HALF YEAR REPORT
AT JUNE, 30 2009

PRIMA INDUSTRIE S.p.A.

28 August 2009

DIRECTORS AND AUDITORS

Board of Directors (B.o.D.)

Chairman and Managing Director	Gianfranco Carbonato
Non Independent Directors	Michael Mansour, Rafic Y. Mansour
Independent Directors	Sandro d'Isidoro, Mario Mauri
Other Executive Directors	Domenico Peiretti, Ezio G. Basso
Secretary to the Board of Directors	Massimo Ratti
General Manager	Ezio G. Basso

Internal Control Committee

Chairman	Sandro d'Isidoro
Members	Mario Mauri, Michael Mansour

Remuneration Committee

Chairman	Mario Mauri
Members	Sandro d'Isidoro, Rafic Y. Mansour

Statutory Auditors

Chairman	Riccardo Formica
Regular Auditors	Andrea Mosca, Roberto Petrignani,
Alternate Auditors	Roberto Coda, Franco Nada
Auditing Company	Reconta Ernst & Young S.p.A.

Expiration of Terms and Appointments

- The Board will be on charge until the approval of 2010 Company Year Report.
- The Board of Directors on May 7, 2008 appointed Gianfranco Carbonato Managing Director, granting him the relevant powers.
- The Chairman and Managing Director is the legal representative of the Company ex article 25 of the Corporate By-Laws.
- The Statutory Auditors will be on charge until the approval of 2009 Company Year Report.
- The Auditing Company was appointed by the Shareholders Meeting on April 29, 2008 for the period 2008 - 2016.

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Chapter 1. STRUCTURE OF PRIMA INDUSTRIE GROUP AS OF 30/06/2009

PRIMA INDUSTRIE

- **PRIMA ELECTRONICS S.p.A.** Moncalieri (TO) Italy 100%
  - **OSAI GmbH** Hofheim - Germany 100 %
  - **OSAI UK** Bletchley - UK 100 %
  - **OSAI USA** Bloomfield - USA 100 %

- **PRIMA INDUSTRIE GmbH** Dietzenbach - Germany 100%
- **PRIMA FINN-POWER UK Ltd.** Coventry - UK 100%
- **PRIMA FINN-POWER SWEDEN AB** Göteborg - Sweden 100%
- **PRIMA FINN-POWER CENTRAL EUROPE Sp.z.o.o.** Krakow - Poland 100%
- **PRIMA North America Inc.** Chicopee (MA) - USA 100%
  - **WUHAN OVL CONVERGENT LASER Co. Ltd.** Wuhan - China 25,74%
- **PRIMA INDUSTRIE (Beijing) Co. Ltd.** Beijing - China 100%
- **SHENYANG - PRIMA LASER MACHINE COMPANY Ltd.** Shenyang - China 50%
- **SHANGHAI UNITY PRIMA LASER MACHINERY COMPANY Ltd.** Shanghai - China 35%
- **SNK - PRIMA COMPANY Ltd.** Osaka - Japan 50%

- **FINN-POWER OY** Kauhava - Finland 100%
  - **FINN-POWER ITALIA S.r.l.** Cologna Veneta (VR) - Italy 100%
  - **FINN-POWER GmbH** Hallbergmoos- Germany 100%
  - **PRIMA FINN-POWER Iberica S.L.** Barcelona- Spain (1) 100%
  - **PRIMA FINN-POWER FRANCE Sarl** Saint. Pierre du Perray-France 100%
  - **PRIMA FINN-POWER NV** Nazareth - Belgium 100%
  - **PRIMA FINN-POWER NORTH AMERICA Inc.** Arlington Heights - USA 100%
    - **PRIMA FINN-POWER CANADA Ltd.** Toronto - Canada 100%
  - **Balaxman Oy** Kauhava - Finland 100%

[(1)] FINN-POWER OY holds 78,3% of PRIMA FINN-POWER IBERICA S.L. (the remaining 21.7% is held by PRIMA INDUSTRIE S.p.A.).

Chapter 2. INTRODUCTION

INTRODUCTION

The Half Year Report at June 30, 2009 of PRIMA INDUSTRIE Group includes the Half Year Condensed Financial Statements, the Interim Management Report and the Declaration in terms of article 154-bis, para 5, and was issued according to art. 154 ter of Legislative Decree no. 58/1998 and further modifications, as amended, read with the Issuers Regulations issued by CONSOB.

The Half Year Report, as per para. 2, was prepared in accordance with the International Accounting Standards issued by the International Accounting Standards Board and approved by the European Union and were prepared in accordance with IAS 34 – Interim Financial Statements.

In compliance with the provisions of IFRS 3 the comparative information for June 30, 2008 was disclosed as if the purchase price allocation (acquisition of the FINN-POWER Group) was already completed as from the date of acquisition (February 4, 2008); the effects on income and equity were illustrated in the appropriate schedule included in the section dedicated to the Accounting Principles.

The half year report was approved by the Board of Directors on August 28, 2009. The Half Year report was subjected to limited auditing.

ALTERNATIVE PERFORMANCE MEASURES

In addition to the other conventional financial indicators prescribed in the IFRS this Half Year Report contains other alternative performance indicators in order to provide a better assessment of the financial management. Such indicators should not however be considered as a replacement to the conventional indicators prescribed by the IFRS.
As alternative performance indicators the Group uses EBIT (that corresponds to the “Operating result”) and EBITDA (“Earnings before interest, taxes and depreciation and amortisation”), which is determined by adding both the item "Amortization, depreciation and writedowns" and the item "Impairment and writedowns” to the “Operating Result” as per the Financial Statements.

Other items mentioned are: the “Production value”, represented by the algebraic sum of items “Net revenues from sales and services”, “Other Income”, “Change in inventories of finished goods and work in progress” and “Increases in fixed assets for internal work” and “Contribution margin” represented by the algebraic sum of “Net revenues from sales and services”, of “Other Income”, of “Use of raw materials, “Change in Inventories of finished goods and work in progress” and “Other operating expenses”.

EXCHANGE RATES

The exchange rates applied in the conversion of the Financial Statements valued in non-Euro currencies for the purposes of the consolidation are the following.

CURRENCY	AVERAGE EXCHANGE 1 SIX MONTHS 2009	1 SIX MONTHS 2008	SPOT EXCHANGE 30 june 2009	30 june 2008
US DOLLAR	1,3322	1,5309	1,4134	1,5764
ENGLISH STERLING	0,8939	0,7753	0,8521	0,7923
SWEDISH KRONA	10,8572	9,3753	10,8125	9,4703
CHINESE RENMINBI	9,1028	10,8012	9,6545	10,8051
JAPANESE YEN	127,1952	160,5627	135,5100	166,4400
POLISH ZLOTY	4,4748	3,4903	4,4520	3,3513
CANADIAN DOLLAR	1,6051	1,5484	1,6275	1,4961

CONSOLIDATION AREA

During the first six months of the 2009 financial year there were no changes to the consolidation area related to operations with third parties.

In addition it should be noted that with effect from 01/01/2009 OSAI S.p.A. merged with PRIMA ELECTRONICS S.p.A. (the Controlling Company). The merged company was a wholly-owned subsidiary and fully consolidated, for which reason, for the purposes of the Consolidated Financial Statements, such merger did not produce any changes to the representation of the Group's Balance Sheet and Income Statements.

As at 30/06/2009 the companies included in the schedules set out below formed part of the consolidation.

SUBSIDIARY COMPANIES				
LASER SYSTEMS SEGMENT	REGISTERED OFFICE	SHARE CAPITAL	STAKE	CONSOLIDATION METHOD
PRIMA North America, Inc.	CONVERGENT LASERS : 711 East Main Street, Chicopee, MA 01020, U.S.A.	USD 24,000,000	100%	Line - by -line method
	LASERDYNE SYSTEMS DIVISION: 8600, 109th Av. North, Champlin, MN 55316, U.S.A.			
PRIMA INDUSTRIE GmbH	Lise-Meitner Strasse 5, Dietzenbach, GERMANY	€ 500.000	100%	Line - by -line method
PRIMA FINN-POWER SWEDEN AB	Mölndalsvägen 30 C, Göteborg, SWEDEN	SEK 100,000	100%	Line - by -line method
PRIMA FINN-POWER UK LTD.	Unit 1, Phoenix Park, Bayton Road, Coventry CV7 9QN, UNITED KINGDOM	GBP 1	100%	Line - by -line method
PRIMA FINN-POWER CENTRAL EUROPE Sp.z.o.o.	ul. Przemysłowa 25 - 32-083 Balice, POLSKA	PLN 350,000	100%	Line - by -line method
PRIMA INDUSTRIE (Beijing) Company Ltd.	Rm.1 M, no. 1 Zuo Jiazhuang. Guomen Building, Chaoyang District, Beijing, P.R. CHINA	RMB 1,046,900	100%	Line - by -line method
ELECTRONICS SEGMENT				
PRIMA ELECTRONICS S.p.A.	Strada Carignano 48/2, 10024 Moncalieri, (TO) ITALY	€ 6.000.000	100%	Line - by -line method
OSAI USA, LLC	105A West Dudley Town Road, Bloomfield, CT 06002, U.S.A.	USD 39,985	100%	Line - by -line method
OSAI UK Ltd.	Mount House - Bond Avenue, Bletchley, MK1 1SF Milton Keynes, UNITED KINGDOM	GBP 160,000	100%	Line - by -line method
OSAI GmbH	Am Stegskeuz 6, 65719 Hofheim, GERMANY	€ 25.000	100%	Line - by -line method

SUBSIDIARY COMPANIES				
SHEET METAL MACHINERY SEGMENT	REGISTERED OFFICE	SHARE CAPITAL	STAKE	CONSOLIDATION METHOD
FINN POWER Oy	Metallite 4, FI - 62200 Kauhava, FINLAND	€ 23.417.108	100%	Net Equity Method
BALAXMAN Oy	Metallite 4, FI-62200 Kauhava, FINLAND	€ 2.522	100%	Net Equity Method
FINN-POWER GmbH	Lilienthalstrasse 2 a, Isar-Buro Park Am Soldermoos, D-85399 Hallbergmoos, GERMANY	€ 180.000	100%	Net Equity Method
PRIMA FINN-POWER Iberica S.L.	C/Primero de Mayo 13-15, 08908 L'Hospitalet de Llobregat, Barcelona, SPAIN	€ 6.440.000	100%	Net Equity Method
FINN-POWER Italia S.r.l.	Viale Finlandia 2, 37044, Cologna Veneta (VR), ITALY	€ 1.500.000	100%	Net Equity Method
PRIMA FINN-POWER NV	Tulpenstraat 3, B-9810 Eke-Nazareth, BELGIUM	€ 500.000	100%	Net Equity Method
PRIMA FINN-POWER FRANCE Sarl	Espace Green Parc , Route de Villepècle 91280 St. Pierre du Perray, FRANCE	€ 792.000	100%	Net Equity Method
PRIMA FINN-POWER NORTH AMERICA Inc.	555W Algonquin Rd., Arlington Heights, IL 60005, U.S.A.	USD 10,000	100%	Net Equity Method
PRIMA FINN-POWER CANADA Ltd.	1040 Martingrove Road, Unit 11, Toronto, Ontario M9W 4W4, CANADA	CAD 200	100%	Net Equity Method

JOINT VENTURES				
	REGISTERED OFFICE	SHARE CAPITAL	STAKE	CONSOLIDATION METHOD
Shenyang PRIMA Laser Machine Company Ltd.	45, Huanghai Rd, Yuhong District, Shenyang City, 110141, P.R. CHINA	Rmb 16,363,450	50%	Net Equity Method
SNK PRIMA Company Ltd	Misaki Works 3513-1, Fuke Misaki-Cho, Sennan-Gun, Osaka, JAPAN	Yen 90,000,000	50%	Net Equity Method
Shanghai Unity PRIMA Laser Machinery Co Ltd.	2019, Kunyang Rd., Shanghai 201111 - P.R. CHINA	Rmb 16,000,000	35%	Net Equity Method
Wuhan OVL Convergent Laser Co., Ltd.	Building No.1, Great Wall Technology Industry Park,no.1,Townson Lake Road, Wuhan East Lake High-Tech Development Zone Wuhan, 430223, Hubei, P.R. CHINA	Rmb 62,364,091	25,7%	Net Equity Method

MACROECONOMIC CONTEXT

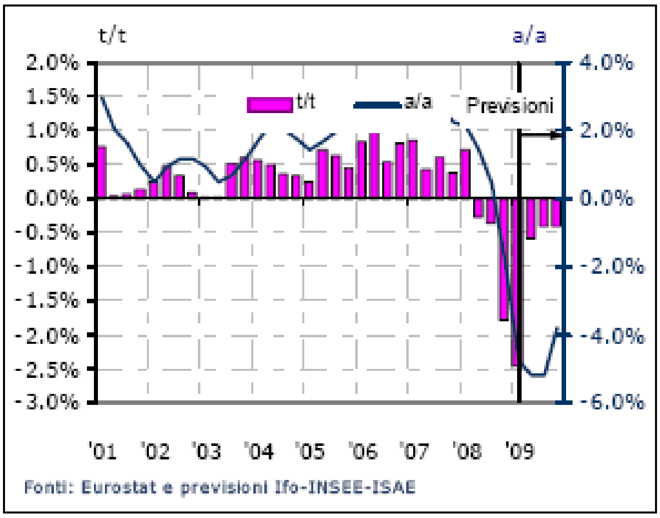
The first semester of the year, that was expected to be difficult due to the economic situation and the crisis of the financial markets, confirmed the negative expectations. The experts foresaw that the economy was worsening and would be particularly difficult in the last quarter 2008 and first quarter 2009, with prospects for recovery, although probably very weak, only from the last period of 2009.

In recent months, on the one hand the conviction has grown that the most acute stage of the crisis is past and, on the other, concerning the recovery, the view gained strength that it might come later rather than sooner, and be even weaker than had been expected earlier on.

The World Bank, for example, recently revised its estimates of world growth for 2009, downward from –2.9% to –1.7%. For the countries in the euro zone, it forecasts a drop in the GDP by 4.5% (from –2.7% previously estimated) and for the United States the GDP is expected to decrease 3% (instead of the previous estimate of – 2.4%). In Japan, the estimate has been reduced by another 1.5%, with the expectation of a GDP decrease by 6.8%.

Only China and India are expected to grow, respectively by 7.5% and 5.9%.

GDP GROWTH IN THE EURO AREA
(FIGURES ADJUSTED FOR SEASONAL AND DIFFERENT NUMBER WORKING DAYS MATTER)



In particular, the sector dealing with the production of capital goods has been heavily affected by the credit crunch, with drastic effects on the orders acquisition, and a consequent negative impact on the manufacturing activities of all the players in that sector.

In Italy, the UCIMU (Union of Italian Manufacturers of Machine Tools) expects a fall in production in 2009 of 33.7%, due to the decrease in exports and the reduction in sales on the domestic market.

The UCIMU adds that in the first half of 2009 there was a general decrease of 56% in orders in the machine tool sector, compared to the same period in 2008, which reflects the reduction in orders acquisition on the domestic market as well as those coming from the foreign market.
In particular, the latter part of the first half showed a slight recovery of demand, but this was hampered by the difficulty clients had in accessing new financial resources.

