		I Quarter 2009	
	<i>Euro thousand</i>	<i>%</i>	<i>Euro thousand</i>	<i>%</i>
Italy	9.856	20,5	12.438	18,7
Europe	19.966	41,5	31.702	47,5
North America	5.944	12,4	9.867	14,8
Asia and Rest of the World	12.294	25,6	12.668	19,0
<b>TOTAL</b>	<b>48.060</b>	<b>100,0</b>	<b>66.675</b>	<b>100</b>

The economic slowdown impacted all the geographical areas, excluding Asia and Rest of the World, where Group sales remained substantially stable. Sales in Italy went down by 21%, in North America by 40% and in Europe by 37%.

Group revenues realized outside of Italy during the period was almost 80%, conforming the international scope of the PRIMA INDUSTRIE Group.

Following is the revenues break down by business sector:



Revenues	I Quarter 2010		I Quarter 2009	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
Laser Systems	17.957	37,4	25.729	38,6
Electronics	8.524	17,7	7.177	10,8
Sheet metal machinery	26.283	54,7	35.668	53,5
Inter-sector revenues	(4.704)	(9,8)	(1.899)	(2,9)
<b>TOTAL</b>	<b>48.060</b>	<b>100,0</b>	<b>66.675</b>	<b>100,0</b>

The analysis by sector shows that sectors having mostly been hit by the revenues decrease, compared to the first quarter of 2009, are the ones related to the machinery (-30% for Laser systems and -26% for the Sheet metal machinery), whilst the Electronics segment records an increase in volumes by 19% compared to 2009.

Laser systems segment sales were carried out by 50% in Europe, by 26% in Italy and show a very important presence also in the Rest Of the World (19% of total sales), where satisfying results were achieved in Russia and China. The Electronics segment is present mainly in Italy and Europe (in particular Benelux and Spain). Finally the Sheet metal machinery segment has an important weight in Northern Europe, United States and China.

Revenues do not include the Chinese JVs (consolidated with the equity method), whose sales amount to about 10.5 million Euros in the quarter.

**VALUE OF PRODUCTION** at 31/03/2010 is 52,980 thousand Euros, decreasing by 7% compared to the same period of the previous year. Value of production, which is higher than sales by 4,920 thousand Euros, highlights the increase in finished products and WIP inventories.

\* \* \* \* \*

Performance indicators	I Quarter 2010		I Quarter 2009	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
EBITDA	(1.713)	(3,6)	1.852	2,8
EBIT	(4.039)	(8,4)	(441)	(0,7)
EBT	(5.688)	(11,8)	(2.305)	(3,5)
<b>NET RESULT</b>	<b>(4.629)</b>	<b>(9,6)</b>	<b>(2.763)</b>	<b>(4,1)</b>

Group **EBITDA** is -1,713 thousand Euros (-3.6% on sales), compared to +1,852 thousand Euros recorded at 31/03/2009 (2.8% on sales).

Following is the EBITDA break down by segment, before inter sector eliminations:

EBITDA	I Quarter 2010		I Quarter 2009	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
Laser Systems	(1.012)	59,1	2.446	132,1
Electronics	1.013	(59,1)	428	23,1
Sheet metal machinery	(1.587)	92,6	(922)	(49,8)
Inter-sector eliminations	(127)	7,4	(100)	(5,4)
<b>TOTAL</b>	<b>(1.713)</b>	<b>100,0</b>	<b>1.852</b>	<b>100,0</b>

Consolidated **EBIT** for the three first months of 2010 is -4,039 thousand Euros (it was -441 thousand Euros at 31/03/2009). This result is affected by amortization of tangible assets for 754 thousand Euros and of intangible assets for 1,572 thousand Euros; as for the latter, 633 thousand Euros refer to the amortization of the definite useful life items accounted for in the Finn-Power Group business combination (brand and customer list) and 673 thousand Euros refer to the development costs amortization.

Consolidated **EBT** at 31/03/2010 is -5,688 thousand Euros (-2,305 thousand Euros at 31/03/2009); this amount is affected by net financial charges (including exchange rate net result) for 1,661 thousand Euros.

**NET RESULT** at 31/03/2010 is -4,629 thousand Euros (-2,763 thousand Euros at 31/03/2009). Taxes for the three first months of 2010 highlight a positive net amount of 1,059 thousand Euros. Such positive



amount is mainly due to limited current taxes upon low taxable income and to the accounting of tax assets on temporary differences arisen during the period.

The Group **net debt** at 31/03/2010 is 140.2 million Euros, compared to 150.1 million Euros at 31/12/2009. With regard to that we remind that the parent company PRIMA INDUSTRIE S.p.A. successfully completed, during the first quarter of 2010, the offer in option of ordinary shares related to the capital increase resolved by the Board of Directors on December 18, 2009; capital increase's proceeds were 15,232 thousand Euros (before collateral costs).

