



**PRESS RELEASE**

***ITALIAN STOCK EXCHANGE – STAR SEGMENT***

**PRIMA INDUSTRIE**

**INTERIM REPORT AT MARCH 31, 2009:**

**NOTWITHSTANDING THE WORLDWIDE CRISIS, PARTICULARLY RELEVANT  
WITHIN THE CAPITAL GOODS SECTOR, PRIMA INDUSTRIE GROUP  
CONFIRMS A POSITIVE GROSS OPERATING MARGIN**

- **CONSOLIDATED SALES AT 66.7 MILLION EUROS (75.7 million euros at 31/03/2008);**
- **EBITDA AT 1.9 MILLION EUROS (8.2 million euros at 31/03/2008) net of non recurring costs of over 0.7 million euros;**
- **NET FINANCIAL POSITION AT -169.5 MILLION EUROS (-161.6 million euros at 31/12/2008);**
- **ORDERS' BACKLOG AT 71.2 MILLION EUROS (136.6 million euros at 31/03/2008);**
- **RECOVERING ORDER ACQUISITION IN MARCH AND APRIL, COMPARED TO THE PREVIOUS MONTHS**

*Collegno (TO), 14 May 2009* – The Board of Directors of PRIMA INDUSTRIE S.p.A., a leader in high technology laser systems for industrial applications and sheet metal working systems, today approved the Interim Report at March 31, 2009.

On the whole the first quarter 2009 trend was characterized by the continuing international economic crisis and by the subsequent reduction in demand from all main Group markets. This drop was only partially balanced by the relevant wide geographical presence of the Group in over 60 countries worldwide.

For this reason, but also with a view to reorganizing the newly acquired Finn-Power Group, the Group continued to put in place policies of cost savings pertaining both to the structure and to the economic situation also through actions of corporate restructuring.

*In order to gain a better understanding of the financial statements, we would like to remind that the Finn-Power Group was acquired on 02/04/08, so the economic figures of the first quarter 2008, used as comparables, include only two months results for the Finnish Group.*

**Consolidated revenues** at 31/03/2009 amount to 66,675 thousand euros decreasing by 12% as a consequence of the said strong decline of the reference markets.

Whereas one would consider also Finn-Power Group revenues for the month of January 2008 (not included within the consolidation area and not revised by the auditors), the reduction would have been of about 29%.

The consolidated sales geographical breakdown at 31/03/2009 is the following:



<i>Revenues</i>	1Q 2009		1Q2008 <sup>(*)</sup>	
	euro thousand	%	euro thousand	%
Italy	12.438	18,7	22.157	29,3
Europe	31.702	47,5	28.711	37,9
North America	9.867	14,8	12.144	16,0
Asia and Rest of the World	12.668	19,0	12.694	16,8
<b>TOTALE</b>	<b>66.675</b>	<b>100,0</b>	<b>75.706</b>	<b>100,0</b>

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

The economic slowdown had a relevant impact on sales in Italy, where revenues were down by 44% and in North America where they were down by 19%.

The Group revenues outside Italy exceed in this quarter 80%, confirming the international vocation of the Prima Industrie Group.

The revenues breakdown by activity is as follows:

<i>Revenues</i>	1Q2009		1Q2008	
	euro thousand	%	euro thousand	%
Laser Systems	25.729	38,6	33.829	44,7
Electronics	7.177	10,8	11.111	14,7
Sheet metal machinery	35.668	53,5	32.962	43,5
Inter sector revenues	(1.899)	(2,9)	(2.196)	(2,9)
<b>TOTALE</b>	<b>66.675</b>	<b>100,0</b>	<b>75.706</b>	<b>100,0</b>

Considering exclusively the laser Systems and Electronics sectors, which show homogeneous figures compared to the same period for 2008, we note that, gross of the inter sector eliminations, the Laser Systems sector recorded sales of 25,729 thousand euros (-24%) and the Electronics segment recorded sales of 7,177 thousand euros (-35%). The overall decrease in sales for the Group is affected by the sudden drop in the demand, which is even more evident by the comparison with first quarter 2008 that showed a particularly positive trend.

