



PRIMA INDUSTRIE S.P.A.

ITALIAN STOCK EXCHANGE - STAR segment

**APPROVED THE COMPANY DRAFT FINANCIAL STATEMENTS AND  
CONSOLIDATED FINANCIAL STATEMENTS 2011**

**IN THE YEAR 2011 THE GROUP RETURNS TO A NET PROFIT  
IMPROVING REVENUES, PROFITABILITY AND NET FINANCIAL POSITION  
(in brackets the results as at 31/12/2010)**

- Consolidated REVENUES at 309.7 M€ (+24% as against 250.0 M€) achieved for about 85% abroad;
- EBITDA at 22.4 M€ (+115% as against 10.4 M€);
- EBIT at 12.5 M€ (as against 0.4 M€);
- NET PROFIT at 1.9 M€ (as against the loss of 6.0 M€);
- NET FINANCIAL POSITION at -136.4 M€ (as against -141.3 M€);
- ORDER BACKLOG at 105.9 M€ (as against 82.3 M€), further improving to 120.5 M€ as at 29/02/12.

*Collegno (TO), March 14, 2012* – 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 company draft financial statements as at 31/12/2011 and the consolidated financial statements.

The economic worldwide scene was generally positive in 2011, in particular before the slowdown of summer due to the sovereign debt crisis in some European Countries. The world GDP grew by 3.8% during 2011 and the large majority of the markets also recorded a substantial increase of the demand for capital goods.

The Prima Industrie Group revenues as at 31/12/2011 amount to 309,699 thousand Euros, growing by 24% as against the year 2010 (250,007 thousand Euros). The revenues increase confirms the positive trend for the Group and its reference market. Such increase was outlined mostly during the last six months of the year, when the Group confirmed its growth trend and showed also a further acceleration compared to the first six months both in terms of revenues and operating result.

Following is the revenues geographic break down as at 31/12/2011 compared to the same of the previous year:

Revenues	Dec. 31, 2011		Dec. 31, 2010	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
Italy	48.222	15,6	54.196	21,7
Europe	118.394	38,2	84.226	33,6
North America	63.059	20,4	46.911	18,8
Asia and rest of the world	80.024	25,8	64.674	25,9
<b>TOTAL</b>	<b>309.699</b>	<b>100,0</b>	<b>250.007</b>	<b>100,0</b>

Revenues by geographical area show a growing turnover towards Europe (+34,168 thousand Euros), North America (+16,148 thousand Euros) and the emerging markets of Asia and Rest of the World (+15,350 thousand Euros), whose turnover is about 26% of the total consolidated (not considering sales by the Chinese JV Shanghai Unity PRIMA). Italy recorded a decrease as against last year (-5,974 thousand Euros) due to the continuing difficult economic situation.

Following is the revenues breakdown by segment, gross of inter sector items:

Revenues	Dec. 31, 2011		Dec. 31, 2010	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
PRIMA POWER	267.570	86,4	216.774	86,7
PRIMA ELECTRO	57.365	18,5	48.473	19,4
Inter-sector revenues	(15.236)	(4,9)	(15.240)	(6,1)
<b>TOTALE</b>	<b>309.699</b>	<b>100,0</b>	<b>250.007</b>	<b>100,0</b>

In order to complete the information about revenues, following is a break down (net of inter sector items) by both segment and geographic area for the year 2011 and 2010:

Revenues segment/area - 31 December 2011	Italy	Europe	North America	Asia and rest of the world	TOTAL
<i>€/000</i>					
PRIMA POWER	35.158	99.489	60.734	72.090	267.471
PRIMA ELECTRO	13.064	18.905	2.325	7.934	42.228
<b>TOTAL</b>	<b>48.222</b>	<b>118.394</b>	<b>63.059</b>	<b>80.024</b>	<b>309.699</b>

Revenues segment/area - 31 December 2010	Italy	Europe	North America	Asia and rest of the world	TOTAL
<i>€/000</i>					
PRIMA POWER	44.306	72.131	42.136	58.201	216.774
PRIMA ELECTRO	9.890	12.095	4.775	6.473	33.233
<b>TOTAL</b>	<b>54.196</b>	<b>84.226</b>	<b>46.911</b>	<b>64.674</b>	<b>250.007</b>

The Value of Production as at 31/12/2011 is 327,535 thousand Euros, increasing by 27% as against the previous year (growth 69,537 thousand Euros). Within the value of production are recorded increases for internal work for 5,727 thousand Euros (6,905 thousand Euros in 2010); such costs refer mainly to investment in development activities.