The UCIMU data generally agree with those of similar foreign organizations; for example, the association of German machine tool manufacturers (VDW) reports that in the first six month orders were down, on both the domestic (-71%) and international (-65%) markets compared to the first half of 2008.

Bearing in mind that the consolidated turnover relative to the Italian market represents a share of about 20%, it is deemed plausible that a positive contribution to the acquisition of orders could derive from the recently approved incentives for investment (the so-called Tremonti-ter law), that provides an abatement of the taxable income for companies that invest, in the measure of 50% of the amount of the investments in particular categories of capital goods (which includes the products of the PRIMA INDUSTRIE Group) made between July 1, 2009 and June 30, 2010. This said, it is not possible to make a more accurate estimate of this contribution, either in quantitative or in temporal terms, considering that the law was enacted only recently and is still subject to amendments and clarifications of its interpretation.

SIGNIFICANT EVENTS THAT TOOK PLACE DURING THE FIRST HALF

<u>Resolution to increase the capital and assignment of the relative appointments to the B.o.D.</u>

In order to obtain greater financial flexibility and adjust the ratio between equity capital and debt capital to the financial needs of the Group, the extraordinary Shareholders' meeting held on 08/06/2009 resolved to give the Board of Directors the right to increase the share capital on payment, pursuant to art. 2441 and 2443 of the Italian civil code, in one or more instalments, over the maximum period of five years from the date of the resolution, for a maximum nominal amount of 50 million euro (inclusive of any additional paid-in capital). The resolution provides that this increase can be made by:

- issuing ordinary shares for the nominal value of Euro 2.50 each, to be offered on option to those having the right, with the Board deciding the number, price and additional paid-in capital of the new shares;
- any right to combine the ordinary shares to be issued with the rights to underwrite ordinary shares (warrants) to be offered on option to those having the right;
- issuing convertible bonds in one or more instalments, pursuant to art. 2420ter of the Italian civil code, convertible into shares and/or with warrants, to offer on option to those having the right, within the period of five years from the date of the resolution, for a total amount not exceeding 50 million euro;

- the right to increase the share capital, pursuant to art. 2443 of the Italian civil code, for a period of five years from the date of this meeting, in one or more instalments, for a maximum amount equal to 10% of the existing share capital, excluding option rights pursuant to the terms of art. 2441, 4th clause, 2nd paragraph of the Italian civil code and art. 8 of the by-laws, and thus within the limit of 10% of the entire share capital, reserving this increase for Italian and foreign professional investors or corporations, or enterprises having activities that correspond or are instrumental, similar or complementary to the company business.

The capital increase resulting from these assignments may not exceed the total amount of 50 million euro (inclusive of any additional paid-in capital).

At the present time it appears foreseeable that this assignment could be exercised by the end of the year for a total on the order of 15-20 million euro; we point out, however, that at the time of this report, the Board of Directors had not passed any resolutions on the subject, and that such resolutions will be the subject of a special press release if passed.

<u>Settlement with EQT, vendor of FINN-POWER</u>

On 30/06/2009 PRIMA INDUSTRIE S.p.A. stipulated a settlement with the Private Equity fund EQT III Limited (also on behalf of the other minority vendors, hereinafter referred to jointly as the “Vendors”) serving to reduce part of the price still to be paid for acquisition of the Finnish company FINN POWER OY which took place on 04/02/2008. In the sphere of the acquisition, the parties had agreed that part of the price due to the Vendors and amounting to 25 million euro (plus interest at the agreed annual rate of 6%), would be paid on 04/02/2011, net of any amounts due from them as indemnity for violation of the representations and warranties (“reps & warranties” clause) foreseen by the contract of acquisition and serving to indemnify the PRIMA INDUSTRIE Group for any liabilities deriving from circumstances or events revealed after the data of acquisition that were not coherent with the Vendors’ statements.

Since, starting from 04/02/2008, the PRIMA INDUSTRIE Group has had to incur a series of costs and expenses attributable to the previous management and not foreseeable at the time of the acquisition, negotiations were undertaken with the Vendors to apply the above-mentioned contract guarantees and obtain the relative indemnity.

These negotiations concluded on 30/06/2009 with a settlement having the following terms:

- PRIMA INDUSTRIE S.p.A. agrees to pay the Vendors only 12,785 thousand euro (of which 12,215 thousand euro will go to the main vendor EQT and the rest to the minority vendors);
- the payment of the agreed amount will be made by 30/11/2009;
- the interest accounted (6%) until 30/06/2009 on the debt to be paid to the Vendors has been forgiven.

The settlement also stipulates that the indemnity is recognized to the different companies of the Group acquired on the basis of the effective liabilities incurred.

Accounting of this indemnity had a overall impact on the positive economic result for 9,049 thousand euro (of which 6,254 thousand euro refer to the EBITDA), represented by the repayment of the costs and expenses incurred for 7,319 thousand euro (inclusive of financial costs for 1,065 thousand euro) and the cancellation of the financial costs accrued on the payable to the Vendors for 1,730 thousand euro. The portion indemnified against costs still to be incurred (3,626 thousand euro) was entered as a liability and not attributed to the income statement. The Group also obtained reimbursement of a receivable from EQT entered in application of a specific contract clause for failure to grant a construction permit for a property (1,271 thousand euro).

The following is a brief summary of the economic and equity effects of the settlement.

Values expresses in thousand euro	EBITDA	Financial expenses	Economic effects	Equity effects	TOTAL
Indemnificaton amount	6.254	1.065	**7.319**	**4.897**	**12.216**
Financial expenses cancellation	-	1.730	**1.730**	**-**	**1.730**
TOTAL	**6.254**	**2.795**	**9.049**	**4.897**	**13.946**

Signature of the settlement released both parties from every obligation and present and/or future demand that should arise with regard to the acquisition.

By reaching this agreement, PRIMA INDUSTRIE obtained an important benefit in terms of the reduction of its net indebtedness, that is reduced for an amount equal to the part of the price that PRIMA INDUSTRIE will not have to pay, plus the interest accrued to date (for a total amount of 13,946 thousand euro).

INCOME AND PROFITABILITY

For a better understanding of the information contained in the Financial Statements it should be noted that the FINN-POWER Group was acquired on 04/02/08 and the financial information relative to the first half of 2008, used for comparative purposes only includes five months of the Finnish Group's results.

Consolidated revenues at 30.06.09 amounted to 118,085 thousand Euro and in comparison to the first quarter of 2008 were down by 35%.

If one were to also take into consideration the revenues of the FINN-POWER Group for January 2008 (which were not included in the consolidation), the reduction would amount to 41%. This decrease is due to the pronounced worsening of the reference market in which the Group operates.

The geographical breakdown of consolidated revenues at 30.06.09 is as follows:

Revenues	I Half 2009		I Half 2008 (*)	
	Euro thousand	*%*	*Euro thousand*	*%*
Italy	24.377	20,6	51.562	28,5
Europe	53.614	45,4	71.702	39,5
North America	19.139	16,2	30.182	16,6
Asia and Rest of the World	20.955	17,8	27.883	15,4
TOTAL	**118.085**	**100,0**	**181.329**	**100,0**

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

The economic slowdown had a significant impact on sales in all geographical areas. Sales in Italy were down by 53%, in North America by 37% and in Europe by 25%. Even the Rest of the World was affected by the crisis, showing a reduction of 25% compared to the corresponding period of 2008.
The Group's turnover outside Italy was almost 80% in this quarter, in confirmation of the Group's international vocation.

The subdivision of the revenues by business segment is set out below, (for more detail in relation to the Group's operating segments the reader is referred to note "6.31 – Segment Report").

Revenues	I Half 2009		I Half 2008	
	euro thousand	*%*	*euro thousand*	*%*
Laser Systems	46.568	39,4	70.311	38,8
Electronics	13.295	11,3	23.117	12,7
Sheet metal machinery	65.304	55,3	91.750	50,6
Inter-sector revenues	(7.082)	(6,0)	(3.849)	(2,1)
TOTAL	**118.085**	**100,0**	**181.329**	**100,0**

The revenues do not take into consideration the Sheet Metal machinery segment, but only the Laser systems and Electronics segments that reflect information in line with the corresponding period of 2008; inclusive of the inter-segment items, the Laser systems segment recorded revenues of 46,568 thousand Euro (-34%) and the Electronics segment recorded revenues of 13,295 thousand Euro (-42%). The general decrease in the Group's revenue reflected the sharp decline in demand, which is even more apparent compared with the first half of 2008, which showed a particularly positive trend.

To complete the report on revenues for the first half of 2009, we set out below the breakdown of the revenues (net of inter-segment items) by segment and geographical area.

Revenues	Italy	Europe	North America	Asia and of the World	TOTAL
euro thousand					
Laser Systems	8.298	12.596	6.973	13.274	41.141
Electronics	5.746	5.812	330	249	12.137
Sheet metal machinery	10.333	35.206	11.836	7.432	64.807
TOTAL	**24.377**	**53.614**	**19.139**	**20.955**	**118.085**

The Laser systems segment is equally distributed in the different areas with a significant presence in the Rest of the World section (32% of the total), where it achieved remarkable results in China (6,230 thousand Euro); this result does not include the turnover achieved by the Chinese JVs which amounts to about 13 million euro and in Russia (2,096 thousand Euro). The Electronics segment is present above all in Italy and in Europe (with a share of the turnover of 47% and 48%, respectively) and, in particular, sales amounting to 2,828 thousand Euro in the Benelux countries and 1,189 thousand Euro in Spain. Finally, the Sheet Metal machinery segment has a very important weight in Europe, where it achieved sales of 35,206 thousand Euro (54% of the total). The Scandinavian countries and Germany are the most important markets in this segment.

The **value of production** at 30.06.09 amounted to 103,814 thousand Euro, a decrease of 45% compared to the corresponding period of the previous financial year (down by 85,958 thousand Euro). The value of production, which is lower than the turnover (equal to 118,085 thousand Euro) highlights the reduction in stocks of finished and semi-finished products of the Group.

The value of production in the first half of 2009 includes increases in fixed assets for internal work amounting to 3,391 thousand euro (3,751 thousand euro in the corresponding period of 2008); these costs mainly refer to investments in development activities.

The decrease in revenues mentioned above is mainly due to the reduction in volumes in the first half of 2009. Analysing the percentage incidence on the margin of contribution on revenues, this amounts to 35%, which is better than it was on June 30, 2008, mainly due to the efficiency induced by utilization of the goods in stock as of December 31, 2008 and the more than proportional reduction of other operating costs.

Performance indicators	I Half 2009		I Half 2008	
	euro thousand	*%*	*euro thousand*	*%*
EBITDA	5.052	4,3	18.142	10,0
EBIT	397	0,3	14.357	7,9
EBT	(1.039)	(0,9)	9.491	5,2
NET RESULT	(525)	(0,4)	6.846	3,8

Group **EBITDA** amounted to 5,052 thousand euro (4.3% of sales) compared to the 18,142 thousand euro at 30.06.08 (10.0% of sales).

In the first half of 2009, in a strongly negative context for all the reference markets, the PRIMA INDUSTRIE Group was able to achieve a positive EBITDA of 5,052 thousand Euro. In spite of lower volumes, the reduction with respect to the first half of 2008 was limited by effect of the actions of cost reduction, undertaken by all the companies in the Group, and by the positive effects of the settlement with EQT (the private equity fund from which the FINN-POWER Group was acquired last year).

In this connection, it is worth mentioning that the EBITDA takes into accounts 1,391 thousand euro of costs of a non-recurring nature (about half of which are linked to the personnel reorganization plans), as well as the non-recurring positive effect deriving from the settlement with EQT for 6,254 thousand euro.

The EBITDA subdivided by segment is reflected gross of inter-segment items.

EBITDA	I Half 2009		I Half 2008	
	euro thousand	*%*	*euro thousand*	*%*
Laser Systems	1.897	36,6	8.457	46,6
Electronics	356	7,1	3.302	18,2
Sheet metal machinery	2.956	58,5	6.601	36,4
Inter-sector eliminations	(157)	(3,1)	(218)	(1,2)
TOTAL	**5.052**	**100,0**	**18.142**	**100,0**

The consolidated **EBIT** for the first half of 2009 is positive for 397 thousand euro (14,357 thousand euro as of 30/06/2008). This result is affected by the depreciation of tangible fixed assets for 2,055 thousand euro and intangible fixed assets for 2,600 thousand euro; as regards the latter, 1,254 thousand refer to amortisation relative to assets with a definite useful life entered in the business combination of the FINN-POWER Group (brand and customer relations - “customer list”) and 792 thousand euro refer to the amortisation of development costs.

The consolidated **EBT** at 30.06.09 is negative and amounts to 1,039 thousand euro; this figure takes into account expenses arising from financial management (including profits and losses on exchange rates) for 1,720 thousand Euro.

In particular, these also include charges deriving from the loan stipulated last year for acquisition of the FINN-POWER Group (hereinafter referred to as “the FINPOLAR Loan”) for 2,457 thousand euro and net financial costs for derivative instruments (mainly linked to the FINPOLAR Loan) for 577 thousand euro. It should be noted that the financial management for the semester was favourably influenced by the satisfactory outcome of the settlement with EQT, that resulted in lower financial costs by about 2,795 thousand euro (relative to the cancellation of financial costs accrued on the debt toward the Vendors for 1,730 thousand euro and other financial costs indemnified for 1,065 thousand euro).

The **NET RESULT** as of 30/06/2009 was negative for 525 thousand euro, compared with the positive result of 6,846 thousand euro as of 30/06/2008. Income taxes for the first half of 2009 show a net income of 515 thousand euro; this effect is due mainly to entry of the tax credit on research (for the Italian company) and to entry of a tax credit for infrannual losses reported by PRIMA North America.

SALES ACTIVITY AND ORDER BACKLOG

The cost saving measures did not hinder normal sales activities. During the first half the Group also took part in the most important international fairs in the sector and, in particular:

in Western Europe:

- VENMEC (Padua – Italy)
- INDUSTRIE LYON (Lyon – France)
- MAQUITEC (Barcelona – Spain)
- PARIS AIR SHOW (Paris – France)

in Eastern Europe:

- TATEF (Istanbul – Turkey)
- FORMA TOOL (Celje – Slovenia)
- MASHEX (Moscow – Russia)
- NITRA ENGINEERING TRADE FAIR (Nitra – Slovakia)
- MACH TOOL (Poznan – Poland)

and in Asia and the Rest of the World:

- STEELFAB (Sharjah – Arab Emirates)
- IMTEX (Bangalore – India)
- CIMT (Beijing – China)
- AEROMART TIANJIN (Tianjin – China)
- AMTEX (Mumbai – India)
- METALTECH (Kuala Lumpur – Malaysia)
- FEIMAFE (Sao Paulo – Brazil)
- AUSTECH (Melbourne – Australia)

The decision of the Group was to participate in all the main fairs in the sector, but observing the internal cost saving directives and reducing the relative costs.

In the meantime, during the semester, the activities to optimise the sales structure continued. In particular, after the relocation of PRIMA FINN-POWER IBERICA to a single location in Barcelona, (including the Spanish assets acquired through the FINN-POWER Group and those already held by PRIMA INDUSTRIE S.p.A.), the assets held by the Group in France were also moved to a single location, in Paris (PRIMA FINN-POWER FRANCE).