Value expressed in Euro thousand	31/03/2010	31/12/2009
CASH & CASH EQUIVALENTS	(8.504)	(15.084)
CURRENT FINANCIAL LIABILITIES	31.129	44.163
NON CURRENT FINANCIAL LIABILITIES	117.557	121.012
<b>NET FINANCIAL LIABILITIES</b>	<b>140.182</b>	<b>150.091</b>

**R&D** activity carried out by the Group during the three first months of 2010 amounted to 3,498 thousand euros (7.3% on sales), of which 1,544 thousand Euros were capitalized; such intense activity testifies to the Group will to continue to invest on the future and to focus on its competitiveness on the international markets.

The Group continued on its deep commercial activity, attending during the first quarter to some of the main sector exhibitions all over the world (Europe, Arab Emirates, India).

**Order backlog** at 30/04/2010 is 79.7 million Euros (against 75.6 million Euros at 31/03/2010 and 71.2 million Euros at 31/03/2009).

Commenting the results just released, Gianfranco Carbonato, Chairman and C.E.O. of Prima Industrie, said:  
*" We closed a difficult quarter, with expected results being to a large extent a direct consequence of the market situation in the year 2009. We record however positive signs from the market, highlighted by orders increasing in particular in Italy, United States, China and other emerging markets. The year 2010 is confirmed, like in the forecasts, as being a transition period that we are facing with a declared will to continue in optimizing the Group costs, organization and net financial position."*



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

*The Interim Report at 31/03/2010 will be available within the established terms at the Company Registered Offices, Borsa Italiana s.p.a. and on the company website [www.primaindustrie.com](http://www.primaindustrie.com).*

**PRIMA INDUSTRIE S.p.A.**, established in 1977 and listed on the Italian stock market since 1999 (STAR segment), develops, manufactures and markets laser systems for industrial applications and sheet metal fabrication machines. PRIMA INDUSTRIE leads today a Group with about 1,400 employees and manufacturing sites in **Italy** (PRIMA INDUSTRIE S.p.A, PRIMA ELECTRONICS S.p.A, FINN-POWER Italia Srl), **Finland** (FINN-POWER Oy), **USA** (PRIMA North America Inc.) and **China** (Shanghai Unity Prima Ltd. and Wuhan OVL Convergent Laser Co. Ltd.).

Prima Industrie Group operations are based on three business segments:

**Laser Machines and Sources**: including design, production and sale of Laser Machines and Laser Sources for cutting, welding and drilling of 3D and 2D components.

2D Laser Machines are used for application in very different industries, while 3D machines are mainly used for the production of components in the automotive, aerospace and energy sectors. Laser Sources, instead, are one of the most highest technological and value-added components of the Laser Machine.

**Machines for sheet metal treatment**: it includes design, production and sale of Machines destined to the Sheet metal treatment using mechanical tools. The Group has a wide range of machines for the cutting and bending of sheet metal: Punching machines, Combined punching/shearing systems, Combined punching/laser cutting systems, Panel Benders and automation systems.

**Industrial Electronics**: it includes development and design of power and control electronics, with relevant software. Furthermore the Group designs and produces internally the Numeric Controls to be installed on its own Laser Machines.

With over 30 year years of experience the Group can count on thousands of machines installed in more than 60 countries worldwide, is present with property commercial and assistance units in over 15 countries and it is among the main worldwide constructors in its own reference market.

For further information:

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## CONSOLIDATED BALANCE SHEET

Values in Euro	31/03/2010	31/12/2009
Property, plant and equipment	26.097.852	26.446.492
Intangible assets	154.059.812	153.850.327
Investment properties	158.000	158.000
Investments accounted for using the equity method	5.064.312	4.699.761
Other investments	880.853	880.853
Other non current financial assets	-	-
Deferred tax assets	6.173.491	4.916.371
Other non current assets	17.707	18.696
<b>NON CURRENT ASSETS</b>	<b>192.452.027</b>	<b>190.970.500</b>
Inventories	77.688.384	71.807.653
Trade receivables	52.051.060	58.823.172
Other receivables	5.091.820	4.398.680
Current tax receivables	5.921.147	5.984.885
Cash and cash equivalents	8.503.851	15.083.752
<b>CURRENT ASSETS</b>	<b>149.256.262</b>	<b>156.098.142</b>
<b>TOTAL ASSETS</b>	<b>341.708.289</b>	<b>347.068.642</b>
Capital stock	21.600.075	16.000.000
Legal reserve	2.733.635	2.733.635
Other capital reserves	53.925.190	45.185.605
Currency translation reserve	(897.463)	(2.384.892)
Retained earnings	3.443.305	12.138.832
Net result	(4.628.520)	(8.695.527)
<b>Stockholders' equity of the Group</b>	<b>76.176.222</b>	<b>64.977.653</b>
<i>Minority interest</i>	-	-
<b>STOCKHOLDERS' EQUITY</b>	<b>76.176.222</b>	<b>64.977.653</b>
Interest-bearing loans and borrowings	109.387.273	113.495.746
Employee benefit liabilities	7.177.282	7.503.809
Deferred tax liabilities	10.628.277	10.902.912
Provisions	67.754	67.754
Derivatives	8.168.970	7.516.059
<b>NON CURRENT LIABILITIES</b>	<b>135.429.556</b>	<b>139.486.280</b>
Trade payables	53.348.886	51.429.488
Advance payments	20.349.280	19.664.435
Other payables	15.253.076	15.398.252
Interest-bearing loans and borrowings	31.128.354	44.160.205
Current tax payables	1.585.680	2.671.847
Provisions	8.436.169	9.277.398
Derivatives	1.066	3.084
<b>CURRENT LIABILITIES</b>	<b>130.102.511</b>	<b>142.604.709</b>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<b>341.708.289</b>	<b>347.068.642</b>