\* \* \* \* \*

Performance indicators	Dec. 31, 2011		Dec. 31, 2010	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
EBITDA	22.440	7,2	10.369	4,1
EBIT	12.496	4,0	352	0,1
EBT	4.543	1,5	(5.123)	(2,0)
<b>NET RESULT</b>	<b>1.933</b>	<b>0,6</b>	<b>(5.965)</b>	<b>(2,4)</b>

Group EBITDA is 22,440 thousand Euros (7.2% on revenues); as against the previous year, 2011 records a substantial improvement, for 12,071 thousand Euros, confirming the excellent results achieved by the Group in 2011.

Following is the Group EBITDA detailed by segment (gross of inter sector items):

EBITDA	31 December 2011	
	€/000	%
PRIMA POWER	15.121	67,4
PRIMA ELECTRO	7.234	32,2
Inter sector items and eliminations	85	0,4
<b>TOTAL</b>	<b>22.440</b>	<b>100,0</b>

Consolidated EBIT for the year 2011 is 12,496 thousand Euros and is substantially improving (+12,144 thousand Euros) as against 2010 when it was 352 thousand Euros. This result is affected by tangible assets depreciation for 2,867 thousand Euros and intangible assets depreciation for 6,996 thousand Euros; as for the latter, 2,648 thousand Euros refer to the amortization of the of the definite useful life assets accounted for in the Finn-Power Group business combination (trademark and customer list) and 3,355 thousand Euros refer to the development costs amortization.

Following is the EBIT detailed by segment, gross of the inter sector items:

EBIT	31 December 2011	
	€/000	%
PRIMA POWER	6.579	52,6
PRIMA ELECTRO	5.824	46,6
Inter sector items and eliminations	93	0,8
<b>TOTAL</b>	<b>12.496</b>	<b>100,0</b>

Consolidated EBT as at 31/12/2011 is 4,543 thousand Euros improving by 9,666 thousand Euros as against the previous year (-5,123 thousand Euros as at 31/12/2010); we hereby remind that this amount is affected by net financial charges (included profit and loss on exchange rates) for 9,170 thousand Euros (as at 31/12/2010 they were 7,275 thousand Euros). In particular they are charges for the FINPOLAR loan for 5,265 thousand Euros and net financial charges for derivatives (mainly related to the FINPOLAR loan) for 2,211 thousand Euros. In particular the costs related to the FINPOLAR loan increase as against 31/12/2010 due both to the Euribor increase and to the spread increase (+15 basis point starting from August 2011).

The result from the exchange rate management in 2011 is positive 229 thousand Euros (it was positive 367 thousand Euros as at 31/12/2010).

Net result for the joint ventures, attributable to the Group, for the year 2011 is positive 1,217 thousand Euros (it was 1,800 thousand Euros 31/12/2010).

After two years of losses the **NET RESULT** for the Group has returned positive as at 31/12/2011 and amounts at 1,933 thousand Euros, improving by 7,898 thousand Euros as against 31/12/2010 when a loss was recorded for 5,965 thousand Euros. Taxes for the year 2011 highlight a negative net amount of 2,611 thousand Euros (of which IRAP for 1,322 thousand Euros). The increased fiscal charges for the Group is related to the higher taxable income.

\* \* \* \* \*

As at 31/12/2011 the Group **net financial position** is -136,385 thousand Euros, improving as against the previous year by 4,883 thousand Euros (-141,268 thousand Euros 31/12/2010).

This result is remarkable, also considering the strong increase in revenues (+24%) with a consequent impact in terms of required working capital. It is also important to remind that those figures include derivatives and leasing for about 10 million Euros.

