



PRESS RELEASE

ITALIAN STOCK EXCHANGE – STAR SEGMENT

PRIMA INDUSTRIE

INTERIM REPORT AS AT SEPTEMBER 30, 2009

**IN A STRONGLY DECREASING MARKET PRIMA INDUSTRIE GROUP CONTAINS
THE DROP IN SALES TO 38%, MAINTAINING A POSITIVE EBITDA.**

- **CONSOLIDATED REVENUES** of 164.4 million euros (264.9 million euros at 30/09/2008);
- **EBITDA** of 4.6 million euros (23.8 million euros at 30/09/2008);
- **EBIT** of -3.1 million euros (+17.7 million euros at 30/09/2008);
- **NET FINANCIAL POSITION** of -164.6 million euros (-161.6 million euros at 31/12/2008);
- **ORDER BACKLOG** at 30/09/2009 increasing to 77.2 million euros (74.7 million euros at 30/06/2009) and to 83.3 million euros at 31/10/2009.

In order to gain a better understanding of the financial statements, the reader should be aware that the Finn-Power Group was acquired on 4/02/08, so the comparable results for the first nine months of 2008, include only eight months results for the Finnish Group.

Collegno (TO), November 13th, 2009 – 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 under the chairmanship of Gianfranco Carbonato to approve the Interim report as at September 30, 2009.

Results of the first nine months of the year still belong to a very difficult economic situation, in particular for the capital goods sector, whose main end markets have been severely hit by a strong reduction of the demand since the last quarter of 2008.

Consolidated revenues at 30/09/2009 were 164,428 thousand euros, decreasing by 38% compared to the corresponding period of 2008.

Whereas one should also consider FINN-POWER Group revenues for the month of January 2008 (not consolidated), decrease would have been by 42%. The strong drop in sales is due to the worsening of the Group reference markets as recorded by UCIMU – Italy (-55,3%), by VDW – Germany (-66%) and AMT – USA (-63,3%).

The consolidated revenue breakdown by geographical segment at 30/09/2009 was as follows:



Revenues	30 September 2009		30 September 2008 (*)	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
Italy	33.610	20,4	68.091	25,8
Europe	70.814	43,1	106.995	40,4
North America	30.267	18,4	44.217	16,7
Asia and Rest of the World	29.737	18,1	45.618	17,2
TOTAL	164.428	100,0	264.921	100,0

(*) In order to make figures comparable, 2008 figures have been restated.

The economic slowdown had a relevant impact on all the geographical areas sales. Sales in Italy decreased by 51%, in North America by 32% and in Europe by 34%. Also the Rest of the World was affected by a similar contraction, showing a fall of 35% compared to the same period of 2008.

About 80% of revenues realised by the Group arose outside Italy, confirming the international spread of the PRIMA INDUSTRIE Group.

The revenue breakdown by business segment at 30 September 2009 was as follows:

Revenues	30 September 2009		30 September 2008	
	<i>euro thousand</i>	%	<i>euro thousand</i>	%
Laser Systems	62.124	37,8	104.163	39,3
Electronics	20.291	12,3	32.949	12,4
Sheet metal machinery	92.181	56,1	133.890	50,5
Inter-sector revenues	(10.168)	(6,2)	(6.081)	(2,2)
TOTAL	164.428	100,0	264.921	100,0

Considering only the Laser Systems and Electronics segment, which present homogeneous features compared to the same period of 2008, the Laser Systems segment sales were down by 40% and Electronics segment sales by 38%. The overall Group drop in revenues is affected by the drastic decrease in demand caused by the present international economic situation.

In order to complete the information about first nine months sales, is a breakdown by both business segment and geographical segment (net of intersector items) as follows:

Revenues	Italy	Europe	North America	Asia and Rest of the World	TOTAL
<i>euro thousand</i>					
Laser Systems	12.318	15.108	9.606	17.547	54.579
Electronics	8.079	9.753	512	327	18.671
Sheet metal machinery	13.213	45.953	20.149	11.863	91.178
TOTAL	33.610	70.814	30.267	29.737	164.428

The **production value** at 30/09/2009 was 156,989 thousand euros, a decrease of 44% against the same period of the previous year (decrease of 122,593 thousand euros). The production value, which is lower than revenues (164,428 thousand euros), shows the reduction in Group finished and semi-finished products stocks, following the working capital optimizing actions undertaken.