## CONSOLIDATED INCOME STATEMENT

Values in Euro	31/03/2010	31/03/2009
Net revenues	48.060.102	66.675.075
Other income	419.781	543.957
Change in inventories of finished goods and WIP	2.918.486	(11.975.944)
Increases in fixed assets for internal work	1.581.150	1.712.575
Use of raw materials, consumables, supplies and goods	(24.119.513)	(20.574.831)
Personnel cost	(18.849.375)	(21.408.909)
Depreciation	(2.326.022)	(2.292.880)
Amortization and impairment	-	-
Other operating expenses	(11.723.593)	(13.120.067)
<b>OPERATING PROFIT</b>	<b>(4.038.984)</b>	<b>(441.024)</b>
Financial income	47.958	171.028
Financial expenses	(2.132.981)	(2.771.659)
Net exchange differences	424.141	440.315
Net result of investments accounted for using the equity method	12.054	296.109
<b>RESULT BEFORE TAXES</b>	<b>(5.687.812)</b>	<b>(2.305.231)</b>
Income taxes	1.059.292	(457.911)
<b>NET RESULT</b>	<b>(4.628.520)</b>	<b>(2.763.142)</b>
- Attributable to Group shareholders	(4.628.520)	(2.763.142)
- Attributable to minority shareholders	-	-
<b>RESULT PER SHARE - BASIC (in euro)</b>	<b>(0,62)</b>	<b>(0,43)</b>
<b>RESULT PER SHARE - DILUTED (in euro)</b>	<b>(0,47)</b>	<b>(0,42)</b>





## CONSOLIDATED STATEMENT OF CASH FLOWS

VALUES IN EURO	31/03/2010	31/03/2009
<b>Net result</b>	<b>(4.628.520)</b>	<b>(2.763.142)</b>
<b>Adjustments (sub-total)</b>	<b>1.250.324</b>	<b>(2.727.463)</b>
Depreciation and amortization	2.326.022	2.292.880
Net change in deferred tax assets and liabilities	(1.531.755)	101.997
Net result of investments accounted for using the equity method	(12.054)	(296.109)
Change in employee benefits	(326.527)	(414.060)
Change in inventories	(5.880.731)	11.283.559
Change in trade receivables	6.772.112	8.574.340
Change in trade payables	2.604.243	(22.255.843)
Net change in other receivables/payables and other assets/liabilities	(2.700.986)	(2.014.227)
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)</b>	<b>(3.378.196)</b>	<b>(5.490.605)</b>
<b>Cash flow from investments</b>		
Acquisition of tangible fixed assets	(211.140)	(366.830)
Acquisition of intangible fixed assets	(25.780)	(199.094)
Capitalization of development costs	(1.544.335)	(1.497.124)
Disposal/(Purchase) investments accounted for using the equity method	(47.000)	-
Net disposal of tangible and intangible fixed assets	7.350	653.097
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(1.820.905)</b>	<b>(1.409.951)</b>
<b>Cash flow from financing activities</b>		
Change in other non current financial liabilities and other minor items	257.298	1.964.289
Increases in loans and borrowings	1.275.396	14.824.927
Repayment of loans and borrowings	(18.658.987)	(8.101.360)
Net change in financial lease liabilities	(81.596)	(209.633)
Capital increase	15.217.252	-
Other changes in equity	609.837	(643.188)
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)</b>	<b>(1.380.800)</b>	<b>7.835.035</b>
<b>Net change in cash and equivalents (D=A+B+C)</b>	<b>(6.579.901)</b>	<b>934.479</b>
<b>Cash and equivalents beginning of period (E)</b>	<b>15.083.752</b>	<b>14.467.456</b>
<b>Cash and equivalents end of period (F=D+E)</b>	<b>8.503.851</b>	<b>15.401.935</b>