Following is a detailed net financial position showing the overall exposure towards banks and other financial borrowers:

<i>Value expressed in Euro thousand</i>	31/12/2011	31/12/2010
CASH & CASH EQUIVALENTS	(25.179)	(14.838)
CURRENT FINANCIAL RECEIVABLES	(529)	(2)
CURRENT FINANCIAL LIABILITIES	52.131	45.310
NON CURRENT FINANCIAL LIABILITIES	109.962	110.798
<b>NET FINANCIAL LIABILITIES</b>	<b>136.385</b>	<b>141.268</b>

As already mentioned in previous communications, the pool loan for the acquisition of FINN POWER was renegotiated and the new agreement, subscribed in July 2011 foresees:

- a 63.4 Euros tranche to be repaid in a single settlement in 2016;
- two amortizing tranches for a total 40.6 million Euros to be repaid through half-yearly installments until 2015;
- stand-by credit lines for about 30.2 million Euros;
- *spread* in the range of 195÷230 basis point on Euribor;
- new covenants in line with the Group industrial plan for 2011-2015.

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The Group commercial activities have been very intense in 2011: the Group invested to create a new direct presence in emerging Countries as Brazil, India and Turkey with the scope to take better care of its customers in such Countries.

The consolidated **order acquisition** (including after-sale services) as at 31/12/2011 was 341.7 million Euros, with a growth by 25.7% compared to year 2010.

The order acquisition of the PRIMA POWER segment was 297.4 million Euros, the one related to the PRIMA ELECTRO segment was 44.3 million Euros.

In particular, the order intake geographic breakdown shows the more and more important weight of the Eastern Europe countries (headed by Russia and Poland), the excellent trend of the North American market (Canada, USA and Mexico), besides the well-established importance of the Chinese and Korean markets and in general of the markets of Asia.

The consolidated **order backlog** (not including spare parts nor after-sale services) as at 31/12/2011 is 105.9 million Euros, increasing by almost 29% as against 82.3 million Euros as at 31/12/2010.

This amount includes 94.7 million Euros relating to the PRIMA POWER segment and 11.2 million Euros relating to the PRIMA ELECTRO segment.

As at 29/02/2012 the order backlog has further increased to 120.5 million Euros (about +14% compared to the end of the year 2011).

The **research and development** activities carried out by the Group during the year 2011 were 15,719 thousand Euros (of which 10,821 thousand Euros in the PRIMA POWER segment and 4,898 thousand Euros in the PRIMA ELECTRO segment), equal to 5.1% on revenues. During the year 2010 the total amount was 14,296 thousand Euros (5.7% on revenues).

The capitalized part in 2011 has been 5,435 thousand Euros (of which 3,265 thousand Euros in the PRIMA POWER segment and 2,170 thousand Euros in the PRIMA ELECTRO segment).

As at 31/12/2011 the **employees** are 1,442 growing by 89 units as against the year 2010.

During the year 2011 the process of headcount reduction started in 2008 (due to the integration with FINN POWER Group and to the economic crisis) has finished; such reversal of trend is related, on one side, to the completion of the reorganization process and, on the other side, to the increased operational needs of the Group.

The **parent company Prima Industrie S.p.a.** closed the year 2011 with revenues at 90,394 thousand Euros, EBITDA at 4,382 thousand Euros and net result at -1.483 thousand Euros.

The Chairman and Group C.E.O. so commented the results just approved: *"It is with great satisfaction that we presented consolidated accounts that show the return to positive results after the financial crisis of 2009 and the partial recovery during 2010.*

*Should the current worldwide economic scene remain generally positive, we expect a further growth, comforted in reaching such target, by the remarkable order backlog, the good order collection during the first weeks of the year and by the strong contribution from the after-sale activities".*

*"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 Board of Directors resolved to call the Ordinary Shareholders' Meeting to approve the company financial statements as at 31/12/2011, to submit section I in the Report on Remuneration to the non binding resolution of the Shareholders' meeting (pursuant to article 123-ter, point 6 in TUF) and to appoint the Chairman of the Statutory Auditors Committee and of one deputy Auditor for April 19, 2012 (1<sup>st</sup> call) and April 20, 2012 (2<sup>nd</sup> call).

The Board of Directors will propose to the Shareholders' Meeting to cover in full the parent company Prima Industrie S.p.a. loss of the year, of Euro 1.482.668, through the use of the extraordinary reserve.

**The Company Top Management will comment the results just approved during the STAR Conference planned by Borsa Italiana S.p.A. in Milan on March 28<sup>th</sup>, 2012.**

The company draft financial statements as at December 31, 2011, with all the related documents, included the Report on the corporate governance, the Report on remuneration and the directors reports for the Shareholders' meeting, will be available at the Company registered offices, at Borsa Italiana and will be also available on the company website [www.primaindustrie.com](http://www.primaindustrie.com), under section "Investors" within the legal terms.