The orders acquisition was strongly conditioned by the economic situation and external downturn, and by the crisis in the reference sectors. These aspects were at their worst in the first two months of the semester, and a slight improvement was observed as early as March, which grew steadily in the succeeding three months. During that period the order acquisition remained fairly stable at the levels of the latter part of 2008. This trend was also confirmed by the data for the month of July. In particular, as of 30/06/2009 the order acquisition inclusive of after-sale services amounted to 104.1 million euro (it was 184.3 million euro at 30/06/2008).

As a direct consequence of the decreased order acquisition, there was a reduction in the backlog of consolidated orders (not inclusive of after-sale services) that, as of 30/06/2009, amounted to 74.7 million euro, while in the same period of 2008 it was 141.40 million euro.

NET FINANCIAL POSITION

As of 30/06/2009 the Group's net financial position showed an indebtedness amounting to 160,628 thousand euro, down from 31/12/2008 by 1,017 thousand euro.

This result takes account, in particular, of the positive effects of the settlement with EQT (see paragraph "SIGNIFICANT EVENTS OF THE FIRST HALF") that led to a reduction in financial indebtedness for 13,946 thousand euro.

It should be noted that at 31/12/2008 the FINPOLAR Loan was entirely classified among current financial liabilities (as required by IAS 1), since (at the Financial Statements reference date) the process of redefining the covenants, was in progress. This process was completed with a positive outcome (having obtained on 12/03/2009 formal notice from the lending bank of the redefinition of the covenants originally stipulated in the FINPOLAR Loan contract), whereby the loan was newly divided between the current and non-current portion as foreseen by the contract.

values expressed in euro thousand	39.994	39.813
CASH ON HAND	(16.250)	(14.467)
SHORT-TERM PAYABLES	57.555	127.803
MEDIUM-SHORT TERM PAYABLES	119.323	48.309
NET FINANCIAL POSITION	**160.628**	**161.645**

The net financial position highlights the overall exposure to credit institutions and other lenders (including payables to leasing companies and factoring houses).

The table here below shows the breakdown of the net financial position.

	NET FINANCIAL POSITION			
	Values expressed in thousand euro	30/06/09	31/12/2008 (*)	Changes
A	CASH	16.250	14.467	1.783
B	OTHER VALUABLES	-	-	-
C	SECURITIES HELD FOR NEGOTIATIONS	-	-	-
D	**CASH ON HAND (A+B+C)**	**16.250**	**14.467**	**1.783**
E	**CURRENT FINANCIAL RECEIVABLES**	**-**	**-**	**-**
F	CURRENT BANK PAYABLES	9.683	6.760	2.923
G	CURRENT PART OF NON-CURRENT INDEBTEDNESS	32.576	118.091	(85.515)
H	OTHER CURRENT FINANCIAL PAYABLES	15.296	2.952	12.344
I	**CURRENT FINANCIAL INDEBTEDNESS (F+G+H)**	**57.555**	**127.803**	**(70.248)**
J	**NET CURRENT FINANCIAL INDEBTEDNESS (I-D-E)**	**41.305**	**113.336**	**(72.031)**
K	NON CURRENT BANK PAYABLES	110.180	12.288	97.892
L	BONDS ISSUED	-	-	-
M	OTHER NON-CURRENT FINANCIAL PAYABLES	9.143	36.021	(26.878)
N	**NON -CURRENT FINANCIAL INDEBTEDNESS (K+L+M)**	**119.323**	**48.309**	**71.014**
O	**NET FINANCIAL INDEBTEDNESS (J+N)**	**160.628**	**161.645**	**(1.017)**

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

Net financial indebtedness takes account of the following effect which occurred in the first half of 2009:

- reclassification from current to non-current financial indebtedness of the FINPOLAR Loan following formal notice in March 2009 of the redefinition of the financial indices ("covenants") by the banks;
- repayment of the instalment relative to portion A of the FINPOLAR Loan on the date foreseen (February 4, 2009) for 3,525 thousand euro;
- reduction of the other non-current financial payables for about euro 26.8 million relative to the payable to EQT; this reduction reflects the indemnity settlement already mentioned, that caused a reduction in payables by about euro 14 million; the difference, for euro 12.8 million, since it is scheduled for repayment by the end of the year, was reclassified under "other current financial payables". To meet this obligation, the company asked the lending banks to anticipate portion C of the FINPOLAR Loan, which was originally scheduled by contract for payment in 2011;
- use for cash, starting from September 1, 2009, of portion D of the FINPOLAR Loan, for 18,000 thousand euro (with respect to the total amount of 20,000 thousand euro foreseen by contract for this line). This form of use is allocated in the line "current part of non-current payable" whereby this line is usable, by contract, until 2016 at the request of the company.

On 04/08/2009 the company punctually repaid the instalment relative to the FINPOLAR Loan which expired on that date, amounting in the capital line to 3,525 thousand euro.

For better disclosure relating to the Consolidated Net Financial Position as of 30.06.09, the following should be borne in mind:

- the FINPOLAR Loan amounts in total to 123,172 thousand euro and is subject to respect of certain covenants measured annually, failure to respect which could result in negative consequences for the Group in terms of profitability and financial equilibrium (for more details on the subject of the covenants reference is made to the file of financial statements for the year 2008 and note 6.12 to this document);
- payables due to leasing companies (almost exclusively referring to real estate) amount to 8,674 thousand euro;
- bank payables include the negative fair value of some IRS for 7,388 thousand euro; the main IRS were contracted by the parent company in partial coverage of the interest rate risk on the FINPOLAR Loan (underwriting these derivatives was foreseen by the underlying loan contract);
- payables due to factoring companies amount to 1,284 thousand euro.

In the second half of 2009 the main financial obligations will concern financing operations and repayment (by 30/11/2009) of the residual amount due to EQT for 12,785 thousand euro, originally scheduled for repayment on 04/02/2011. Advance repayment of this amount is part of the settlement agreement with EQT.

To meet these short-term financial needs, the Group has taken the following steps:

- renegotiation of the FINPOLAR Loan, in order to obtain advance payment of portion C for 25 million euro; this renegotiation also includes, taking account of the mid-year results at 30/06/2009, the request to revise the covenants for the year 2009;

- The Shareholders' meeting on 08/06/2009 gave the Board of Directors the assignment of increasing the share capital through various technical manoeuvres, to a maximum of euro 50 million. Although, at the date of this report, no formal resolution had been passed by the Board of Directors, it is expected to exercise this power before the end of the year, for 15-20 million euro. For more details on the subject reference is made to the paragraph "SIGNIFICANT EVENTS IN THE FIRST HALF".

Moreover, the PRIMA INDUSTRIE Group disposes as of 30/06/2009 of unused credit lines for 32.4 million euro mainly from advances on invoices and orders.

RESEARCH AND DEVELOPMENT

The activities of research & development performed by the Group in the first half of 2009 totalled approximately 7,166 thousand euro. The capitalized portion was 3,013 thousand euro, in line with the corresponding period of 2008 (2,962 thousand euro); for all the development assets capitalized, the technical feasibility and generation of probable future economic benefits was ascertained.

During the quarter the research and development in the LASER SYSTEMS segment related to:

- the consolidation of the RAPIDO EVOLUTION product;
- several experiments in the aeronautical field for welding titanium;
- pursuit of the development of equipment designed for laser cutting of hot-moulded parts in the automotive field.

As regards the CONVERGENT Lasers Division (PNA) research and development centred on the initial test phase on the CV6000 laser as well as study of a resonator for the Nd:YAG laser intended to support certain typical application of customers in the aerospace market of the LASERDYNE Division (PNA).

As regards the ELECTRONICS sector, developments relative to the new OPEN numerical control line continued. The project and experiments on the new operator consolle for PRIMA INDUSTRIE laser machines was also completed, and will go into production in the second half of the year.

The main innovations of the SHEET METAL PROCESSING MACHINES segment related to:

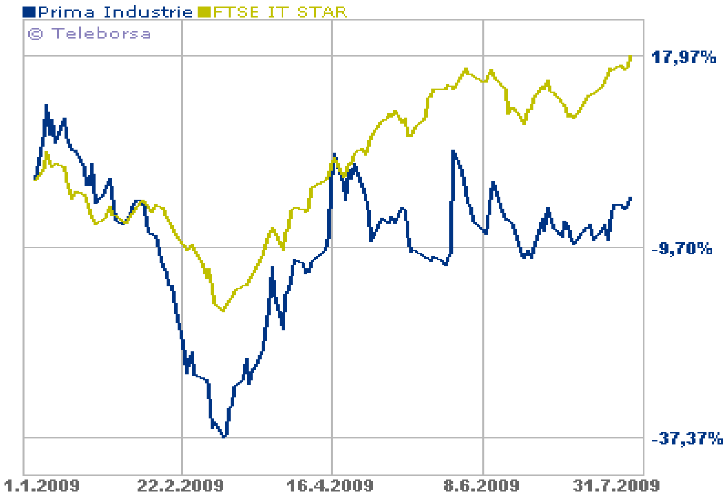
- completing the development of a project to integrate the CP laser source (PRIMA North America) onto the L6 combined laser cutting and punching machine, in respect of which the new 3KW version was made available from April;
- improvements in the performances and in the possibilities offered by the new integrated and modular software (TULUS), ideal for the management of the entire manufacturing process.
- a new release of the NC Express software, designed for energy savings on the CP lasers and in support of the DOMINO machine.

THE STOCK TREND AND TREASURY STOCK

During the first half of 2009, PRIMA INDUSTRIE stocks went from a unit value of 9.58 euro on 02/01/2009 to a value of 8.88 euro per share on 30/06/2009.

The lowest value recorded was 6 Euro (on 09.03.09) and the highest was 10.63 Euro (on 06/01/2009). In particular, as the graph shows, the stocks fluctuated the most in the early months of the year, then resumed a more regular trend of variation, between 8.5 euro and 9.5 euro per share in the months from May to July.

The graph shows these trends.



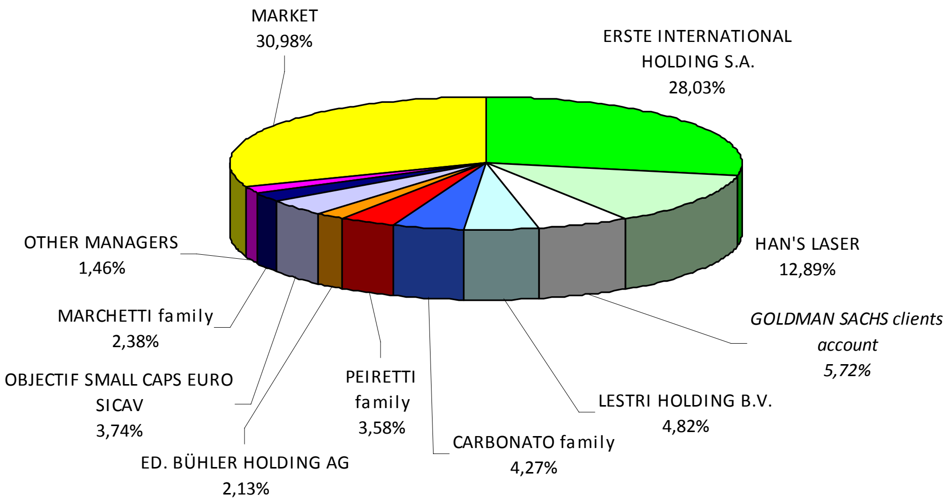
As at 30.06.09 and as at the date of approval of this report, PRIMA INDUSTRIE S.p.A. did not and does not hold any treasury stock, even though there is a purchase resolution applicable, (until the end of November 2009) for a maximum of 80,000 shares (equal to 1.25% of the share capital) with a minimum purchase and selling price of 2,5 Euro per share (par value) and a maximum purchase and selling price of 60 Euro; the maximum selling price can also be set at a greater figure, taking into account the *pro-tempore* market conditions applicable).

SHAREHOLDING STRUCTURE

The capital of PRIMA INDUSTRIE S.p.A. amounts to 16,000 thousand euro divided into 6,400,000 ordinary shares with a par value of 2.5 Euro each.

The Group has issued no bonds or securities other than ordinary shares.

In the light of contents of the Shareholders' register, updated on the basis of the dividend distribution that was made in May 2008 and the capital increase referred to above and the subsequent notices received by the company, the structure of the shareholding at date hereof is as follows:



STOCK OPTIONS PLANS

At the reference date of this Half Year Report a stock option plan is in existence, which was approved by the Shareholders' Meeting on the 29/04/2008. The plan is intended for the Executive Directors of PRIMA INDUSTRIE S.p.A., PRIMA ELECTRONICS S.p.A. and FINNPOWER OY, as well as the General Manager of PRIMA INDUSTRIE S.p.A. and the CFO of the Group.

In particular the beneficiaries at 30.06.09 were the following:

SURNAME Name	POSITION
CARBONATO Gianfranco	Chairman and Managing Director of PRIMA INDUSTRIE SpA
PEIRETTI Domenico	Managing Director of PRIMA ELECTRONICS SpA
HEDENBORG Tomas	CEO of FINN POWER OY
BASSO Ezio	General Director PRIMA INDUSTRIE SpA
RATTI Massimo	Group Financial Director PRIMA INDUSTRIE

In the first half of 2009 the cost of the stock option amounted to 205 thousand euro. It should be noted that the total cost of this option in the first half of 2009 was reduced by the portion relative to one director who resigned, an event that caused that person to forfeit the “vesting condition” indicated in the regulations as foreseen by IFRS 2.

Further information about the stock option plan is published on the company's website: *www.primaindustrie.com*

ATYPICAL AND UNUSUAL TRANSACTIONS

For the purposes of Consob Notice No. DEM/6064296 dated 28/07/2006 it should be noted that the Group did not perform any atypical and/or unusual transactions as defined in the aforesaid notice during the reference period.

FORESEEABLE MANAGEMENT DEVELOPMENTS AND PROSPECTS FOR THE YEAR IN PROGRESS

The semester confirmed the difficulties of the reference market and sectors in which the Group operates, severely shaken by worldwide economic crisis starting from the last quarter of 2008; to date, the sector, though benefiting from a slight upturn that began in the months of March and April 2009, is still characterized by much less demand that in the corresponding period of 2008, so that it appears difficult to make forecasts concerning the time and extent of a real recovery.
It is just this negative performance of the reference market, combined with the process of integration of the FINN-POWER Group, however, that has prompted the Group to undertake a detailed program focused on cost reduction and reorganization.