To complete the information about revenues in the first quarter of 2009, is the following breakdown by segment and geographical area (net of inter sector eliminations):

<i>Revenues</i>	Italy	Europe	North America	Rest of the world	TOTAL
Laser Systems	5.090	6.056	5.198	8.350	24.694
Electronics	3.155	3.162	184	62	6.563
Sheet metal machinery	4.193	22.484	4.485	4.256	35.418
<b>TOTAL</b>	<b>12.438</b>	<b>31.702</b>	<b>9.867</b>	<b>12.668</b>	<b>66.675</b>

The Laser Systems segment is equally distributed among the different areas with an important presence in the Rest of the World (33.8% of total), where it achieved appreciable results in China (2,136 thousand euros, not including the Chinese joint venture revenues of 8,449 thousand euros for the quarter) and Russia (2,074 thousand euros). The Electronics segment is mostly present in Italy and Europe (with a 48% share of revenues for each of these areas), and shows sales of 1,507 thousand euros in Benelux and 1,120 thousand euros in Spain. Finally, the Sheet Metal Machinery business has a relevant weight in Europe, where sales for the quarter were 22,484 thousand euros (63.5% of total); Scandinavian countries and Germany are the most important markets for this sector.



**Value of Production** at 31/03/2009 was 56,956 thousand euros, decreasing by 36% against same period in the previous year (31,586 thousand euros fall). This highlights the reduction in Group finished and semi finished products.

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<i>Performance</i>	1Q2009		1Q2008	
	euro thousand	%	euro thousand	%
EBITDA	1.852	2,8	8.220	10,9
EBIT	(441)	(0,7)	6.543	8,6
EBT	(2.305)	(3,5)	3.793	5,0
NET RESULT	(2.763)	(4,1)	2.863	3,8

The **Group EBITDA**, 1,852 thousand euros (2.8% on revenues), decreased by 77% against 8,220 thousand euros at 31/03/2008 (10.9% on revenues).

In the first quarter 2009, in a strongly negative scenario for all its reference markets, Prima Industrie Group achieved a positive EBITDA of 1,852 thousand euros. Notwithstanding the drop in volumes, which would have led to an even stronger contraction, the reduction in comparison with first quarter of 2008 was mild as a consequence of the cost reduction activities carried out by all the Group companies.

In this matter it should be reminded that EBITDA is affected by 763 thousand euros of non recurring costs (mainly related to headcount reorganization plans).

<i>EBITDA</i>	1Q2009		1Q2008	
	euro thousand	%	euro thousand	%
Laser Systems	2.446	132,1	4.006	48,7
Electronics	428	23,1	1.498	18,2
Sheet Metal machinery	(922)	(49,8)	2.828	34,4
Inter sector eliminations	(100)	(5,4)	(112)	(1,4)
TOTAL	1.852	100,0	8.220	100,0

The Group profitability is unfavourably affected by the results of the Sheet Metal machinery segment, which showed a negative profitability, net of non recurring costs of 550 thousand euros.

**Consolidated EBIT** for the first quarter of 2009 is negative 441 thousand euros. This result is significantly affected by the Finn-Power Group amortizations of the brand and customer list which amount to 627 thousand euros and by the Group developing costs amortizations for 388 thousand euros.

Consolidated EBIT, not considering non recurring costs, would have been about 300 thousand euros.

**Consolidated EBT** at 31/03/2009 was negative 2,305 thousand euros; this amount is affected by net financial charges of 2,160 thousand euros. Among these are interests paid for the loan signed last year for the Finn-Power Group acquisition of 1,367 thousand euros, financial expenses on derivatives of 444 thousand euros and interest payable to the Finn-Power Group vendor of 370 thousand euros.

**Net result** at 31/03/2009 was negative 2,763 thousand euros, 5,626 thousand euros down on the first quarter 2008.



At 31/03/2009 the Group Net Debt was 169,461 thousand euros, an increase in comparison with 31/12/2008 of 7,816 thousand euros. This figure includes debt for leasing of 9,022 thousand euros (mainly real estate) and derivatives fair value of 7,818 thousand euros. We outline also that at 31/12/2008 the financial debt for the Finn-Power Group acquisition was wholly classified within the short term financial liabilities (as required by IAS1), because at the year end there were continuing negotiations with the banks in relation with the covenants. At 31/03/2009 this process was completed and the loan was once again divided between short term and long term liabilities, as contractually agreed.

The worsening of the net financial position in the quarter was caused by many factors, among which the significant negative change in the derivative instruments Mark-to-Market (of 1,964 thousand euros) and, in general, the increased need of the operating management, which could not yet fully benefit from the measures established both to contain the operating working capital and to reduce costs.

