

INTERIM REPORT AS AT MARCH 31st 2016
(in brackets results as at 31/03/2015)

**GROWING REVENUES AND SIGNIFICANTLY IMPROVING PROFITABILITY
GOOD PERFORMANCE OF ALL THE GEOGRAPHICAL AREAS
AND, IN PARTICULAR, OF NORTH AMERICA (+ 37%) AND CHINA (+ 30%)**

- Consolidated REVENUES at 79.4 M€ (+ 12.1% against 70.9 M€);
- VALUE OF PRODUCTION at 100.4 M€ (+19.5% against 84.0 M€);
- EBITDA at 4.7 M€ (+57% against 3.0 M€);
- GROUP NET RESULT at -0.4 M€ (compared to -3.4 M€);
- NET FINANCIAL POSITION at -117.3 M€ (compared to -112.9 M€ at 31/03/2015 and to -101.7 M€ at 31/12/2015);
- ORDERS' BACKLOG at 120.8 M€ (against 120.2 M€ at 31/03/2015 and 117.7 M€ at 31/12/2015).

Collegno (TO), May 13th 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 Interim Report as at 31/03/2016.

Consolidated revenues at 31/03/2016 amount to 79,421 thousand euro, an increase of 12.1% compared to the same period of the year 2015 (they were equal to 70,863 thousand euro).

Following is the consolidated revenues geographical breakdown at 31/03/2016 compared with the same period of the previous year:

Revenues	31/03/16		31/03/15	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
EMEA	47.023	59,2	45.311	63,9
AMERICAS	18.244	23,0	13.790	19,5
APAC	14.154	17,8	11.762	16,6
TOTAL	79.421	100,0	70.863	100,0

It should be noted that the Group continues to generate a significant portion of revenues in EMEA, whose sales are equal to 47,023 thousand euro (an increase of 1,712 thousand euro compared to 31/03/2015); in particular the Group generates good results in Italy (15.3% of consolidated revenues), in Germany (9.8% of consolidated revenues), in Northern Europe (9.3% of consolidated revenues) and in Spain (7.6% of consolidated revenues). A sign of recovery is also recorded from Russia, whose turnover grows from 1,270

thousand euro at 31/03/2015 to 2,478 thousand euro at 31/03/2016, whilst the situation in Brazil remains negative.

The portion generated by AMERICAS rose by 32% compared to 2015, increasing from 13,790 thousand euro to 18,244 thousand euro; this growth is related to North America, whose sales increased from 12,970 thousand euro to 17,721 thousand euro.

Revenues in APAC countries also increased compared to the year 2015 (+20%); this growth refers to China and India, whose revenues move respectively from 7,890 thousand euro to 10,260 thousand euro (+30%) and from 172 thousand euro to 1,774 thousand euro.

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

Revenues	31/03/16		31/03/15	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
PRIMA POWER	73.169	92,1	59.080	83,4
PRIMA ELECTRO	9.600	12,1	16.055	22,7
Inter-sector revenues	(3.348)	(4,2)	(4.272)	(6,1)
TOTAL	79.421	100,0	70.863	100,0

From the above, it should be noted that the overall growth of revenues is attributable to Prima Power division (+23.9% compared to the same period of the previous year), while Prima Electro division reported revenues in significant decline due to the sharp drop in supplies of orbital welding systems (destined to the oil and gas sector) as well as to the reduction in CO2 laser sales not yet offset by the increase of fiber laser supplies.

The **value of production** at 31/03/2016 is equal to 100,405 thousand euro, an increase of 19.5% compared to the year 2015 (an increase of 16,363 thousand euro).

The value of production includes increases for internal work for 2,740 thousand euro (3,235 thousand euro at 31/03/2015); these costs relate mainly to investments in development activities.

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Performance indicators	31/03/16		31/03/15	
	<i>Euro thousand</i>	% on sales	<i>Euro thousand</i>	% on sales
EBITDA	4.702	5,9	3.002	4,2
EBIT	1.048	1,3	(97)	(0,1)
EBT	(821)	(1,0)	(3.280)	(4,6)
NET RESULT	(432)	(0,5)	(3.537)	(5,0)
NET RESULT ATTRIBUTABLE TO GROUP SHAREHOLDERS	(359)	(0,5)	(3.442)	(4,9)

The Group's **EBITDA** amounted to 4,702 thousand euro (5.9% of sales), an increase of 1,700 thousand euro compared to the year 2015, which was affected by several non-recurring costs. The EBITDA growth was positively affected by an increase in revenues of Prima Power division, despite a substantially neglectable contribution from Prima Electro division.