* * * * *

Profitability	30 September 2009		30 September 2008	
	<i>euro thousand</i>	%	<i>euro thousand</i>	%
EBITDA	4.579	2,8	23.784	9,0
EBIT	(3.055)	(1,9)	17.666	6,7
EBT	(7.460)	(4,5)	9.404	3,6
NET RESULT	(7.129)	(4,3)	5.962	2,3

The Group **EBITDA** is 4,579 thousand euros (2.8% of revenues), against 23,784 thousand euros at 30/09/2008 (9.0% of revenues).

In the first nine months of 2009, in a very bad economic situation for all its reference markets, the PRIMA INDUSTRIE Group achieved an EBITDA of 4,579 thousand euros as a consequence the cost reduction and reorganization actions carried out by all the Group companies. EBITDA is also affected by significant non recurring costs concerning the restructuring process, in addition to a positive non recurring effect coming from the EQT settlement.

Following is an EBITDA breakdown by business segment, gross of intersector profits:



EBITDA	30 September 2009		30 September 2008	
	<i>euro thousand</i>	%	<i>euro thousand</i>	%
Laser Systems	1.206	26,3	13.042	54,9
Electronics	1.194	26,1	4.546	19,1
Sheet metal machinery	2.431	53,1	6.425	27,0
Inter-sector eliminations	(252)	(5,5)	(229)	(1,0)
TOTAL	4.579	100,0	23.784	100,0

Consolidated **EBIT** in the first nine months of 2009 was -3,055 thousand euros (it was 17,666 thousand euros at 30/09/2008). This result is affected by the tangible assets depreciation of 3,045 thousand euros and intangible assets depreciation of 4,589 thousand euros.

Consolidated **EBT** at 30/09/2009 was negative 7,460 thousand euros; this is affected by net financial charges (including profit and losses on exchange rates) of 4,412 thousand euros.

In particular, charges relevant to the loan signed last year for the FINN-POWER Group acquisition (hereafter "FINPOLAR loan") are 3,482 thousand euros and net financial charges for derivatives (mainly linked to the FINPOLAR loan) are 1,021 thousand euros. Also the financial items for the period benefited from the EQT settlement.

NET RESULT at 30/09/2009 was negative 7,129 thousand euros (it was positive 5,962 thousand euros at 30/09/2008). Taxes for the nine months highlight a positive net amount of 330 thousand euros; this effect is mainly due to tax receivables for research (for the Italian companies) and a tax receivable upon interim losses recorded by PRIMA North America.

At 30/09/2009 the **Group Net financial Position** was 164.6 million euros, compared to 161.6 million euros at 31/12/2008, 169.5 million euros at 31/03/2009 and 160.6 million euros at 30/06/2009.

This figure is positively affected by the EQT settlement which caused a financial debt reduction of 13,946 thousand euros.

<i>Values expressed in euro thousand</i>	30/09/2009	31/12/2008
Cash and cash equivalents	(8.878)	(14.467)
Current financial liabilities	58.236	127.803
Non current financial liabilities	115.194	48.309
NET FINANCIAL LIABILITIES	164.552	161.645

The financial requirement expected for the remaining part of the year is mainly represented by the need for operating financing as well as reimbursing (within 30/11/2009) the residual debt to EQT and whose original deadline was 4/02/2011. The advanced reimbursement is established by the settlement agreement with EQT itself.

In order to face the short term financing requirement the Group started the following activities:

- renegotiation of FINPOLAR loan, with the anticipated financing of a 25 million euros credit line;
- achievement of suspended covenants for the year 2009;
- proxy of the Prima Industrie S.p.A. Shareholders' Meeting to the Board of Directors for an increase in the share capital of maximum 50 million euros to be carried out under different technical modalities. On 12/10/2009 the Board exercised the proxy resolving a capital increase for a maximum counter value (including premium) of 15,500,000 euros; warrants will be issued altogether with the ordinary shares that will be offered in option to the shareholders, with a ratio of 1 warrant for each newly issued share.