In particular, the Group updated its economic and financial forecasts for the second half of the year, that lead to a net negative result, though attenuated by the positive impact of the following factors:

- the current order backlog as of 30/06/2009, for 74.7 million euro, combined with after sales revenues and expectations of new orders to fill before the end of the year, strengthens confidence about achieving the expected turnover results and relative profitability indicators;
- The Group has started reorganization activities with a view to reduction of costs and greater efficiency of the organization structure and processes, in order to take the best advantage of the synergies intrinsic in the acquisition of the FINN-POWER Group. In this connection, the activities are focusing on the following sectors:
    a) reorganization of several legal entities of the Group through mergers (incorporation of OSAI S.p.A. in PRIMA ELECTRONICS S.p.A., effective from January 1, 2009) and relocation/concentration at a single site (French and Spanish subsidiaries);
    b) plans to correct staff redundancy relative to certain plants; in this connection, leave of 70 employees of Kauhava plant and 40 of the Villpula plant (closed in 2009) both belonging to FINN-POWER OY, while over 30 employees left PRIMA INDUSTRIE SpA, and another 30 left the North American operations, while the procedure of voluntary mobility with incentives was applied to 20 employees of the Barone Canavese plant of PRIMA ELECTRONICS (formerly OSAI S.p.A.);
    c) use of the ordinary layoff procedures for the plants at Collegno (PRIMA INDUSTRIE S.p.A.), Moncalieri and Barone Canavese (PRIMA ELECTRONICS S.p.A.) and Cologna Veneta and Fiesse (FINN-POWER Italia S.r.l.); for the last two, the extraordinary lay off procedure CIGS will be adopted from the second half;
    d) recourse to flexibility instruments for personnel, similar to temporary layoffs for the plants at Kauhava (FINN-POWER OY), and some European subsidiaries (France and Spain).

During the first half of 2009, initiatives were also undertaken for the purpose of renegotiating payment terms with the suppliers, that will make it possible to obtain benefits in both financial and economic terms and, with particular reference to FINN-POWER OY, initiatives tending to standardize the contract conditions inherited from the previous management, with economic and financial benefits expected to derive (elimination of interest charges on late payments).

Among the actions undertaken by all the companies in the Group to reduce costs, it is important to note, in particular, those for reduction of travel expenses, consultancy and marketing/promotion costs. The positive impact of these actions on consolidated accounts has been visible since the beginning of the second quarter 2009, but will achieve full development in the second half of this year and in the coming year.

In consideration of the positive fallout expected from the actions undertaken with the lending banks for advance use of loans already granted and not used yet, and from the revision of the covenants governing the FINPOLAR Loan, also taking account of the intent to proceed by the end of the year to implement a capital increase, for which the directors have already obtained the necessary approval of the shareholders – added to the economic benefits of the reorganization activities undertaken – it is reasonable to expect no uncertainty about the going concern relative to the condensed consolidated interim financial statements as of 30/06/2009.

In conclusion, after a first half that closed for the Group with a positive operating result, in the presence of a particularly difficult market situation, with reference to what has been illustrated concerning prospects for the second half, we expect a third quarter still characterized by the aforementioned difficulties (also for seasonal reasons) and an improvement of the turnover and profitability of the Group starting from the fourth quarter of the year in progress.

Chapter 4.ECONOMIC TREND BY SEGMENT

The table below sets out the results of first six months of the three operating segments of PRIMA INDUSTRIE Group.

	I HALF 2009					I HALF 2008				
Values in thousands of euros	*REVENUES*	*EBITDA*	*% on Revenues*	*EBIT*	*% on Revenu*	*REVENUES*	*EBITDA*	*% on Revenu*	*EBIT*	*% on Revenu*
LASER SYSTEMS	46.568	1.897	4,1%	1.191	2,6%	70.311	8.457	12,0%	7.878	11,2%
ELECTRONICS	13.295	356	2,7%	(27)	-0,2%	23.117	3.302	14,3%	2.990	12,9%
SHEET METAL MACHINERY	65.304	2.956	4,5%	(613)	-0,9%	91.750	6.601	7,2%	3.706	4,0%
ADJUSTMENTS	(7.082)	(157)	2,2%	(154)	2,2%	(3.849)	(218)	5,7%	(217)	5,6%
CONSOLIDATED	**118.085**	**5.052**	**4,3%**	**397**	**0,3%**	**181.329**	**18.142**	**10,0%**	**14.357**	**7,9%**

LASER SYSTEMS

The laser systems segment, in comparison with the first half year 2008, prior to the financial and economical crisis, has recorded a decrease by (-34%) and consequently an EBITDA of (-78%) and EBIT of (-85%).

Details of the operating results of the laser systems segment are as follows, with a special outline of PRIMA INDUSTRIE S.p.A. results.

Company	I Half 2009			I Half 2008		
Values in thousands of euros	*REVENUES*	*EBITDA*	*EBIT*	*REVENUES*	*EBITDA*	*EBIT*
PRIMA INDUSTRIE SpA	32.652	1.807	1.245	59.084	7.122	6.668
Other companies and adjustments	13.916	90	(54)	11.227	1.335	1.210
LASER SYSTEMS	**46.568**	**1.897**	**1.191**	**70.311**	**8.457**	**7.878**

As is clearly shown from the table above the Parent Company recorded a strong decrease of revenues (decrease by 45%), but the EBITDA, despite the decrease, (-75%) is positive (1.807 thousand euro). This was possible thanks to the aggressive politics of cost containment adopted by PRIMA INDUSTRIE.

On the whole the EBITDA is positive (EBITDA is positive 1.897 thousand euro) thanks to the Parent Company, the good performance of some Group Subsidiaries of the segment and positive contribution of some consolidation adjustments (mainly by the release of intercompany inventory margins).

ELECTRONICS

In comparison with the same period of 2008, in this semester electronics segment recorded a revenues decrease by (-42%) and consequently an EBITDA of (-89%).

A table showing details of operating results of ELECTRONICS segment will follow, with an outline of PRIMA ELECTRONICS S.p.A. data:

Company	I Half 2009			I Half 2008		
Values in thousands of euros	*REVENUES*	*EBITDA*	*EBIT*	*REVENUES*	*EBITDA*	*EBIT*
PRIMA ELECTRONICS SpA	12.788	549	187	22.070	3.170	2.873
Other companies and adjustments	507	(193)	(214)	1.047	132	117
ELECTRONICS	**13.295**	**356**	**(27)**	**23.117**	**3.302**	**2.990**

As evidenced in the above table PRIMA ELECTRONICS S.p.A.[1] recorded a revenues decrease by (-42%) and EBITDA as well suffers from this decline, with a decrease by (-83%) to 549 thousand euro.

It is important to outline that results of the first semester include extraordinary costs of 492 thousand euro due to personnel re-organization.

The decrease of EBIT and EBITDA is principally due to OSAI brand customers, producing machines for wooden and glass manufacturing, more exposed to the economical slowdown.

Even the other Group companies have suffered of this slowdown and showed a decrease of their revenues and EBITDA.

SHEET METAL MACHINERY

Here follows a comparison of revenues and EBITDA of sheet metal machinery segment with the corresponding period of 2008, pointing out, as already made at the beginning of this document, that FINN-POWER Group acquisition (which represents the Sheet Metal Machinery segment) was on 02/04/2008, therefore the accounting data of the first semester 2008, used in comparison, only include 5 months of the Finnish Group.

The table below sets out a detail of the operating results of sheet metal machinery segment, with an outline of FINN POWER OY data.

Company	I Half 2009			I Half 2008		
Values in thousands of euros	*REVENUES*	*EBITDA*	*EBIT*	*REVENUES*	*EBITDA*	*EBIT*
FINN-POWER OY	36.504	2.574	1.046	52.685	738	(249)
Other companies and adjustments	28.800	382	(1.659)	39.065	5.863	3.955
SHEET METAL MACHINERY	**65.304**	**2.956**	**(613)**	**91.750**	**6.601**	**3.706**

The Sheet metal machinery segment, in terms of revenues, appears to be, in this semester, the most meaningful of the Group. EBITDA equal to 2.956 thousand euro was influenced by non-current costs of 899 thousand euro and by extraordinary income deriving from EQT negotiation of 6.164 thousand euro.

EBIT of the segment is negative by 613 thousand; particularly meaningful for this result are the amortizations due to the brand and “customer list”, equal to 1.254 thousand euro as well as the amortization of development costs of 624 thousand euro.

1 It should be noted that with the effect from 01/07/2008 Techmark S.r.l merged with OSAI S.p.A. and with effect from 01/01/2009 OSAI S.p.A. merged with PRIMA ELECTRONICS S.p.A. For this reason, for comparative purposes, the values of PRIMA ELECTRONICS in the I Semester 2008 reflected in the table for the ELECTRONICS segment, include the values of Techmark S.r.l. and OSAI S.p.A..

Chapter 5. CONSOLIDATED FINANCIAL STATEMENTS OF PRIMA INDUSTRIE GROUP AT 30/06/2009

ACCOUNTING STATEMENTS

CONSOLIDATED BALANCE SHEET

Values in Euro	Notes	30/06/09	31/12/08
Property, plant and equipment	*6.1*	33.352.798	35.503.867
Intangible assets	*6.2*	153.999.589	153.175.834
Investment properties	*6.3*	158.000	158.000
Investments accounted for using the equity method	*6.4*	4.274.221	4.062.534
Other investments	*6.5*	801.885	801.885
Other non current financial assets	*6.6*	368.207	368.190
Deferred tax assets	*6.7*	5.635.044	6.300.579
Other non current assets	*6.10*	456.399	1.688.820
NON CURRENT ASSETS		**199.046.143**	**202.059.709**
Inventories	*6.8*	83.643.225	106.186.873
Trade receivables	*6.9*	56.042.541	72.266.007
Other receivables	*6.10*	4.694.875	7.460.278
Current tax receivables	*6.11*	5.713.305	3.551.878
Cash and cash equivalents	*6.12*	16.250.277	14.467.456
CURRENT ASSETS		**166.344.223**	**203.932.492**
TOTAL ASSETS		**365.390.366**	**405.992.201**
Capital stock	*6.13*	16.000.000	16.000.000
Legal reserve	*6.13*	2.300.000	2.300.000
Other capital reserves	*6.13*	37.041.912	37.794.240
Currency translation reserve	*6.13*	(1.947.674)	(1.776.810)
Retained earnings	*6.13*	20.769.843	15.293.409
Profit for the year	*6.13*	(524.537)	5.476.434
Stockholders' equity of the Group		**73.639.544**	**75.087.273**
Minority interest		-	-
STOCKHOLDERS' EQUITY		**73.639.544**	**75.087.273**
Interest-bearing loans and borrowings	*6.12*	111.934.619	42.454.994
Employee benefit liabilities	*6.14*	7.943.995	9.021.418
Deferred tax liabilities	*6.15*	11.250.661	11.626.501
Provisions	*6.16*	61.359	87.210
Derivatives	*6.12*	7.388.269	5.854.189
NON CURRENT LIABILITIES		**138.578.903**	**69.044.312**
Trade payables	*6.17*	42.627.320	65.870.443
Advance payments	*6.17*	20.424.376	32.217.942
Other payables	*6.17*	19.928.768	22.716.004
Interest-bearing loans and borrowings	*6.12*	57.555.636	127.803.118
Current tax payables	*6.18*	1.909.462	2.824.569
Provisions	*6.16*	10.726.357	10.428.540
CURRENT LIABILITIES		**153.171.919**	**261.860.616**
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES		**365.390.366**	**405.992.201**

CONSOLIDATED INCOME STATEMENT

Values in Euro	Notes	30/06/09	30/06/2008 (restated)
Net revenues	6.19	118.085.006	181.328.785
Other income	6.20	1.835.349	2.304.974
Change in inventories of finished goods and WIP		(19.497.232)	2.377.299
Increases in fixed assets for internal work	6.21	3.390.671	3.761.257
Use of raw materials, consumables, supplies and goods		(40.073.059)	(89.299.103)
Personnel cost	6.22	(39.674.003)	(43.826.796)
Depreciation	6.23	(4.655.405)	(3.785.258)
Other operating expenses	6.24	(19.014.271)	(38.504.401)
OPERATING PROFIT		**397.056**	**14.356.757**
of which: non recurring items		***4.862.254***	***-***
Financial income	6.25	240.195	960.916
Financial expenses	6.25	(2.124.875)	(5.696.249)
Net exchange differences	6.25	164.981	(485.566)
Net result of investments accounted for using the equity method	6.26	283.179	355.510
RESULT BEFORE TAXES		**(1.039.464)**	**9.491.368**
of which: non recurring items		***7.657.076***	***-***
Income taxes	6.27	514.927	(2.645.380)
NET RESULT		**(524.537)**	**6.845.988**
of which: non recurring items		***7.657.076***	***-***
- Attributable to Group shareholders		*(524.537)*	*6.845.988*
- Attributable to minority shareholders		*-*	*-*
RESULT PER SHARE - BASIC (in euro)	**6.28**	**(0,08)**	**1,49**
RESULT PER SHARE - DILUTED (in euro)	**6.28**	**(0,08)**	**1,05**

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

Values in Euro	Notes	30/06/09	30/06/08
NET RESULT (A)		**(524.537)**	**6.845.988**
Gains/(Losses) on cash flow hedges	*6.13*	(957.392)	-
Gains/(Losses) on exchange differences on translating foreign operations	*6.13*	(170.864)	(1.246.336)
TOTAL OTHER GAIN/(LOSSES) (B)		**(1.128.256)**	**(1.246.336)**
TOTAL NET RESULT OF THE PERIOD (A) + (B)		**(1.652.793)**	**5.599.652**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

from January 1st to June 30th, 2008

Values in Euro	01/01/08	Change of consolidation area	Purchase/Sale of treasury stock	Gain on sale of treasury stock	Capital increase	Allocation of prior year profits	Distribution of dividends to stockholders	Net result	Other movements	Currency translation reserve	30/06/08
Capital stock	11.500.000	-	-	-	-	-	-	-	-	-	11.500.000
Treasury stock	(87.880)	-	87.880	-	-	-	-	-	-	-	-
Additional paid-in capital	15.664.893	-	-	-	-	-	-	-	-	-	15.664.893
Legal reserve	2.300.000	-	-	-	-	-	-	-	-	-	2.300.000
Capital increase - expenses	-	-	-	-	-	-	-	-	(150.735)	-	(150.735)
Stock option reserve	-	-	-	-	-	-	-	-	72.234	-	72.234
Change in the FV of hedging derivatives	-	-	-	-	-	-	-	-	-	-	-
Other reserves	1.354.091	-	-	-	-	4.527.223	-	-	-	-	5.881.314
Currency translation reserve	(2.559.891)	-	-	-	-	-	-	(1.246.336)	-	-	(3.806.227)
Retained earnings	9.303.872	-	-	4.680	-	6.211.273	-	-	(9.313)	-	15.510.512
Net result	13.728.496	-	-	-	-	(10.738.496)	(2.990.000)	6.845.988	-	-	6.845.988
Stockholders' equity of the Group	**51.203.581**	**-**	**87.880**	**4.680**	**-**	**-**	**(2.990.000)**	**5.599.652**	**(87.814)**	**-**	**53.817.979**
Minority interest	**237.134**	**(220.640)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(16.494)**	**-**
STOCKHOLDERS' EQUITY	**51.440.715**	**(220.640)**	**87.880**	**4.680**	**-**	**-**	**(2.990.000)**	**5.599.652**	**(87.814)**	**(16.494)**	**53.817.979**

from January 1st to June 30th, 2009

Values in Euro	01/01/09	Change of consolidation area	Purchase/Sale of treasury stock	Gain on sale of treasury stock	Capital increase	Allocation of prior year profits	Distribution of dividends to stockholders	Net result	Other movements	Currency translation reserve	30/06/09
Capital stock	16.000.000	-	-	-	-	-	-	-	-	-	16.000.000
Treasury stock	-	-	-	-	-	-	-	-	-	-	-
Additional paid-in capital	36.814.893	-	-	-	-	-	-	-	-	-	36.814.893
Legal reserve	2.300.000	-	-	-	-	-	-	-	-	-	2.300.000
Capital increase - expenses	(973.223)	-	-	-	-	-	-	-	-	-	(973.223)
Stock option reserve	318.364	-	-	-	-	-	-	-	205.064	-	523.428
Change in the FV of hedging derivatives	(4.247.108)	-	-	-	-	-	-	(957.392)	-	-	(5.204.500)
Other reserves	5.881.314	-	-	-	-	-	-	-	-	-	5.881.314
Currency translation reserve	(1.776.810)	-	-	-	-	-	-	(170.864)	-	-	(1.947.674)
Retained earnings	15.293.409	-	-	-	-	5.476.434	-	-	-	-	20.769.843
Net result	5.476.434	-	-	-	-	(5.476.434)	-	(524.537)	-	-	(524.537)
Stockholders' equity of the Group	**75.087.273**	**-**	**-**	**-**	**-**	**-**	**-**	**(1.652.793)**	**205.064**	**-**	**73.639.544**
Minority interest	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
STOCKHOLDERS' EQUITY	**75.087.273**	**-**	**-**	**-**	**-**	**-**	**-**	**(1.652.793)**	**205.064**	**-**	**73.639.544**