Following is the group EBITDA at 31/03/2016 and at 31/03/2015 by segment (before inter-sector items):

EBITDA	31/03/16		31/03/15	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
PRIMA POWER	4.830	102,7	357	11,9
PRIMA ELECTRO	6	0,1	2.657	88,5
Inter sector items and eliminations	(134)	(2,8)	(12)	(0,4)
TOTAL	4.702	100,0	3.002	100,0

Consolidated **EBIT** at 31/03/2016 amounts to 1,048 thousand euro an increase of 1,145 thousand euro compared to the year 2015 (it was negative for 97 thousand euro). This result is affected by depreciation of intangible assets for 2,761 thousand euro and of tangible fixed assets for 893 thousand euro. With regard to the amortization of intangible assets, the main relates to amortization of development costs (1,798 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 784 thousand euro.

Consolidated **EBT** at 31/03/2016 is negative for 821 thousand euro, an increase of 2,459 thousand euro compared to the same period of the year 2015 (it was negative for 3,280 thousand euro). This value reflects net financial charges (including profits and losses on exchange rates) for 2,079 thousand euro (at 31/03/2015 they were equal to 3,084 thousand euro). It should be noted that the value of net financial charges at 31/03/2015 was affected by financial charges incurred between February and March 2015, due to the full repayment of the FINPOLAR loan amounting to 2,123 thousand euro; before this effect, net financial charges are substantially unchanged.

The Group **NET RESULT** at 31/03/2016 is negative for 432 thousand euro (it was negative for 3,537 thousand euro at 31/03/2015); the net result attributable to the parent Company is negative for 359 thousand euro (it was negative for 3,442 thousand euro at 31/03/2015). Income taxes for the three first months of 2016 showed a positive net balance of 390 thousand euro. The balance between current and deferred tax is positive for 447 thousand euro, IRAP is equal to 51 thousand euro and other taxes, including those relating to previous years, amount to 6 thousand euro.

At 31/03/2016 **net financial position** of the Group records a net debt of 117,334 thousand euro, against 101,747 thousand euro at 31/12/2015 and to 112,894 thousand euro at 31/03/2015. The change compared to the year-end value was due to higher absorption of financial resources caused by the increase of stock needed to face the seasonal volumes expected for the next quarters and reflected in the increase in value of production, as well as to the fitting of the Group's new showroom in Collegno (Torino), where is now displayed the whole Group product range.

Below is the breakdown of the net financial position:

Value expressed in Euro thousand	31/03/16	31/12/15	31/03/15
CASH & CASH EQUIVALENTS	(26.543)	(41.365)	(20.718)
CURRENT FINANCIAL RECEIVABLES	(1.224)	(839)	(646)
CURRENT FINANCIAL LIABILITIES	26.228	25.731	53.188
NON CURRENT FINANCIAL LIABILITIES	118.873	118.220	81.070
NET FINANCIAL POSITION	117.334	101.747	112.894

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During the three first months of 2016 the **order intake** of the Group (including *after-sale service*) amounted to 82.5 million euro, a decrease of 14.4% against 96.4 million euro at 31/03/2015. The year

2016 in fact has had a complicate beginning (also corresponding to the difficult moment suffered by the financial markets) with an order collection that started to strengthen only in February and setting then on normal levels in March and April.

The consolidated **order backlog** (not including the *after-sale service*) at 31/03/2016 amounts to 120.8 million euro (against 120.2 million euro at 31/03/2015).

At 30/04/2016 the order backlog rose to 133.9 million euro.

Research and development activities carried out by the Group during the three first months of 2016 were a total of 5,828 thousand euro, equal to 7% of sales.

The capitalized portion amounted to 2,698 thousand euro, a reduction of almost 9% compared to 31/03/2015.

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Gianfranco Carbonato, Chairman of the Group, declared: *"We note with satisfaction the results achieved by the Prima Power division and the good performance in North America and in China; this allowed to balance the temporary downturn of the Prima Electro division, mainly linked to the change of technology from the CO2 laser to the fiber laser. The situation should recover in the second part of the year. For the second quarter we expect instead a further strengthening of the results for Prima Power division".*

"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 31/03/2016 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:

PRIMA INDUSTRIE S.p.A. Chiara Roncolini Investor Relator tel. 011 4103204 ir@primaindustrie.com	Studio Mailander Press Office tel. 011 5527311 Bruno Caprioli 335 5901402 - caprioli@mailander.it Carlo Dotta 333 2306748 - c.dotta@mailander.it
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CONSOLIDATED BALANCE SHEET