Research & Development activities for the period amounted to 9,844 thousand euros (6% on sales) of which 5,373 thousand euros expensed to P&L. This testifies that the Group will continue to invest on its future even in such a difficult market phase.

The **order collection** during the third quarter was still strongly influenced by the economic external situation and by the continuing difficulties of the reference sectors. In particular at 30/09/2009 orders acquired (including after-sales services) were down by about 43% amounting to 154.0 million euros



compared to 270.1 million euros at 30/09/2008. Book-to-bill ratio for the quarter is higher than 1 for the second quarter in a row and some signs of recovery were recorded by the market in the latest weeks. As a consequence of the above the **order backlog**, which was 71.2 million euros at 31/03/2009 and 74.7 million euros at 30/06/2009, improved to 77.2 million euros at 30/09/2009 and further to 83.3 million euros at 31/10/2009.

Commenting the results just approved Gianfranco Carbonato, Prima Industrie Chairman and C.E.O. declared: *"Results at September 30 are in line with our expectations, based both on a particularly difficult market phase in terms of acquired orders volumes and profitability and on a seasonality effect typical of our sector. The Group adopted as far a deep reorganization with the aim of lowering the break-even, but not sacrificing at the same time R&D investments which will allow the Group to exit more competitively the crisis. With reference to the above and in the light of the first recovery signs of the markets we believe that the last quarter of the year will show an improvement both in terms of sales and profitability."*

* * * * *

"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 Financial Intermediation, that the accounting information contained in this press release corresponds to the document results, books and accounting records".

* * * * *

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 1,500 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:

PRIMA INDUSTRIE S.p.A.

Massimo Ratti
C.F.O.
phone 011 4103208
m.ratti@primaindustrie.com

Chiara Roncolini
Investor Relator
phone 011 4103204
ir@primaindustrie.com

Ad Hoc Communication Advisors

Sara Balzarotti
Press Office
phone 02 7606741 - 335/1415584
sara.balzarotti@adhoccommunication.it
alessandra.fumagalli@adhoccommunication.it

CONSOLIDATED BALANCE SHEET

Values in Euro	30/09/2009	31/12/2008
Property, plant and equipment	32.625.529	35.503.867
Intangible assets	153.446.862	153.175.834
Investment properties	158.000	158.000
Investments accounted for using the equity method	4.263.070	4.062.534
Other investments	801.886	801.885
Other non current financial assets	78.966	368.190
Deferred tax assets	5.078.826	6.300.579
Other non current assets	451.741	1.688.820
NON CURRENT ASSETS	196.904.880	202.059.709
Inventories	82.915.895	106.186.873
Trade receivables	54.830.869	72.266.007
Other receivables	5.595.737	7.460.278
Current tax receivables	6.015.342	3.551.878
Derivatives	-	-
Titoli negoziabili valutati al fair value	-	-
Cash and cash equivalents	8.878.077	14.467.456
CURRENT ASSETS	158.235.920	203.932.492
TOTAL ASSETS	355.140.800	405.992.201
Capital stock	16.000.000	16.000.000
Legal reserve	2.300.000	2.300.000
Other capital reserves	36.761.060	37.794.240
Currency translation reserve	(2.745.966)	(1.776.810)
Retained earnings	20.811.542	15.293.409
Profit for the year	(7.129.242)	5.476.434
Stockholders' equity of the Group	65.997.394	75.087.273
<i>Minority interest</i>	-	-
STOCKHOLDERS' EQUITY	65.997.394	75.087.273
Interest-bearing loans and borrowings	107.636.113	42.454.994
Employee benefit liabilities	7.615.341	9.021.418
Deferred tax liabilities	11.305.578	11.626.501
Provisions	60.159	87.210
Derivatives	7.558.363	5.854.189
NON CURRENT LIABILITIES	134.175.554	69.044.312
Trade payables	46.310.414	65.870.443
Advance payments	20.948.704	32.217.942
Other payables	19.070.840	22.716.004
Interest-bearing loans and borrowings	58.235.178	127.803.118
Current tax payables	1.168.589	2.824.569
Provisions	9.234.127	10.428.540
CURRENT LIABILITIES	154.967.852	261.860.616
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	355.140.800	405.992.201