CONSOLIDATED STATEMENT OF CASH FLOW

VALUES IN EURO	30/06/09	30/06/2008 (restated)
Net result	(524.537)	6.845.988
Adjustments (sub-total)	5.720.926	3.325.423
Depreciation and amortization	4.655.405	3.785.258
Net change in deferred tax assets and liabilities	289.695	133.478
Net result of investments accounted for using the equity method	(283.179)	(355.510)
Change in employee benefits	(1.077.423)	(159.568)
Change in inventories	22.543.648	(8.689.293)
Change in trade receivables	16.223.466	1.962.493
Change in trade payables	(35.036.689)	11.568.187
Net change in other receivables/payables and other assets/liabilities	(1.593.997)	(4.919.622)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)	**5.196.389**	**10.171.411**
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	(558.367)	(4.773.636)
Acquisition of intangible fixed assets	(3.481.268)	(3.254.333)
Disposal/(Purchase) investments accounted for using the equity method	-	(823.625)
Change in financial receivables and other financial assets	-	840.523
Net disposal of tangible and intangible fixed assets	609.083	143.425
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	**(3.430.552)**	**(93.341.548)**
Cash flow from financing activities		
Change in current financial liabilities and other	1.618.665	(510.934)
Net purchase of treasury stocks	-	92.560
Increases in loans and borrowings	22.279.051	170.874.547
Repayment of loans and borrowings	(22.533.017)	(78.794.543)
Net change in financial lease liabilities	(424.523)	(438.826)
Other changes in equity	(923.192)	(1.314.759)
Dividends paid	-	(2.990.000)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)	**16.984**	**86.918.045**
Net change in cash and equivalents (D=A+B+C)	**1.782.821**	**3.747.908**
Cash and equivalents beginning of period (E)	**14.467.456**	**21.551.369**
Cash and equivalents end of period (F=D+E)	**16.250.277**	**25.299.277**

Further information on the Consolidated Stetement of Cashflows	30/06/09	30/06/08
Values in euro		
Income tax	514.927	(2.645.380)
Financial income	240.195	960.916
Financial expenses	(2.124.875)	(5.696.249)

CONSOLIDATED BALANCE SHEET ACCORDING TO CONSOB RESOLUTION N. 15519 OF 27/07/2006

Values in Euro	Notes	30/06/09	of which related parties	31/12/08	of which related parties
Property, plant and equipment	6.1	33.352.798		35.503.867	
Intangible assets	6.2	153.999.589		153.175.834	
Investment properties	6.3	158.000		158.000	
Investments accounted for using the equity method	6.4	4.274.221	4.274.221	4.062.534	4.062.534
Other investments	6.5	801.885		801.885	
Other non current financial assets	6.6	368.207		368.190	
Deferred tax assets	6.7	5.635.044		6.300.579	
Other non current assets	6.10	456.399		1.688.820	
NON CURRENT ASSETS		**199.046.143**		**202.059.709**	
Inventories	6.8	83.643.225		106.186.873	
Trade receivables	6.9	56.042.541	902.788	72.266.007	1.008.770
Other receivables	6.10	4.694.875		7.460.278	
Current tax receivables	6.11	5.713.305		3.551.878	
Cash and cash equivalents	6.12	16.250.277		14.467.456	
CURRENT ASSETS		**166.344.223**		**203.932.492**	
TOTAL ASSETS		**365.390.366**		**405.992.201**	
Capital stock	6.13	16.000.000		16.000.000	
Legal reserve	6.13	2.300.000		2.300.000	
Other capital reserves	6.13	37.041.912		37.794.240	
Currency translation reserve	6.13	(1.947.674)		(1.776.810)	
Retained earnings	6.13	20.769.843		15.293.409	
Profit for the year	6.13	(524.537)		5.476.434	
Stockholders' equity of the Group		**73.639.544**		**75.087.273**	
Minority interest		-		-	
STOCKHOLDERS' EQUITY		**73.639.544**		**75.087.273**	
Interest-bearing loans and borrowings	6.12	111.934.619		42.454.994	
Employee benefit liabilities	6.14	7.943.995		9.021.418	
Deferred tax liabilities	6.15	11.250.661		11.626.501	
Provisions	6.16	61.359		87.210	
Derivatives	6.12	7.388.269		5.854.189	
NON CURRENT LIABILITIES		**138.578.903**		**69.044.312**	
Trade payables	6.17	42.627.320	46.065	65.870.443	-
Advance payments	6.17	20.424.376		32.217.942	
Other payables	6.17	19.928.768	164.202	22.716.004	329.209
Interest-bearing loans and borrowings	6.12	57.555.636		127.803.118	
Current tax payables	6.18	1.909.462		2.824.569	
Provisions	6.16	10.726.357		10.428.540	
CURRENT LIABILITIES		**153.171.919**		**261.860.616**	
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES		**365.390.366**		**405.992.201**	

CONSOLIDATED INCOME STATEMENT ACCORDING TO CONSOB RESOLUTION N. 15519 OF 27/07/2006

Values in Euro	Notes	30/06/09	*of which related parties*	30/06/2008 (restated)	*of which related parties*
Net revenues	*6.19*	118.085.006	*1.586.545*	181.328.785	*1.470.401*
Other income	*6.20*	1.835.349		2.304.974	
Change in inventories of finished goods and WIP		(19.497.232)		2.377.299	
Increases in fixed assets for internal work	*6.21*	3.390.671		3.761.257	
Use of raw materials, consumables, supplies and goods		(40.073.059)		(89.299.103)	
Personnel cost	*6.22*	(39.674.003)	*(424.815)*	(43.826.796)	*(977.284)*
Depreciation	*6.23*	(4.655.405)		(3.785.258)	
Other operating expenses	*6.24*	(19.014.271)	*(358.210)*	(38.504.401)	*(390.453)*
OPERATING PROFIT		**397.056**		**14.356.757**	
of which: non recurring items		***4.862.254***		***-***	
Financial income	*6.25*	240.195		960.916	
Financial expenses	*6.25*	(2.124.875)		(5.696.249)	
Net exchange differences	*6.25*	164.981		(485.566)	
Net result of investments accounted for using the equity method	*6.26*	283.179	*283.179*	355.510	*355.510*
RESULT BEFORE TAXES		**(1.039.464)**		**9.491.368**	
of which: non recurring items		***7.657.076***		***-***	
Income taxes	*6.27*	514.927		(2.645.380)	
NET RESULT		**(524.537)**		**6.845.988**	
of which: non recurring items		***7.657.076***		***-***	
- Attributable to Group shareholders		*(524.537)*		*6.845.988*	
- Attributable to minority shareholders		-		-	
RESULT PER SHARE - BASIC (in euro)	***6.28***	**(0,08)**		**1,49**	
RESULT PER SHARE - DILUTED (in euro)	***6.28***	**(0,08)**		**1,05**	

CONSOLIDATED ISTATEMENT OF CASH FLOW ACCORDING TO CONSOB RESOLUTION N. 15519 OF 27/07/2006

VALUES IN EURO	30/06/09	*of which related parties*	30/06/2008 (restated)	of which related
Net result	(524.537)		6.845.988	
Adjustments (sub-total)	5.720.926		8.404.613	
Depreciation and amortization	4.655.405		3.785.258	
Net change in deferred tax assets and liabilities	289.695		133.478	
Net result of investments accounted for using the equity method	(283.179)	(285.179)	(355.510)	
Change in employee benefits	(1.077.423)			
Change in inventories	22.543.648		(8.689.293)	
Change in trade receivables	16.223.466	105.982	1.962.493	205.737
Change in trade payables	(35.036.689)		11.568.187	
Net change in other receivables/payables and other assets/liabilities	(1.593.997)	(165.007)		(62.756)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)	**5.196.389**		**15.250.601**	
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	(558.367)		(4.773.636)	
Acquisition of intangible fixed assets	(3.481.268)		(3.254.333)	
Disposal/(Purchase) investments accounted for using the equity method	-		(823.625)	(823.625)
Change in financial receivables and other financial assets	-		840.523	
Net disposal of tangible and intangible fixed assets	609.083		143.425	
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	**(3.430.552)**		**(93.341.548)**	
Cash flow from financing activities				
Change in current financial liabilities and other	1.618.665		(510.934)	
Net purchase of treasury stocks	-		92.560	
Increases in loans and borrowings	22.279.051		170.874.547	
Repayment of loans and borrowings	(22.533.017)		(78.794.543)	
Net change in financial lease liabilities	(424.523)		(438.826)	
Other changes in equity	(923.192)		(1.314.759)	
Dividends paid	-		(2.990.000)	
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)	**16.984**		**86.918.045**	
Net change in cash and equivalents (D=A+B+C)	**1.782.821**		**8.827.098**	
Cash and equivalents beginning of period (E)	**14.467.456**		**21.551.369**	
Cash and equivalents end of period (F=D+E)	**16.250.277**		**25.299.277**	

Chapter 6. EXPLANATORY NOTES

COMPANY INFORMATION

PRIMA INDUSTRIE S.p.A.'s corporate mission is the design, manufacturing and sale of machines and mechanical systems, electrical and electronic equipment and the related software programs for use in industrial automation or in other segments in which the Company's technology may be usefully employed.
The main activity is focused in the cutting and welding laser machines segment.

PRIMA North America Inc. (incorporated in terms of American Law) is structured into two divisions:

- CONVERGENT LASERS DIVISION: which designs, manufactures, sells and provides assistance in respect of industrial lasers throughout the world.
- LASERDYNE SYSTEMS DIVISION: which designs, manufactures, sells and provides assistance in respect of Laserdyne systems throughout the world. These systems are specialized in the use of lasers for the production of components for aeronautic engines and turbines for the generation of energy.

PRIMA INDUSTRIE GmbH (incorporated in terms of German Law) offers management, promotional and support activities to the German market.

PRIMA FINN-POWER SWEDEN AB (incorporated in terms of Swedish Law) offers management, promotional and support activities to the Scandinavian market.

PRIMA FINN-POWER UK LTD. (incorporated in terms of English Law) offers management, promotional and support activities to the English market and neighbouring markets.

PRIMA FINN-POWER CENTRAL EUROPE Sp.zo.o. (formerly PRIMA FINN-POWER POLSKA Sp.z.o.o.) (incorporated in terms of Polish Law), offers management, promotional and support activities to the Eastern European market.

PRIMA INDUSTRIE (Beijing) Co. Ltd. (incorporated in terms of Chinese Law) has been operating from the second quarter of 2008 and provides assistance for the Chinese market.

PRIMA ELECTRONICS S.p.A.'s corporate mission is the design, manufacturing and sale of mechanical, electrical and electronic equipment, systems and installations and the relevant software programs bearing the PRIMA ELECTRONICS, OSAI and TECHMARK trademarks. The company may also acquire and grant manufacturing licences.

This company is the parent company of the group composed of the following firms:

- OSAI USA Llc., wholly-owned subsidiary
- OSAI UK Ltd., wholly-owned subsidiary
- OSAI GmbH, wholly-owned subsidiary (in liquidation with procedure starting in the second quarter of 2009)

The FINN-POWER Group, with head offices in Kauhava in Finland, with production facilities in Finland and Italy and subsidiaries in Italy, Germany, France, Belgium, Spain, the United States and Canada, works mostly in the field of machines for sheet metal working (punching machines, cell punching machines-shears and laser punching machines, automatic bending and related automation systems) and, to a lesser extent, in the laser cutting machine sector, the sector in which the PRIMA INDUSTRIE Group leads.
FINN-POWER products are positioned in high range products and are known for being highly versatility and well-size as well as being automated to a high degree: the company is renowned for its flexible production systems operating throughout the whole factory.

FINN-POWER OY (purchased by PRIMA INDUSTRIE S.p.A. in February 2008) is the parent company of the Group made up as follows:

- FINN-POWER ITALIA S.r.l., wholly-owned subsidiary, whose mission, on the one hand, is to manufacture FINN-POWER production line (panel system machines), and on the other hand, to sell and support all FINN-POWER products on the Italian market.
- FINN-POWER GmbH, a wholly-owned subsidiary, sales and support company.
- PRIMA FINN-POWER FRANCE Sarl, a wholly-owned subsidiary, sales and support company
- PRIMA FINN-POWER NV, a wholly-owned subsidiary, sales and support company.
- PRIMA FINN-POWER IBERICA,SL, held 78.3% (the remaining 21.7% is held by PRIMA INDUSTRIE S.p.A.), a sales and support company.
- BALAXMAN OY, wholly-owned subsidiary
- PRIMA FINN-POWER North America, a wholly-owned subsidiary, sales and support company.
- PRIMA FINN-POWER CANADA Ltd., a wholly-owned subsidiary, sales and support company.

FORM AND CONTENT

The condensed consolidated interim financial statements for the PRIMA INDUSTRIE Group at 30/06/2009 have been drawn up on the assumption of a “going concern” (for more details see "Accounting Principles" Note) and according to the International Financial Reporting Standards issued by the International Accounting Standards Board and approved by the European Union (defined as "IFRS"), and to the laws and regulations applicable in Italy (with particular reference to the Decree Legislative 58/1998 and subsequent amendments, and the Regulations issued by CONSOB). “IFRS” mean also the International Accounting Standards (IAS) still in force, as well as all the interpretational documents issued by the International Financial Reporting Interpretations Committee (“IFRIC”) previously known as the Standing Interpretations Committee (“SIC”).

The condensed consolidated interim financial statements were prepared in accordance with IAS 34 "Interim Financial Statements" and do not include all the information required in the annual Financial Statements and must be read together with the annual Financial Statements prepared for the year ended 31/12/08, which should be referred to for more details.

The condensed consolidated interim financial statements of the PRIMA INDUSTRIE Group are expressed in euros, which is also the currency in use in the economies in which the Group mainly operates.