**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 30 years of experience the Group can count on over 10,000 machines installed in more than 70 countries worldwide and is among the main worldwide manufacturers in its own reference market.

The Group has about 1450 direct employees (besides about 230 employees in the Chinese JVs) 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** (Shanghai Unity Prima Ltd.) as well as a direct commercial and after-sales presence in France, Spain, Germany, the UK, Belgium, Poland, Russia, Turkey, the USA, Canada, China, the UAE, Brazil and India.

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	31/12/2011	31/12/2010
Property, plant and equipment	24.472.946	25.012.944
Intangible assets	152.629.950	153.754.370
Investments accounted for using the equity method	8.961.044	7.094.101
Other investments	1.076.998	938.670
Deferred tax assets	6.570.203	5.150.271
Other non current assets	25.518	68.785
<b>NON CURRENT ASSETS</b>	<b>193.736.659</b>	<b>192.019.141</b>
Inventories	84.249.605	70.151.228
Trade receivables	88.282.812	64.594.764
Other receivables	6.406.214	6.977.985
Current tax receivables	5.592.470	4.691.311
Derivatives	-	1.714
Financial assets	528.637	-
Cash and cash equivalents	25.179.041	14.837.872
<b>CURRENT ASSETS</b>	<b>210.238.779</b>	<b>161.254.874</b>
<b>ASSETS HELD FOR SALE</b>	<b>1.012.201</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>404.987.639</b>	<b>353.274.015</b>
Capital stock	21.601.740	21.600.337
Legal reserve	4.320.069	2.733.635
Other capital reserves	54.326.182	52.226.002
Currency translation reserve	1.331.310	(347.660)
Retained earnings	(3.390.665)	5.997.695
Net result	1.932.659	(5.965.272)
<b>Stockholders' equity of the Group</b>	<b>80.121.295</b>	<b>76.244.737</b>
<i>Minority interest</i>	-	-
<b>STOCKHOLDERS' EQUITY</b>	<b>80.121.295</b>	<b>76.244.737</b>
Interest-bearing loans and borrowings	102.350.641	103.019.395
Employee benefit liabilities	6.792.852	7.019.791
Deferred tax liabilities	9.737.709	10.910.840
Provisions	124.009	67.091
Derivatives	7.611.171	7.778.856
<b>NON CURRENT LIABILITIES</b>	<b>126.616.382</b>	<b>128.795.973</b>
Trade payables	79.797.117	59.067.818
Advance payments	32.355.143	19.094.705
Other payables	17.539.790	14.130.459
Interest-bearing loans and borrowings	52.031.067	45.256.498
Current tax payables	6.404.295	2.461.577
Provisions	10.022.786	8.169.063
Derivatives	99.764	53.185
<b>CURRENT LIABILITIES</b>	<b>198.249.962</b>	<b>148.233.305</b>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<b>404.987.639</b>	<b>353.274.015</b>

# CONSOLIDATED INCOME STATEMENT

Values in Euro	31/12/2011	31/12/2010
Net revenues	309.699.281	250.006.768
Other income	3.321.203	4.549.822
Change in inventories of finished goods and WIP	8.787.712	(3.463.583)
Increases in fixed assets for internal work	5.726.512	6.904.774
Use of raw materials, consumables, supplies and goods	(150.767.253)	(118.023.115)
Personnel cost	(81.620.205)	(76.207.574)
Depreciation	(9.863.050)	(9.763.926)
Impairment	(80.500)	(252.798)
Other operating expenses	(72.707.229)	(53.398.543)
<b>OPERATING PROFIT</b>	<b>12.496.471</b>	<b>351.825</b>
Financial income	146.761	775.434
Financial expenses	(9.546.302)	(8.417.153)
Net exchange differences	229.098	366.897
Net result of investments accounted for using the equity method	1.217.341	1.800.252
<b>RESULT BEFORE TAXES</b>	<b>4.543.369</b>	<b>(5.122.745)</b>
Taxes	(2.610.710)	(842.527)
<b>NET RESULT</b>	<b>1.932.659</b>	<b>(5.965.272)</b>
- Attributable to Group shareholders	1.932.659	(5.965.272)
- Attributable to minority shareholders	-	-
<b>RESULT PER SHARE - BASIC (in euro)</b>	<b>0,22</b>	<b>(0,71)</b>
<b>RESULT PER SHARE - DILUTED (in euro)</b>	<b>0,18</b>	<b>(0,71)</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