CONSOLIDATED INCOME STATEMENT

Values in Euro	30/09/2009	30/09/2008 (restated)
Net revenues	164.428.343	264.920.824
Other income	2.624.743	2.822.424
Change in inventories of finished goods and WIP	(15.049.360)	6.521.525
Increases in fixed assets for internal work	4.985.666	5.317.613
Use of raw materials, consumables, supplies and goods	(67.237.083)	(133.364.565)
Personnel cost	(57.565.625)	(65.562.191)
Depreciation	(7.634.233)	(6.118.144)
Amortization and impairment	-	-
Other operating expenses	(27.607.284)	(56.871.573)
OPERATING PROFIT	(3.054.833)	17.665.913
Financial income	256.915	639.632
Financial expenses	(4.544.704)	(9.116.334)
Net exchange differences	(124.077)	(251.836)
Net result of investments accounted for using the equity method	7.155	466.367
RESULT BEFORE TAXES	(7.459.544)	9.403.742
Income taxes	330.302	(3.441.298)
NET RESULT	(7.129.242)	5.962.444
- Attributable to Group shareholders	(7.129.242)	5.962.444
- Attributable to minority shareholders	-	-
RESULT PER SHARE - BASIC (in euro)	(1,11)	1,19
RESULT PER SHARE - DILUTED (in euro)	(1,09)	1,16

CONSOLIDATED STATEMENT OF CASH FLOWS

VALUES IN EURO	30/09/2009	30/09/2008 (restated)
Net result	(7.129.242)	5.962.444
Adjustments (sub-total)	11.403.452	3.648.088
Depreciation and amortization	7.634.233	6.118.144
Net change in deferred tax assets and liabilities	900.830	(706.634)
Net result of investments accounted for using the equity method	(7.155)	(466.367)
Change in employee benefits	(1.406.077)	(205.940)
Change in inventories	23.270.978	(17.707.474)
Change in trade receivables	17.435.138	12.921.063
Change in trade payables	(30.829.267)	12.820.915
Net change in other receivables/payables and other assets/liabilities	(5.595.228)	(9.125.619)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)	4.274.210	9.610.532
Cash flow from investments		
Acquisition FINN-POWER Group (net of cash acquired)	-	(85.217.377)
Acquisition of OSAI UK minorities	-	(256.525)
Acquisition of tangible fixed assets	(942.199)	(5.866.846)
Acquisition of intangible fixed assets	(5.023.870)	(5.009.202)
Disposal/(Purchase) investments accounted for using the equity method	-	(823.625)
Change in financial receivables and other financial assets	-	913.219
Net disposal of tangible and intangible fixed assets	640.706	33.254
Change in financial receivables and other financial assets	(410.000)	-
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	(5.735.363)	(96.227.102)
Cash flow from financing activities		
Change in other non current financial liabilities and other minor items	1.913.663	636.440
Net purchase of treasury stocks	-	87.880
Increases in loans and borrowings	25.190.717	173.067.974
Repayment of loans and borrowings	(28.561.783)	(111.756.104)
Net change in financial lease liabilities	(710.185)	(581.983)
Increase in capital	-	24.714.312
Other changes in equity	(1.960.638)	(9.252)
Dividends paid	-	(2.990.000)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)	(4.128.226)	83.169.267
Net change in cash and equivalents (D=A+B+C)	(5.589.379)	(3.447.303)
Cash and equivalents beginning of period (E)	14.467.456	21.551.369
Cash and equivalents end of period (F=D+E)	8.878.077	18.104.066