Foreign subsidiaries are included in the condensed consolidated interim financial statements in accordance with the principles described in the Note entitled "Accounting Principles" in the Consolidated Financial Statements as of 31/12/08.

The Balance Sheet information as at 31/12/2008, the Income Statement information as well as that relative to the cash-flow for the first six months of 2008 were presented for comparative purposes; we have also set out the movements in shareholders' equity for the first six months of 2008 in application of IAS 1 (Presentation of the Financial Statements). As already explained in the opening of the document, in accordance with the provisions of IFRS 3 the comparative information relating to 30/06/2008 was presented as purchase price allocation(acquisition of the FINN-POWER Group) had already been completed by the acquisition date (04/02/2008).

Completion of the purchase price allocation (FINN-POWER Group)

As of 31/12/2008 the PRIMA INDUSTRIE Group finally completed the cost allocation of FINN-POWER Group acquisition (which took place on 04/02/2008) based on the provisions of IFRS 3.

As a result of the above, in order to give the reader a better insight into the information and in compliance with the provisions of IFRS 3, the information as of 30/06/08 has been re-presented, as if the effects of the cost allocation had taken place from 04/02/2008, the date of the acquisition of the FINN-POWER Group.

The effects on the results of the financial year and on the shareholders' equity are as follows.

Reconciliation between result and Shareholders' equity after completing the purchase price allocation (PPA) IFRS 3 (values expressed in thousands of euro)	*Shareholders' equity at 30.06.08*	*Result at 30.06.08*
Consolidated Financial Statements PRIMA INDUSTRIE Group (ante PPA)	**54.804**	**7.832**
Intangible fixed assets	7.955	(1.321)
Tangible fixed assets	1.728	(12)
Non-instrumental investments in real estate	(2.542)	-
Other non-current receivables	1.271	-
Other current liabilities	790	-
Deferred taxes	(10.188)	347
Consolidated Financial Statements PRIMA INDUSTRIE Group (post PPA)	**53.818**	**6.846**

For more details in relation to this acquisition please refer to Chapter “7. BUSINESS COMBINATIONS AND ACQUISITION OF MINORITY INTERESTS" in the Consolidated Annual Financial Statements for the year ended 31/12/2008.

ACCOUNTING PRINCIPLES

Going concern of the company

The condensed consolidated interim financial statements as of 30/06/2009 were drawn up taking into account the going concern of the company as far as it is reasonably expected that PRIMA INDUSTRIE will continue its business operations in the foreseeable future.

In particular, the following factors have been taken into account which are not considered, in current conditions, to be enough to generate significant doubts over the outlook of continuity of operations for the Group:

- the main risks and uncertainties to which the Group is exposed and which are referred to in the information in the section entitled "Foreseeable developments in management and outlook for the current year";
- the expected positive outcome of the measures taken to contain the financial debt by initiating discussions with financing banks, taking account of the fact that up to today, financial contractually stipulated deadlines have been honoured and that, although in the absence of a formal document, the intention is to proceed with a capital increase by the end of year the amount of which is likely to be between 15 and 20 million euros. For the description of these factors refer to the following paragraphs "Net financial position" and "Foreseeable development of the management and outlook for the current year";
- the identification, analysis, objectives and policy of financial risk management (market risk, credit risk and liquidity risk), described in Note 6.32 "Financial risk management".

Accounting criteria and consolidation principles

The accounting criteria and the consolidation principles adopted for the preparation of the condensed consolidated interim financial statements as of 30/06/2009 are in line with those used in the annual consolidated financial statements as of 31/12/2008, to which reference is made, without prejudice to the new principles/interpretations adopted by the Group as of 1 January 2009 (in particular IAS 1 revised) and described below as well as adjustments requested by the nature of interim report.

In particular and at the time of preparing the condensed consolidated interim financial statements as of 30/06/09, income tax for the six months for the individual consolidated companies was determined on the basis of the best estimate possible in relation to the information available and of the reasonable estimate of the trend for the financial year until the end of the tax period.

Use of accounting estimates

The preparation of the interim Financial Statements requires management to make estimates and assumptions that have an effect on the value of revenues, costs and the assets and liabilities in the Financial Statements and on the report relating to the potential assets and liabilities at the date of the Interim Financial Statements. In the future should these estimates and assumptions which are based on management's best assessment, differ from the actual circumstances, they will be amended appropriately in the period in which the circumstances themselves change. In particular and at the time of preparing the condensed consolidated interim financial statements as of 30/06/09, income tax for the period for individual consolidated companies was determined on the basis of the best estimate possible in relation to the information available and on the reasonable estimate of the trend for the financial year until the end of the tax period.

Set out below is a list of the main accounting items whose formulation required management to formulate subjective assumptions and estimates to a great extent:

- Impairment of goodwill: goodwill is periodically subjected to impairment test based on the forecast of future cash flows generated by the afore-mentioned business units. The estimates of the cash flows are based on the best forecast of the future results and require a series of assumptions relative to the trend of the reference markets, the competitive situation and the costs of production. In the event that the estimates are found to be inadequate, a re-determination of the value of the goodwill recorded in the Financial Statements will be made, with possible negative effects on income statement.
- Deferred taxes: deferred taxes on assets and liabilities recorded in the Financial Statements are determined by applying the tax rates to the differences between the statutory value and the fiscal one recognized for that asset or liability that it is presumed will be applicable in the different countries in the year in which the timing difference are expected to disappear. The deferred taxes relating to fiscal losses that can be carried over to future financial years are recorded in the Financial Statements only if and to the extent that management believes more likely than not that in future financial years the company concerned will achieve a positive tax result that will allow the deferred tax loss to be absorbed. If after the estimate was made, circumstances intervene that result in a change to the estimates or the rate used for the calculation of the deferred taxes, the items recorded in the Financial Statements will be adjusted.
- Provisions for inventory obsolescence: in determining the provision for inventory obsolescence the Group companies effect a series of estimates relative to the future demand for the various types of products and materials in stock, on the basis of production plans and past experience of customer demand. If these estimates are found to be inappropriate, this will be translated into an adjustment to the provision for obsolescence with the related impact in the Income Statement.
- Provisions raised to the allowance for doubtful receivables: the provisions raised to the allowance for doubtful accounts are determined on the basis of an analysis of the individual debt positions, in the light of collection of receivables and the relationships with the individual customers. If there is an unexpected worsening of the financial situation of an important customer, this could result in the need to adjust the allowance for doubtful receivables, with the consequent negative effects on the Income Statement.
- Employee benefits: in many of the Group's companies (particularly in Italy, Germany and France) benefit programmes exist, prescribed by labour agreements or by law. Benefits are received on the termination of the working relationship. The determination of the amount to be recorded in the Financial Statements requires actuarial estimates to be made that take into account a series of assumtions relating to parameters such as the annual rate of inflation, the growth in wages, the annual rate of staff turn-over and other variables. Any change in these parameters requires a re-adjustment of the actuarial estimates and consequently an adjustment of the amounts disclosed in the Financial Statements.

New Standards and Interpretations enacted by the EU, which came into effect on 1 January 2009.

It is stated that in the first half of 2009 the Group has acknowledged, and, where applicable, adopted the following Standards, Interpretations and Updates to the standards previously published:

- IAS 1 (update) – Presentation of financial statements. The new version of the Standard requires that all the changes in shareholders' equity generated by transactions other than those in place by the owners have to be entered in a single statement on the Income Statement or in a separate statement called "Statement of comprehensive income". The Group has adopted this second option;
- IFRS 8 – Operating segments. This standard replaces IAS 14 (Segment reporting) and introduces the approach in which segments must be identified with the same methods with which internal reporting is prepared for senior management. The adoption of this standard has had no impact on the reporting provided by the Group;
- IAS 23 (update) – Borrowing costs. The update has no impact on the Group;
- IAS 32 (update relating to "Puttable financial instruments and obligations arising on liquidation") – Financial instruments: Presentation. The update has no impact on the Group;
- IAS 39 (update) – Financial instruments: Recognition and measurement. The update has no impact on the Group;
- IFRIC 13 – Customer loyalty programmes. The interpretation has no impact on the Group;

In addition, the Group has not decided for early adoption of the following Standards, Interpretations and Updates to Standards already published, and approved by the European Community, mandatory in periods subsequent to the current period:

- IFRS 3 (update) – Business combinations. This standard will become effective for financial years subsequent to 1 January 2010.

Improvements to the IFRS (IASB year of issue 2008)

On 23 January 2009 EC Regulation No. 70-2009 was enacted which implemented some changes made to the IFRS within the Community.
The main changes which came into force on 1 January 2009 are indicated below:

- IAS 1 (Presentation of financial statements): assets and liabilities relating to financial derivatives not owned for business purposes and that do not constitute financial guarantee contracts or hedging instruments must be stated in the financial statements by distinguishing between current and non-current assets and liabilities in respect of their maturity;
- IAS 16 (Property, plant and equipment): the change gives details on the classification and on the accounting treatment to be adopted by an entity that in the course of its ordinary activities normally sells owned for hiring property, plant and equipment to others;
- IAS 19 (Employee benefits): the change introduced, to be applied prospectively, clarifies the behaviour to be adopted in the case of changes to employee benefits, it defines the reporting method for the cost/income relating to past benefits and points out the definition of short-term benefits and of long-term benefits;
- IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance): the change, to be applied prospectively, sets out that the benefit

of a loan from a public body at a lower rate interest than that of the market is treated as a public contribution;

- IAS 23 (Borrowing costs): the change consists of a better clarification of the definition of borrowing costs;
- IAS 28 (Investments in associates): the change establishes that, in the case of holdings measured with the shareholders' equity method, a possible loss of value must not be allocated to the individual companies (and in particular any goodwill) that comprise up the holding's carrying value, but the value of the investment as a whole. Therefore, in conditions of a subsequent restoration of value, this restoration must be granted full recognition;
- IAS 36 (Impairment of assets): the change requires that additional information is provided if the fair value less costs to sell is determined using discounted cash flow projections;
- IAS 38 (Intangible assets): the change provides that if the company sustains charges with future economic benefits without the recording of intangible assets, these charges should be recorded in the income statement when the company has the right to access the good, if it relates to purchasing goods, or in which the service is provided, in the case of purchasing services. Furthermore, the standard was changed to clarify in which cases it is possible to adopt the "unit of production method" for amortisation of the intangible asset with a defined useful life;
- IAS 39 (Financial instruments: recognition and measurement): the change clarifies how the new effective rate of return should be calculated for a financial instrument at the end of a hedge report in “fair value hedge”; it also specifies the cases in which it is possible to re-classify a derivative instrument inside or outside the category of “fair value by means of the income statement”.

The application of the “Improvements to IFRS (2008)” has not led to any significant effect on the condensed consolidated interim financial statements as of 30 June 2009.

<u>New Standards and Interpretations enacted by the EU, but not yet in force</u>
Improvements to IFRS (IASB year of issue 2008): 2008)
On 23 January 2009 EC Regulation No. 70-2009 was enacted which implemented some changes made to the IFRS within the Community, among which is that relating to IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations). This change provides that if an entity undertakes a sales programme that involves the loss of control of a subsidiary it should classify all the subsidiary's assets and liabilities as held for sale, irrespective of the fact that, after the sale, it retains a minority holding in the former subsidiary.
The new version of IFRS 5 comes into force on 1 January 2010.
It is not expected that the application of these provisions will have any effect on the Group's consolidated financial statements.

IFRS 3R (Business combinations) and IAS 27R (Consolidated and Separate Financial Statements)
On 3 June 2009 EC Regulation No. 494-2009 and EC No. 495-2009 were issued which implemented the revised versions of standards IFRS 3R and IAS 27R within the Community.
IFRS 3R introduces some changes in the accounting treatment of business combinations that will result in an impact on the amount of goodwill recorded, on the results that will be recorded in the period in which the acquisition and the results of subsequent periods.

IAS 27R provides that a change in the share held by the parent company in a subsidiary that does not cause a loss of control must be accounted for as a transaction on shareholders' equity, it clarifies the accounting treatment to be followed in case of loss of control in a subsidiary and provides that the share of losses attributable to minority shareholders is allocated to the Shareholders' equity for Third parties, even if this leads to a negative balance for the latter.

The changes to the standards should be applied from 1 January 2010 according to the perspective method and will therefore have effects on future acquisitions, disposals and transactions with minority shareholders. The advance application to the financial year 2009 is in any case permitted.

ACCOUNTING STATEMENT FORMAT

As far as the lay-out of the Financial Statements is concerned, the Group has elected to use the lay-out described herein below:

a) as regards the consolidated financial Balance Sheet the Company has adopted the lay-out which reflects the assets and liabilities distinguishing between "current" (i.e. liquid/due within one year) and "non current" (i.e. illiquid/due beyond one year);
b) as regards the consolidated Income Statement, the Company has adopted the lay-out which provides for the breakdown of costs by nature; the comprehensive consolidated Income Statement includes, in addition to the profit of the period, as in the consolidated income statement, the other variations of equity movements other than those with shareholders;
c) as regards the Statement of Changes in Stockholders' Equity, the Company adopted the lay-out that reconciles the opening and closing balances of each equity item both for the current period and the previous one;
d) as regards the Cash-flow Statement the Company elected the so-called "indirect" method, in which financial flow is determined net of operating activities adjusting profit and losses by effects of:
    - non-monetary elements such as depreciation, impairment, unrealised profits and losses on exchange rates and associated companies;
    - the changes in inventories, receivables and payables generated by operations;
    - other elements where the financial flows are generated by investment activities and financing.

It is stated, finally, that with reference to Consob Resolution No. 15519 of 27 July 2006 regarding the lay-out of the financial statements, additional specific lay-outs for the income statement and balance sheet have been inserted with evidence of significant relationships with related parties and non-recurring operations, in order to ensure better overall readability of the lay-out of the financial statements.

This Interim Financial Report was authorized for publications by the Board of Directors on 28/08/2009.

EXPLANATORY NOTES

The information contained in the Notes is expressed in euros, unless stated to the contrary.

NOTE 6.1 - TANGIBLE FIXED ASSETS

At 30/06/2009 tangible fixed assets amounted to 33,353 thousand euro, a decrease compared to 2,151 thousand euro as at 31/12/2008.

For more detail in regard to the above please refer to the table set out below.