VALUES IN EURO	31/12/2011	31/12/2010
Net result	1.932.659	(5.965.272)
Adjustments (sub-total)	11.482.334	6.537.033
Depreciation and impairment	9.943.550	10.016.724
Net change in deferred tax assets and liabilities	(2.593.063)	(225.972)
Net result of investments accounted for using the equity method	(1.217.341)	(1.800.252)
Change in employee benefits	(226.939)	(484.018)
Change in inventories	(13.702.131)	1.656.425
Change in trade receivables	(23.688.048)	(5.771.592)
Change in trade payables	33.989.737	7.068.600
Net change in other receivables/payables and other assets/liabilities	8.976.569	(3.922.882)
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)</b>	<b>13.414.993</b>	<b>571.761</b>
<i>Cash flow from investments</i>		
Acquisition of tangible fixed assets (*)	(3.934.126)	(1.649.426)
Acquisition of intangible fixed assets	(541.392)	(171.322)
Capitalization of development costs (**)	(5.363.185)	(6.323.420)
Disposal/(Purchase) investments accounted for using the equity method	-	(94.000)
Net disposal of fixed assets and investment properties (*)	397.040	317.077
Change in other investments	(138.328)	-
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(9.579.991)</b>	<b>(7.921.091)</b>
<i>Cash flow from financing activities</i>		
Change in other non current financial liabilities and other minor items	(1.571.169)	(467.951)
Increases in loans and borrowings (including bank overdrafts)	16.853.630	11.737.418
Repayment of loans and borrowings (including bank overdrafts)	(10.987.388)	(21.208.316)
Increases/(repayments) in financial lease liabilities	267.193	(190.057)
Capital increase	3.081	15.212.584
Other changes	1.940.820	2.019.772
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)</b>	<b>6.506.167</b>	<b>7.103.450</b>
<b>Net change in cash and equivalents (D=A+B+C)</b>	<b>10.341.169</b>	<b>(245.880)</b>
<b>Cash and equivalents beginning of period (E)</b>	<b>14.837.872</b>	<b>15.083.752</b>
<b>Cash and equivalents end of period (F=D+E)</b>	<b>25.179.041</b>	<b>14.837.872</b>

(\*) included assets held for sale

(\*\*) net of grants received by Finn-Power Oy



## BALANCE SHEET PRIMA INDUSTRIE S.p.A.

Values in Euro	31/12/2011	31/12/2010
Property, plant and equipment	6.606.181	6.729.443
Intangible assets	4.073.758	4.316.362
Investments in subsidiaries	95.561.094	95.278.464
Investments in joint venture	1.487.760	1.487.760
Other investments	52.606	51.832
Financial assets - loan to the subsidiaries	87.636.197	89.336.197
Other financial assets	16.438.199	15.942.506
Deferred tax assets	1.758.865	1.802.439
Other non current assets	-	10.222
<b>NON CURRENT ASSETS</b>	<b>213.614.660</b>	<b>214.955.225</b>
Inventories	19.233.275	17.174.151
Trade receivables	39.459.312	32.615.423
Other receivables	2.113.263	1.808.925
Current tax receivables	1.776.093	1.771.619
Derivatives	-	1.714
Other current financial assets	6.821.573	400.679
Cash and cash equivalents	2.471.994	458.034
<b>CURRENT ASSETS</b>	<b>71.875.510</b>	<b>54.230.545</b>
<b>TOTAL ASSETS</b>	<b>285.490.170</b>	<b>269.185.770</b>
Capital stock	21.601.740	21.600.337
Legal reserve	4.320.069	2.733.635
Other capital reserves	54.326.181	52.226.002
Retained earnings	(1.572.844)	(1.572.844)
Net result	(1.482.668)	3.436.529
<b>STOCKHOLDERS' EQUITY</b>	<b>77.192.478</b>	<b>78.423.659</b>
Interest-bearing loans and borrowings	98.719.935	99.277.643
Employee benefit liabilities	3.145.465	3.204.590
Deferred tax liabilities	654.300	695.426
Provisions	4.672.898	4.675.085
Derivatives	6.242.344	6.406.560
<b>NON CURRENT LIABILITIES</b>	<b>113.434.942</b>	<b>114.259.304</b>
Trade payables	36.666.634	26.876.790
Advance payments	4.121.401	2.869.487
Other payables	9.040.503	8.083.519
Interest-bearing loans and borrowings	41.068.490	35.306.947
Current tax payables	1.155.958	682.879
Provisions	2.710.000	2.630.000
Derivatives	99.764	53.185
<b>CURRENT LIABILITIES</b>	<b>94.862.750</b>	<b>76.502.807</b>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<b>285.490.170</b>	<b>269.185.770</b>