Values in Euro	31/03/2016	31/12/2015
Property, plant and equipment	28.037.697	28.465.557
Intangible assets	157.572.014	157.770.974
Investments accounted for using the equity method	1.186.455	1.223.555
Other investments	121.358	121.358
Non current financial assets	35.000	35.000
Deferred tax assets	10.454.528	9.845.765
Other non current assets	-	19.703
NON CURRENT ASSETS	197.407.052	197.481.912
Inventories	109.675.360	93.992.707
Trade receivables	84.416.545	86.413.895
Other receivables	9.699.495	8.019.131
Current tax receivables	6.753.730	7.029.222
Derivatives	432.112	47.225
Financial assets	791.509	791.509
Cash and cash equivalents	26.543.042	41.365.408
CURRENT ASSETS	238.311.793	237.659.097
Assets held for sale	284.000	284.000
TOTAL ASSETS	436.002.845	435.425.009
Capital stock	26.208.185	26.208.185
Legal reserve	4.494.745	4.494.745
Other reserves	72.243.694	72.243.694
Currency translation reserve	3.994.794	5.965.409
Retained earnings	20.803.091	14.786.376
Net result	(359.397)	6.016.715
<i>Stockholders' equity of the Group</i>	<i>127.385.112</i>	<i>129.715.124</i>
<i>Minority interest</i>	<i>1.078.187</i>	<i>1.196.407</i>
STOCKHOLDERS' EQUITY	128.463.299	130.911.531
Interest-bearing loans and borrowings	118.458.012	117.805.350
Employee benefit liabilities	7.933.905	7.912.782
Deferred tax liabilities	10.358.028	10.518.305
Provisions	146.655	150.551
Derivatives	414.748	414.635
NON CURRENT LIABILITIES	137.311.348	136.801.623
Trade payables	76.863.441	78.323.460
Advance payments	23.775.673	21.385.159
Other payables	21.086.680	19.218.309
Interest-bearing loans and borrowings	26.210.342	25.700.281
Current tax payables	5.541.069	7.257.725
Provisions	16.734.680	15.796.491
Derivatives	16.313	30.430
CURRENT LIABILITIES	170.228.198	167.711.855
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	436.002.845	435.425.009

CONSOLIDATED INCOME STATEMENT

Values in Euro	31/03/2016	31/03/2015
Net revenues	79.420.511	70.863.117
Other income	893.030	594.124
Change in inventories of finished goods and WIP	17.351.599	9.349.390
Increases in fixed assets for internal work	2.739.539	3.234.594
Use of raw materials, consumables, supplies and goods	(49.700.740)	(35.232.354)
Personnel cost	(27.093.629)	(25.162.298)
Depreciation	(3.653.902)	(3.099.232)
Other operating expenses	(18.908.379)	(20.644.146)
OPERATING PROFIT	1.048.029	(96.805)
Financial income	501.928	104.287
Financial expenses	(1.751.578)	(3.570.180)
Net exchange differences	(829.183)	382.328
Net result of investments accounted for using the equity method	209.324	(105.000)
Net result of other investments	-	5.700
RESULT BEFORE TAXES	(821.480)	(3.279.670)
Taxes	389.754	(257.699)
NET RESULT	(431.726)	(3.537.369)
- Attributable to Group shareholders	(359.397)	(3.441.744)
- Attributable to minority shareholders	(72.329)	(95.625)
RESULT PER SHARE - BASIC (in euro)	(0,03)	(0,33)
RESULT PER SHARE - DILUTED (in euro)	(0,03)	(0,33)

CONSOLIDATED STATEMENT OF CASH FLOWS

VALUES IN EURO	31/03/2016	31/03/2015 (**)
Net result	(431.726)	(3.537.369)
Adjustments (sub-total)	(10.147.984)	(18.549.758)
Depreciation and impairment	3.653.902	3.099.232
Net change in deferred tax assets and liabilities	(769.040)	(851.266)
Change in employee benefits	21.123	(39.675)
Change in inventories	(15.682.653)	(23.115.254)
Change in trade receivables	1.997.350	1.079.607
Change in trade payables and advances	930.495	3.205.876
Net change in other receivables/payables and other assets/liabilities	(299.161)	(1.928.278)
Cash Flows from (used in) operating activities (A)	(10.579.710)	(22.087.127)
Cash flow from investments		
Acquisition of tangible fixed assets (*)	(812.979)	(1.084.264)
Acquisition of intangible fixed assets	(352.811)	(206.008)
Capitalization of development costs	(2.697.798)	(2.968.966)
Net disposal of fixed assets (*)	47.464	4.595
Changes in capital of investments accounted for using the equity method	37.100	2.600
Net result of investments accounted for using the equity method	-	105.000
Cash Flows from (used in) investing activities (B)	(3.779.024)	(4.147.043)
Cash flow from financing activities		
Change in other financial assets/liabilities and other minor items	232.437	(2.735.093)
Increases in loans and borrowings (including bank overdrafts)	2.412.232	99.390.885
Repayment of loans and borrowings (including bank overdrafts)	(1.077.218)	(91.728.474)
Change in currency translation reserve	(1.970.615)	5.208.770
Other variations	(14.577)	408.993
Cash Flows from (used in) financing activities (C)	(417.741)	10.545.081
Cash Flows from (used in) change of minority shareholders (D)	(45.891)	540.274
Net change in cash and equivalents (E=A+B+C+D)	(14.822.366)	(15.148.815)
Cash and equivalents beginning of period (F)	41.365.408	35.866.508
Cash and equivalents end of period (G=E+F)	26.543.042	20.717.693

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

(**) for a better comparability, the 2015 figures have been reclassified