Tangible fixed assets	Land and buildings	Machinery and equipment	Industrial and commercial equipment	Other assets	Fixed assets under construction	TOTAL
Values at 1 January 2008						
Historical cost	6.686.770	6.141.362	5.005.155	6.037.191	243.624	24.114.102
Accumulated Depreciation	(719.626)	(4.102.905)	(4.165.410)	(4.960.283)	-	(13.948.224)
Net value at 1 January 2008	**5.967.144**	**2.038.457**	**839.745**	**1.076.908**	**243.624**	**10.165.878**
Year 2008						
Net value at 1 January 2008	5.967.144	2.038.457	839.745	1.076.908	243.624	10.165.878
Changes in area of consolidation	21.047.799	9.660.101	-	6.679.180	-	37.387.080
Changes in area of consolidation on depreciation fund	(2.932.916)	(6.353.519)	-	(5.488.224)	-	(14.774.659)
Increases	3.612.005	1.156.641	479.373	1.183.930	207.444	6.639.393
Disposals	(404.846)	(42.515)	(67.216)	-	-	(514.577)
Depreciation fund use	128.784	17.510	57.321	-	-	203.615
Amort & deprec.	(1.105.264)	(1.413.639)	(393.656)	(885.637)	-	(3.798.196)
Impairment	-	(25.000)	-	-	-	(25.000)
Reclassification	-	2.760	-	-	(2.760)	-
Depreciation fund restatements	-	-	-	-	-	-
Exchange rate differences	180.922	128.280	-	103.040	-	412.242
Foex differences on accum. Deprec.	-	(84.030)	-	(107.879)	-	(191.909)
Net value at 31.12.08	**26.493.628**	**5.085.046**	**915.567**	**2.561.318**	**448.308**	**35.503.867**
Values at 1 January 2009						
Historic cost	31.122.650	17.021.629	5.417.312	14.003.341	448.308	68.013.240
Depreciation fund	(4.629.022)	(11.936.583)	(4.501.745)	(11.442.023)	-	(32.509.373)
Net value at 1 January 2009	**26.493.628**	**5.085.046**	**915.567**	**2.561.318**	**448.308**	**35.503.867**
1st half 2009						
Net value at 01.01.09	26.493.628	5.085.046	915.567	2.561.318	448.308	35.503.867
Changes in area of consolidation	-	-	-	-	-	-
Cnahes -consolidation area	-	-	-	-	-	-
Increases	-	111.920	153.293	157.450	135.704	558.367
Disposals	(738.887)	(152.800)	-	-	-	(891.687)
Utilisation of accumulated depreciation	210.026	63.795	-	-	-	273.821
Depreciation	(586.801)	(893.773)	(157.720)	(416.529)	-	(2.054.823)
Impairment	-	-	-	-	-	-
Restatements	8.783	-	-	-	-	8.783
Depreciation fund restatements	-	-	-	-	-	-
Exchange rate differences	-	(42.792)	(1.044)	(14.671)	-	(58.507)
Exchange rate differences on depreciation fund	-	32.591	(1.070)	(18.544)	-	12.977
Net value at 30.06.09	**25.386.749**	**4.203.987**	**909.026**	**2.269.024**	**584.012**	**33.352.798**
30.06.09						
Historical cost	30.392.546	16.937.957	5.569.561	14.146.120	584.012	67.630.196
Accumulated Depreciation	(5.005.797)	(12.733.970)	(4.660.535)	(11.877.096)	-	(34.277.398)
Net value at 30.06.09	**25.386.749**	**4.203.987**	**909.026**	**2.269.024**	**584.012**	**33.352.798**

During the six months certain disposals were made, mainly in FINN POWER OY. The reduction in the net book value of tangible fixed assets mainly reflects amortisations from the period, in front of not material net investments.

NOTE 6.2 – INTANGIBLE FIXED ASSETS

Intangible fixed assets at 30/06/2009 amounted to 153,999 thousand euro an increase compared to 31/12/2008 of 824 thousand euro.

The reader is referred to the table set out below for more details regarding the movements in the intangible fixed assets during the first six months of 2009.

Intangible fixed assets	Goodwill	Development costs	Other goods	TOTAL
Year 2008				
Net value at 1 January 2008	6.351.258	-	361.788	6.713.046
Changes in area of consolidation	96.077.967	2.847.623	44.719.356	143.644.946
Exchange differences	119.498	-	-	119.498
Increases/(decreases)	36.770	5.515.715	1.875.702	7.428.187
Reclassification	-	940.797	(940.797)	-
Amortis./Depreciation	-	(1.291.446)	(3.438.397)	(4.729.843)
Impairment	-		-	-
Net value at 31.12.08	**102.585.493**	**8.012.689**	**42.577.652**	**153.175.834**
1st half 2009				
Net value at 1 January 2009	102.585.493	8.012.689	42.577.652	153.175.834
Changes in the area of consolidation	-	-	-	-
Increases/(decreases)	-	3.012.828	468.440	3.481.268
Reclassification	-	-	-	-
Depreciation	-	(791.735)	(1.808.847)	(2.600.582)
Impairment	-		-	-
Exchange differences	(33.621)	(23.310)	-	(56.931)
Net value at 30 June 2009	**102.551.872**	**10.210.472**	**41.237.245**	**153.999.589**

The most significant item is Goodwill, which on 30/06/2009 amounted to 102,552 thousand euro. All Goodwill recorded in the Financial Statements relates to the higher value paid compared to the fair value of the business acquired.

The table below sets out the book value of the goodwill allocated to each cash generating unit.

UNIT GENERATING CASH FLOWS	GOODWILL BOOK VALUE 31/12/2008	GOODWILL BOOK VALUE 30/06/2009
FINN-POWER GROUP	96.078	96.078
OSAI (Service)	4.125	4.125
PRIMA NORTH AMERICA	2.192	2.158
MLTA	154	154
OSAI UK	37	37
TOTAL	**102.586**	**102.552**

Goodwill (being an asset with an undefined useful life) is not subject to depreciation and is annually subject to the impairment test. In light of the consolidated results from the first six months of 2009, the Group performed the impairment test on 30/06/2009 on the value of the main goodwill items (FINN-POWER Group, OSAI-Service and PRIMA NORTH AMERICA).
For purposes of the impairment test, the individual goodwill items entered acquired through business combinations, were allocated to the respective cash generating units, coinciding with the legal entity or group of enterprises to which they refer.
The purpose of this test is to demonstrate that goodwill items disclosed in the financial statements will be recovered by means of the discounted cash flows produced by the reference cash generating unit (CGU).
For which on 30/06/2009 the accounting value of the CGUs (including goodwill, intangible assets with a defined useful life identified in the acquisition and other net operational activities) was compared with their usage value, or the current value of expected future cash flows that is expected to arise from continuing use and any eventual divestiture of the asset at the end of its useful life.

The estimate of the recoverable value is based on plan data, updated to consider, where necessary, deviations between the final data from the first half of 2009 and the budget data. The plan data stretch up to 2014 for FINN-POWER and OSAI, and up to 2012 for PRIMA NORTH AMERICA. The expected flows for subsequent years to the last year of the respective plans have been perpetually capitalised.

The nominal growth rates (g) used for estimating the end value are as follows.

FINN-POWER Group	OSAI-Service	PRIMA NORTH AMERICA
0,50%	0,00%	0,00%

The cost of capital (WACC) was based on CAPM - Capital Asset Pricing Model (criterion used by the Group for the purpose of assessing the value in use in as re-called in Appendix A of IAS 36) and was calculated taking into account the sector in which the Group and the individual CGU operates, the structure of indebtedness and the current short-term situation, as well as the information contained in the analysts' report who follow the PRIMA INDUSTRIE Group.

The WACC used for estimating the end value are as follows.

FINN-POWER Group	OSAI-Service	PRIMA NORTH AMERICA
9,00%	10,00%	8,30%

With regard to the cash generating units for which the usage value was estimated, a sensitivity analysis of the results was also carried out compared with the weighted average cost of capital. In particular in relation to FINN-POWER goodwill it was also carried out with capital cost increases of 30 basis points (hundredths of a percentage point) and zeroing the rate of growth (g) continually, the usage values also in these cases no losses emerge from impairment; this is also due to the criterion of estimate of the flows based on the usage value that, in accordance with IAS 36 paragraph 44, may do not consider the expected benefits of possible investments of expansion, but only the flows necessary to maintain the level of economic benefits that are expected to arise from the CGU in its current condition. In particular the usage value of the CGU FINN-POWER at 30/06/2009 is higher than the carrying value of about 17 million euro.

The impairment test has not led to devaluations of the accounting values of the CGU undergoing measurement.

Among the Other capitalised fixed assets, fixed assets with a defined useful life are exposed on which part of the price paid for acquiring FINN-POWER was allocated, in the previous financial year: the “FINN-POWER” trademark, whose residual value at 30/06/2009 amounted to 22,205 thousand euro and the FINN-POWER Group's customer list (customer relations) is 11,900 thousand euro, respectively. The useful life of these two intangible assets is respectively 15 and 10 years.

The most significant increases in the first half-year of 2009 are those related to the costs relative to the assets for the development of new projects, where the technical feasibility and the ability to generate future financial benefits has been positively assessed, amounting to 3,013 thousand euro. It is indicated that, with reference to the activities in question taking account of the expected benefits from their exploitation, losses of value did not emerge.

NOTE 6.3 – NON-INSTRUMENTAL INVESTMENT PROPERTIES

This item has remained unchanged compared to 31/12/2008 and amounts to 158 thousand euro; the asset relates to an area zoned for agricultural purposes owned by FINN-POWER Italia, situated in Asola (MN). This area was valued by an independent appraiser during the financial year 2008.

NOTE 6.4 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The value of equity investments included in this item increase with respect to the past year, by 212 thousand euro. The change is due both to the allocation of the share of the result as well as to the adjustment of the value of the equity investments included in this item. The value disclosed in the condensed consolidated interim financial statements is reported as 4,190 thousand euro for the holding of 35% in Shanghai Unity Prima Laser Machinery Co. Ltd and as 84 thousand euro for the holding of 50% in SNK Prima Company Ltd.

NOTE 6.5 - OTHER INVESTMENTS

The item, Other Shareholdings, remains unchanged with respect to the previous year.

This item is made up as follows:

- Electro Power Systems (750 thousand euro);
- Sintesi Consortium (52 thousand euro).

The equity investment in Electro Power Systems is held by the subsidiary PRIMA ELECTRONICS and amounts to 3.08%, whereas the equity investment in Consorzio Sintesi is held by the parent company and amounts to 10%.

NOTE 6.6 - OTHER FINANCIAL ASSETS

The item Other financial assets remains largely stable compared with 31/12/2008. This value mainly refers to the policy of single premium capitalisation for 5 years, signed on 08/09/2004 by the parent company.

NOTE 6.7 – DEFERRED TAX ASSETS

Deferred tax assets for expected taxes amount to 5,635 thousand euro, a decrease compared to the previous financial year of 666 thousand euro.
The timing differences that these tax assets have generated are related to margins on unrealized inter group sales, warranty risk provisions and devaluation of receivables and inventory provisions; the reduction compared to 31/12/2008 was primarily due to the use of the warranty provision and the absorption of the inter group margins due to the fall in revenue. Prepaid taxes were accounted for in the Financial Statements only where the conditions for recovery exist.
The reasonableness of deferred tax assets was born in the previous financial year on the basis of the fact that the company on which the credit is disclosed has consolidated positive fiscal results, confirmed at 31/12/2008 (therefore, despite the drop in turnover, the estimate for current taxes at 30/06/2009 both for PRIMA INDUSTRIE and PRIMA ELECTRONICS reflects taxes payable for both corporation tax [IRES] and regional income tax [IRAP]).

In the light of the above and taking into account the considerations made in general regarding the going concern in the course of the first half of 2009 elements that would change the evaluations of the recoverability of deferred tax assets did not take place.

On some companies the FINN-POWER Group recognized deferred tax assets, while on the remaining there was no recognition, taking account of historic losses made, and consistent with the approach adopted in the previous financial year.

NOTE 6.8 - INVENTORIES

The table below sets out the breakdown of the inventories at 31/12/2008 and at 30/06/2009.

INVENTORY	30/06/09	31/12/08
Raw materials	40.406.424	42.879.564
(Raw materials write-down fund)	(3.527.540)	(3.887.811)
Unfinished products	11.621.319	22.196.967
(Unfinished products write-down fund)	(211.000)	(211.000)
Finished products	37.280.955	48.352.656
(Finished products write-down fund)	(1.926.933)	(3.143.503)
TOTAL	**83.643.225**	**106.186.873**

At 30/06/2009 the inventories amounted to 83,643 thousand euro net of the provision for write-downs of inventories totalling 5,665 thousand euro.
The value of stock inventories at 30/06/2009 shows a net decline of 22,544 thousand euro. The decrease compared to 31/12/2008 mainly related to semi finished and finished products. The decrease of the net value of inventories reflects the Group's capacity to adjust stocks to lower production levels. This decrease reflects, in addition to the decrease in production in response to the decrease of volumes, the above-mentioned strategy of destocking by the Group's companies (which has shown good capacities for adjusting stocks to lower production levels). In particular it shows that the reduction in finished products and semi finished products is attributable mainly to the reduction of the quantities in stock in view of an average unit value of stock without substantial changes.

NOTE 6.9 - TRADE RECEIVABLES

Trade receivables at 30/06/2009 amounted to 56,043 thousand euro and compared to the previous financial year the item recorded a decrease of 16,223 thousand euro.

TRADE RECEIVABLES	30/06/09	31/12/08
Trade receivables	61.639.962	77.302.380
Provision for doubtful receivables	(6.500.209)	(6.045.143)
Net trade receivables	**55.139.753**	**71.257.237**
Receivables due by related parties	902.788	1.008.770
Prov. doubtful receivables - related parties	-	-
TOTAL	**56.042.541**	**72.266.007**

Trade receivables due by related parties amount to 903 thousand euro and are illustrated in Note 6.29 “Report on related parties”. The slight reduction in trade receivables between 30/06/2009 and 31/12/2008 was determined by falling sales revenues.

With reference to the allowance for doubtful receivables significant changes did not appear, in view of the fact that the fall in receivables concerned mainly those due to mature; overdue receivables have fallen less than proportionally, maintaining the allowance for doubtful receivables at a satisfactory level.

NOTE 6.10 - OTHER RECEIVABLES

Other current receivables at 30/06/2009 amounted to 4,695 thousand euro and have decreased compared to the previous period by 2,765 thousand euro.
Other receivables mainly relate to accruals and prepayments, advances to suppliers, advances on travelling expenses paid to employees and research and development contributions.
Other non-current receivables fell overall by 1,232 thousand euro compared with at 31/12/2008, mainly due to the expiring of receivable from EQT (1,271 thousand euro) disclosed in application of a contractual clause and repaid in the context of the afore-mentioned transaction.

NOTA 6.11 – CURRENT TAX RECEIVABLES

The item amounts to 5,713 thousand euro as compared with 3,552 thousand euro in the previous year. Tax receivables are represented by VAT credits (3,700 thousand euro), advances of current taxes (1,628 thousand euro) and credit disclosed by PRIMA North America on inter annual losses (amounting to 385 thousand euro-See also Note 6.27). With reference to this last item, it has been shown that American tax law states that if a company has experienced a loss during the financial year 2009, it may ask the tax authorities to reimburse the tax paid in the preceding three financial years (in view of this request is not necessary to achieve, positive fiscal results in the future, it is necessary only to forward a request for reimbursement to the tax authorities). Therefore this item was included in the item "Current tax assets".

NOTA 6.12 - NET FINANCIAL POSITION

As of 30/06/2009 the Group's net financial positions shows a debt of 160,628 thousand euro, a fall compared with 31/12/2008 if 1,017 thousand euro. For a better understanding of the changes in the net financial position during the first half of 2009, the reader is referred to the cash-flow statement for the period.

As required by Consob Notice No. DEM/6064293 dated July 28, 2006, the table below sets out the net financial borrowings at 30.06.09 and 31/12/2008, determined by reference to the criteria specified by the Recommendations of the CESR (Committee of European Securities Regulators) dated February 10, 2005 entitled “Recommendations for the consistent implementation of the European Commission’s Regulation on Prospectuses” and referred to by Consob itself.