# INCOME STATEMENT PRIMA INDUSTRIE S.p.A.

Values in Euro	31/12/2011	31/12/2010
Net revenues	90.393.868	75.453.690
Other income	2.118.460	2.915.025
Change in inventories of finished goods and WIP	2.394.753	694.990
Increases in fixed assets for internal work	891.543	1.717.940
Use of raw materials, consumables, supplies and goods	(48.179.268)	(39.459.646)
Personnel cost	(18.866.452)	(17.797.515)
Depreciation	(1.596.658)	(1.582.901)
Impairment	-	-
Other operating expenses	(24.371.041)	(19.604.623)
<b>OPERATING PROFIT</b>	<b>2.785.205</b>	<b>2.336.960</b>
Financial income	4.211.621	13.517.740
Financial expenses	(7.993.785)	(11.795.321)
Net exchange differences	150.437	(168.221)
<b>RESULT BEFORE TAXES</b>	<b>(846.522)</b>	<b>3.891.158</b>
Income taxes	(636.146)	(454.629)
<b>NET RESULT</b>	<b>(1.482.668)</b>	<b>3.436.529</b>

## CASH FLOWS STATEMENTS PRIMA INDUSTRIE S.p.A.

VALUES IN EURO	31/12/2011	31/12/2010
Net result	(1.482.668)	3.436.529
Adjustments (sub-total)	4.888.012	(6.952.353)
Depreciation and impairment	1.596.658	1.582.901
Re-establishment of PRIMA North America value	-	(11.279.671)
Devaluation of PRIMA FINN-POWER GMBH	-	325.198
Net change in deferred tax assets and liabilities	2.448	514.734
Change in employee benefits	(59.125)	(99.150)
Change in inventories	(2.059.124)	(2.866.169)
Change in trade receivables	(6.843.889)	(6.665.990)
Change in trade payables	11.041.758	7.989.880
Net change in other receivables/payables and other assets/liabilities	1.209.286	3.545.914
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)</b>	<b>3.405.344</b>	<b>(3.515.824)</b>
Cash flow from investments		
Acquisition of tangible fixed assets	(373.693)	(275.564)
Acquisition of intangible fixed assets	(94.506)	(105.824)
Capitalization of development costs	(762.781)	(1.565.670)
Net disposal of fixed assets and investment properties	188	416
Capital increase PRIMA POWER CHINA Co.Ltd.	-	(566.765)
Establishment of OOO PRIMA POWER	-	(122.737)
Establishment of PRIMA POWER SOUTH AMERICA Ltda	(144.366)	-
Establishment of PRIMA POWER MAKINA TICARET LIMITED SIRKETI	(99.860)	-
Liquidation PRIMA FINN-POWER SWEDEN	13.444	-
Change in investments for stock option	(51.848)	(156.241)
Change in financial receivables and other financial assets	(5.216.587)	(407.300)
Change in other investments	(774)	-
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(6.730.783)</b>	<b>(3.199.685)</b>
Cash flow from financing activities		
Change in other non current financial liabilities and other minor items	(115.923)	385.523
Increases in loans and borrowings <i>(including bank overdrafts)</i>	11.879.730	7.596.111
Repayment of loans and borrowings <i>(including bank overdrafts)</i>	(6.675.895)	(17.335.304)
Increases/(repayments) in financial lease liabilities	-	-
Capital increase	1.403	5.600.337
Other changes	250.084	9.594.787
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)</b>	<b>5.339.399</b>	<b>5.841.454</b>
<b>Net change in cash and equivalents (D=A+B+C)</b>	<b>2.013.960</b>	<b>(874.055)</b>
Cash and equivalents beginning of period (E)	458.034	1.332.089
Cash and equivalents end of period (F=D+E)	2.471.994	458.034