<i>Euro thousand</i>	31/03/2009	31/12/2008
CASH & EQUIVALENTS	(15.402)	(14.467)
SHORT TERM DEBT	24.878	127.803
LONG TERM DEBT	159.985	48.309
<b>NET FINANCIAL POSITION</b>	<b>169.461</b>	<b>161.645</b>

The order collection during the quarter was strongly influenced by the external economic situation and by the reference sector crisis.

We notice, all the same, a recovery signal since March 2009 for the Sheet Metal Machinery sector and, since April 2009, also for the Laser Systems and Electronics Sectors.

At 31/03/2009 the **consolidated orders backlog**, (not including *after-sale services*), was 71,187 thousand euros, while in the same period of 2008 it was 136,599 thousand euros. This is composed of Laser Systems of 21,488 thousand euros, Electronics of 7,689 thousand euros and Sheet Metal machinery of 42,010 thousand euros.

In light of the posted results, Gianfranco Carbonato, Prima Industrie S.p.A. Chairman and C.E.O., declared: " The results that we have disclosed have been unfortunately strongly affected by the macroeconomic situation which significantly affected the capital goods sector. The crisis is still in its full evolution, though cautious signs of improvement are appearing in some countries. This being so, the Group is focusing on the maintenance of a positive efficiency and operating profitability level, though this is no easy target in an economic situation such as the present one. The effort towards the reorganization, made more urgent by the crisis, continues however in the foreseen direction of a new better integrated Finn-power entity within our Group".

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*"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 (as far as quarterly figures are concerned) corresponds to the document results, books and accounting records".*

The document including the Interim Report at 31/03/2009 will be available within the established terms on the company website [www.primaindustrie.com](http://www.primaindustrie.com).



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*The Company Annual Report and Consolidated Annual Report at December 31, 2008, approved by the Shareholders' Meeting today are available for the public and can be accessed on the Company website [www.primaindustrie.com](http://www.primaindustrie.com), under the Investors section.*

**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 1,600 employees and manufacturing sites in **Italy** (PRIMA INDUSTRIE S.p.A, PRIMA ELECTRONICS S.p.A, OSAI 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.

A little over 30 year years since its establishment 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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Values in Euro	31/03/2009	31/12/2008
Property, plant and equipment	34.392.839	35.503.867
Intangible assets	153.717.694	153.175.834
Investment properties	158.000	158.000
Investments accounted for using the equity method	4.516.590	4.062.534
Other investments	801.885	801.885
Other non current financial assets	368.205	368.190
Deferred tax assets	6.023.130	6.300.579
Other non current assets	1.738.193	1.688.820
<b>NON CURRENT ASSETS</b>	<b>201.716.536</b>	<b>202.059.709</b>
Inventories	94.903.314	106.186.873
Trade receivables	63.691.667	72.266.007
Other receivables	6.266.458	7.460.278
Current tax receivables	2.559.091	3.551.878
Cash and cash equivalents	15.401.935	14.467.456
<b>CURRENT ASSETS</b>	<b>182.822.465</b>	<b>203.932.492</b>
<i>Assets held for sale</i>	-	-
<b>TOTAL ASSETS</b>	<b>384.539.001</b>	<b>405.992.201</b>
Capital stock	16.000.000	16.000.000
Legal reserve	2.300.000	2.300.000
Other capital reserves	36.052.686	37.794.240
Currency translation reserve	(797.508)	(1.776.810)
Retained earnings	21.088.354	15.293.409
Profit for the year	(2.763.142)	5.476.434
<b>Stockholders' equity of the Group</b>	<b>71.880.390</b>	<b>75.087.273</b>
<i>Minority interest</i>	-	-
<b>STOCKHOLDERS' EQUITY</b>	<b>71.880.390</b>	<b>75.087.273</b>
Interest-bearing loans and borrowings	152.166.204	42.454.994
Employee benefit liabilities	8.607.358	9.021.418
Deferred tax liabilities	11.451.049	11.626.501
Provisions	111.562	87.210
Derivatives	7.818.478	5.854.189
<b>NON CURRENT LIABILITIES</b>	<b>180.154.651</b>	<b>69.044.312</b>
Trade payables	52.178.536	65.870.443
Advance payments	23.654.006	32.217.942
Other payables	20.060.102	22.716.004
Interest-bearing loans and borrowings	24.878.103	127.803.118
Current tax payables	1.957.882	2.824.569
Provisions	9.775.331	10.428.540
<b>CURRENT LIABILITIES</b>	<b>132.503.960</b>	<b>261.860.616</b>
<i>Liabilities held for sale</i>	-	-
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<b>384.539.001</b>	<b>405.992.201</b>

## CONSOLIDATED INCOME STATEMENT

Values in Euro	31/03/2009	31/03/2008
Net revenues	66.675.075	75.706.283
Other income	543.957	2.636.228
Change in inventories of finished goods and WIP	(11.975.944)	8.535.004
Increases in fixed assets for internal work	1.712.575	1.664.185
Use of raw materials, consumables, supplies and goods	(20.574.831)	(42.876.713)
Personnel cost	(21.408.909)	(19.867.776)
Depreciation	(2.292.880)	(1.676.526)
Other operating expenses	(13.120.067)	(17.577.543)
<b>OPERATING PROFIT</b>	<b>(441.024)</b>	<b>6.543.142</b>
Financial income	171.028	275.659
Financial expenses	(2.771.659)	(2.618.536)
Net exchange differences	440.315	(575.509)
Net result of investments accounted for using the equity method	296.109	167.993
<b>RESULT BEFORE TAXES</b>	<b>(2.305.231)</b>	<b>3.792.749</b>
Income taxes	(457.911)	(929.280)
<b>RESULT FROM CONTINUING OPERATIONS</b>	<b>(2.763.142)</b>	<b>2.863.469</b>
Income from assets held for disposal	-	-
<b>NET RESULT</b>	<b>(2.763.142)</b>	<b>2.863.469</b>
- Attributable to Group shareholders	(2.763.142)	2.863.469
- Attributable to minority shareholders	-	-
<b>RESULT PER SHARE - BASIC (in euro)</b>	<b>(0,43)</b>	<b>0,62</b>
<b>RESULT PER SHARE - DILUTED (in euro)</b>	<b>(0,42)</b>	<b>0,62</b>

## CONSOLIDATED STATEMENTS OF CASH FLOWS

VALUES IN EURO	31/03/09	31/12/08
Net result	(2.763.142)	2.863.469
<i>Adjustments (sub-total)</i>	<i>(2.727.463)</i>	<i>2.040.957</i>
Depreciation and amortization	2.292.880	1.676.526
Net change in deferred tax assets and liabilities	101.997	1.519.000
Net result of investments accounted for using the equity method	(296.109)	(167.993)
Change in employee benefits	(414.060)	(264.971)
Change in inventories	11.283.559	(18.564.979)
Change in trade receivables	8.574.340	10.323.500
Change in trade payables	(22.255.843)	13.078.480
Net change in miscell. receivables/payables and other assets/liabilities	(2.014.227)	(5.558.606)
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)</b>	<b>(5.490.605)</b>	<b>4.904.426</b>
<i>Cash flow from investments</i>		
Acquisition FINN-POWER Group (net of cash acquired)	-	(85.217.377)
Acquisition of OSAI UK minorities	-	(256.525)
Acquisition of tangible fixed assets	(366.830)	(856.357)
Acquisition of intangible fixed assets	(1.696.218)	(1.148.775)
Disposal/(Purchase) investments accounted for using the equity method	-	(806.059)
Change in financial receivables and other financial assets	-	973.709
Net disposal of tangible and intangible fixed assets	653.097	527.756
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(1.409.951)</b>	<b>(86.783.628)</b>
<i>Cash flow from financing activities</i>		
Change in current financial liabilities and other	1.964.289	47.802
Net purchase of treasury stocks	-	92.560
Increases in loans and borrowings	14.824.927	171.410.839
Repayment of loans and borrowings	(8.101.360)	(77.082.971)
Net change in financial lease liabilities	(209.633)	(213.921)
Other movements	(643.188)	(1.925.686)
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)</b>	<b>7.835.035</b>	<b>92.328.623</b>
<b>Net change in cash and equivalents (D=A+B+C)</b>	<b>934.479</b>	<b>10.449.421</b>
<b>Cash and equivalents beginning of period (E)</b>	<b>14.467.456</b>	<b>21.551.369</b>
<b>Cash and equivalents end of period (F=D+E)</b>	<b>15.401.935</b>	<b>32.000.790</b>