FINANCIAL POSITION			
	Values expressed in thousands of euro	30/06/09	31/12/2008 (*)
A	CASH	16.250	14.467
B	OTHER VALUABLES	-	-
C	SECURITIES HELD FOR TRADING	-	-
D	**CASH (A+B+C)**	**16.250**	**14.467**
E	**CURRENT FINANCIAL RECEIVABLES**	**-**	**-**
F	CURRENT BANK BORROWINGS	9.683	6.760
G	CURRENT PORTION OF NON-CURRENT LOAN	32.576	118.091
H	OTHER CURRENT FINANCIAL PAYABLES	15.296	2.952
I	**CURRENT FINANCIAL INDEBTEDNESS (F+G+H)**	**57.555**	**127.803**
J	**NET CURRENT FINANCIAL INDEBTEDNESS (I-D-E)**	**41.305**	**113.336**
K	NON CURRENT BANK PAYABLES	110.180	12.288
L	BONDS ISSUED	-	-
M	OTHER NON-CURRENT FINANCIAL PAYABLES	9.143	36.021
N	**NON -CURRENT FINANCIAL INDEBTEDNESS (K+L+M)**	**119.323**	**48.309**
O	**NET FINANCIAL INDEBTEDNESS (J+N)**	**160.628**	**161.645**

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

Net financial borrowings do not reflect, overall significant variations, although in the course of the first half-year the following movements have occurred:

- reclassification of current financial borrowings to non-current borrowings, the FINPOLAR financing following the formal communication, received in March 2009 of the redetermination of financial ratios ("covenants") by banks;
- reimbursement of the instalment on tranche A of the FINPOLAR financing on the expected date (4 February 2009) for 3.525 thousand euro;
- reduction of the other non-current financial payables of approximately 26.8 million euro related to the debt to EQT; this reduction reflects the compensation transaction already mentioned, which led to a reduction of the debt by approximately 14 million euro; the difference, of 12. 8 million euro, as the repayment is required by the end of year, has been restated under the heading "other current financial payables". To meet this commitment it was necessary to request that the banks finance the advance provision of tranche C of the FINPOLAR financing, whose contractual provision was originally scheduled for 2011;
- use of cash during the first half of 2009 of tranche D of the financing for FINPOLAR of 18,000,000 euro (compared with the total amount of 20,000,000 euro contractually agreed for this tranche). This form of use is allocated in the line "current part of non-current debt" although the line is contractually usable until 2016 at the request of the company.

CASH

The reader is referred to the Consolidated Cash-flow Statement for greater detail relative to the increase in liquidity.

BANK BORROWINGS

The main payable included in the bank borrowings is that stipulated with the pool of banks to purchase the FINN-POWER Group (FINPOLAR funding). This funding, that at 30/06/2009 amounted overall to 123,172 thousand euro is divided as follows:

- medium/long-term loan of 41,818 thousand (maturing in February 2015 with a six-monthly refund with constant share principal);
- medium/long-term loan of 63,354 thousand (maturing in February 2016 with a "bullet" reimbursement upon maturity);
- credit line for cash with a maximum principal amount of 20 million euro (up to now used for 18 million euro in cash).

As regards loan with six months repayment maturing in 2015 (tranche A), it is specified that both the installment maturing in February 2009, and that of August

2009 were regularly reimbursed with their respective maturities (the share principle of each installment amounts to 3,525 thousand euro).

As recalled in Chapter 3 “INTERIM MANAGEMENT REPORT", the FINPOLAR financing underwent some covenants (measured on the consolidated annual financial statements and renegotiated at the end of the previous year with their redrafting formalised on 12 March 2009, applicable at 31 December 2008 and 31 December 2009), which are set out below, with reference to 31/12/2009:

- EBITDA/Net financial costs on a consolidated basis not less than 2.1.
- EBITDA/Net financial costs ratio on a consolidated basis not higher than 6.9.
- Net financial costs/Shareholders' equity ratio on a consolidated base not higher than 2.5.

In non-current financial payables also are included the negative fair value of some financial derivative instruments (IRS – Interest Rate Swap) which in total amount to 7,388 thousand euro. The main contracts are those stipulated by PRIMA INDUSTRIE S.p.A. in partial hedging of the interest rate risk on the afore-mentioned loan for FINPOLAR. The efficacy tests carried out on hedging derivative contracts have highlighted at 30/06/2009, as at 31/12/2008, a substantial effectiveness ratio and therefore, as the other requirements set out in IAS 39 are also met, they are recorded by adopting the criterion of ”hedge accounting”.
Financial instruments, on which the efficacy tests were not carried out, in view of their characteristics, were recorded by entering the related fair value variations in the Income Statement.
The table below summarises the effects of the accounting of derivatives based on the consolidated financial statements at 30 June 2009 (values in thousands of euro):

Type	31/12/08	Effects on result	Effects on PN	30/06/09
Derivatives in Hedge Accounting	4.356	494	957	5.807
Derivatives not in Hedge Accounting	1.498	83	-	1.581
Total derivatives	**5.854**	**577**	**957**	**7.388**

Bank payables also include bank overdrafts of 5,288 thousand euro and other medium/long-term funding of 16,592 thousand euro.

OTHER FINANCIAL PAYABLES
Still in relation to the FINN-POWER business amongst the other current financial payables is 12,785 thousand euro of the price balance to be paid to the seller by 30/11/2009.

The other financial payables also include:
- payables for financial leasing (almost exclusively of a real estate nature) amounting to 8,674 thousand euro (of which 828 thousand euro current and 7,846 thousand euro non-current);
- current payables due to factoring houses amounting to 1,284 thousand euro;
- payables owed to other financers (mainly for low-interest ministerial loans) for 1,696 thousand euro (of which 1,297 thousand euro non-current).

MOVEMENT IN BANK BORROWINGS AND LOANS

The bank payables and loans of the PRIMA INDUSTRIE Group at 30/06/2009 (not including the fair value of derivatives) amount to 169,490 thousand euro and in the first half-year of 2009 the movements are set out in the table below.

PAYABLES TO BANKS AND LOANS	*thousands of euro*
Payables to Banks and loans - current portion (01/01/2009)	127.803
Payables to Banks and loans - non current portion (01/01/2009)	42.455
TOTAL PAYABLES TO BANK AND LOANS AT 01/01/2009	**170.258**
Changes in the area of consolidation	-
Stipulatio of loans and financing	22.279
Repayment of loans and mortgages	(22.533)
Net change in liabilities for financial leases and Sabatini transactions	(425)
Forex effect	(89)
TOTAL BANK BORROWINGS AND LOANS AT 30/06/2009	**169.490**
of which	
Payables to Banks and loans - current portion (30/06/09)	57.556
Payables to Banks and loans - non current portion (30/06/09)	111.934
TOTAL PAYABLES TO BANKS AND LOANS AT 30/06/2009	**169.490**

NOTA 6.13 - SHAREHOLDERS' EQUITY

During the half-year there were no extraordinary operations in relation to the shareholders' equity; for more details in relation to this item the reader is referred to the schedule of movements in shareholders' equity.

NOTA 6.14 - EMPLOYEE BENEFITS

The item EMPLOYEE BENEFITS is made up of the following:

- The Employees Severance Pay (TFR) recognised by the Italian companies to the employees;
- a fidelity bonus granted by the Parent Company and PRIMA ELECTRONICS to their employees;
- a pension fund recognised by PRIMA INDUSTRIE GmbH and PRIMA FINN-POWER FRANCE Sarl to their employees.

EMPLOYEE BENEFITS	30/06/09	31/12/08
Severance indemnity	6.921.963	8.002.738
Fidelity premium	1.022.032	1.018.680
TOTAL	**7.943.995**	**9.021.418**

The reduction compared with the financial year 2008 is due, basically, to the afore-mentioned operations with staff reorganization and the exit of staff encouraged through mobility.

NOTA 6.15 - DEFERRED TAX LIABILITIES

Tax liabilities for deferred taxes amount to 11,251 thousand euro and reflect a decrease compared to the previous financial year which amounted to 376 thousand euro.

It should be noted that this item also includes tax liabilities for deferred taxes on the trademark, on the customer list and on the real estate property in Cologna Veneta arising from the FINN-POWER business combination amounting to 9,518 thousand euro.

NOTA 6.16 - PROVISIONS

Provisions for risks and charges amount to 10,788 thousand euro an increase compared to 31/12/2008 of 272 thousand euro.
The most significant type is that relating to the Product Guarantee Reserve. The Product Guarantee Reserve relates to provisions made for work undertaken with technical guarantees on Group products and is considered to be appropriate in relation to the guarantee costs that must be incurred.
Non-current risk provisions refer exclusively to the customers agents allowance and amounted in total to 61 thousand euro (down from the 31/12/2008 by 26 thousand euro). Current risk provisions refer mainly to the product guarantee (7,659 thousand euro a fall of 1,326 thousand euro compared with at 31/12/2008). The reduction in the Guarantee Fund is the direct result of the decreasing sales in the first half of 2009 and the relative reduction of the machines pool under guarantee. Note that, compared to 31/12/2008; the Group has registered a provision for corporate reorganisation of 330 thousand euro. This provision is for the mobility procedure activated by PRIMA ELECTRONICS. At 30/06/2009 restructuring costs disclosed on the Income Statement amounted to 492 thousand euro, of which 162 thousand were already paid and 330 thousand were allocated as a risk provision.

NOTA 6.17 - TRADE PAYABLES, ADVANCES AND OTHER PAYABLES

The value of this payable has decreased compared to 31/12/2008 by a total amount of 37,824 thousand euro. Trade payables and advances are the types of payables that decreased the most, mainly following reduced sales volumes.
In particular, by examining the reduction of trade receivables and payables shows a more than proportionate decrease of the second ones compared with the first emerged, an effect mainly attributable to the renegotiation of payment terms with suppliers by the FINN-POWER Group. It should be noted that the item *Advances from customers* includes both advances on orders relative to machines not yet delivered, as well as those generated by the application of IAS 18 relative to machinery already delivered, but not yet accepted by the end customer and thus not accountable as revenue.

For more detail please refer to the table set out below.

TRADE AND OTHER PAYABLES	30/06/09	31/12/08
Trade payables	42.627.320	65.870.443
Trade payables	**42.627.320**	**65.870.443**
Advances from customers	20.424.376	32.217.942
Advances from customers	**20.424.376**	**32.217.942**
Social security and welfare payables	2.839.222	4.305.511
Amounts due to employees	4.577.374	5.698.629
Other short-term payables	3.228.971	4.049.225
Accrued expenses and deferrals income	9.283.201	8.662.639
Other payables	**19.928.768**	**22.716.004**

NOTA 6.18 - CURRENT TAXES LIABILITIES

The tax liabilities for current taxes at 30/06/2009 amount to 1,909 thousand euro. The main liability relates to payables for income taxes.

NOTE 6.19 - NET REVENUES FROM SALES AND SERVICES

The income from sales and services has already been dealt with both in chapter 3 of this document: "GROUP INTERIM MANAGEMENT REPORT" in the paragraph entitled "INCOME AND PROFITABILITY" and in note 6.31 – Segment report.

NOTE 6.20 - OTHER INCOME

The item Other income amounts to 1,835 thousand euro and mainly includes research grants, gains on the disposal of fixed assets and certain casual profits. A part of the economic effect of the EQT transaction amounting to 222 thousand euro has also been accounted for in this item.

NOTE 6.21 - INCREASES IN FIXED ASSETS FOR INTERNAL WORK

The increases for internal work at 30/06/2009 amounted to 3,391 thousand euro and mainly relate to the capitalisation of the development activities of new projects (3,013 thousand euro), where the technical feasibility and the ability to generate future financial benefits have been verified.

NOTE 6.22 - PERSONNEL COSTS

The personnel costs at 30/06/2009 amount to 39,674 thousand euro and decreased compared to the corresponding period of the previous financial year despite it having taken into account the personnel costs of the FINN-POWER Group for only five months. The decrease is attributable to effective actions to reduce costs undertaken by the Group, both by adjusting staff and by using welfare mechanisms whose ordinary cash integration in Italy or equivalent instruments in other countries.

NOTE 6.23 - DEPRECIATION

The depreciation for the half-year increased compared to the corresponding period in 2008, above all due to the increased incidence of the research and development and software costs.

It should be noted that the amortization of the trademark and of "customer list" totaled 1,254 thousand Euro.

NOTE 6.24 - OTHER OPERATING EXPENSES

Other operating expenses for the first half of 2009 amounted to 19,014 thousand euro compared with 38,504 thousand at 30/06/2008. The decrease refers to 6,031 thousand euro to the effects of the accounting of compensation received by EQT. The remaining part of the reduction is instead correlated to decrease in revenue in addition to the effects of the actions undertaken by the Group's management for cost containment.

NOTE 6.25 - FINANCIAL INCOME

The net financial management for the first half of 2009 was negative amounting to 1,720 thousand euro.

FINANCIAL MANAGEMENT	30/06/09	30/06/08
Financial income	240.195	960.916
Financial expenses	(2.124.875)	(5.696.249)
Net result from forex transactions	164.981	(485.566)
TOTAL	**(1.719.699)**	**(5.220.899)**

The financial expenses related to the FINPOLAR funding supported by PRIMA INDUSTRIE amount to 2,457 thousand euro, while the net financial charges on derivatives concluded by the Group amount to 577 thousand euro. It should be emphasised that the item Financial Expenses is net of income result from settlement with EQT totalling 2,795 thousand euro, due to 1,730 thousand euro for cancelling the financial expenses recorded on payables and for 1,065 thousand euro for the indemnification received on interest payments recorded on delayed payments to suppliers.

NOTE 6.26 – NET RESULT OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

At 30/06/2009 this item amounted to 283 thousand euro and, compared to the previous financial year, decreased by 72 thousand euro. The result recoded in the Income Statement refers to the valuation of Chinese JV Shanghai Unity PRIMA Laser Machinery Co Ltd (SUP).

NOTA 6.27 –CURRENT AND DEFERRED TAXES

Taxes on income in the first half of 2009 showed a net income of 515 thousand euro; this is due largely to registration of tax credits on research (for Italian companies) and the registration of a tax credit for inter annual losses of PRIMA North America. Taxes are determined based on regulations in force in the various countries and are calculated as if the half-year was an independent tax period. The decrease in the absolute value of the tax charge, which occurred in the first half of the year of 2009 compared with the same period the previous year, comes in addition to the afore-mentioned effects from the reduction of the results in the Group's companies.

NOTA 6.28 - EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share are determined by dividing the result attributable to shareholders of the parent company by the average number of shares in circulation in the period, excluding ordinary shares bought by the Parent Company, held as its own shares in the portfolio.

In the course of the first half of 2009, the shares in circulation amounted to 6,400 thousand; therefore the earnings per share for the first half of 2009 amounted to a loss of 0.08 euro per share (compared with a profit of 1.49 euro per share for the first half of 2008).

BASIC EARNINGS PER SHARE	30/06/09	30/06/08
Earnings due to stockholders (€/1,000)	(525)	6.846
Weighted average - number of ordinary shares	6.400.000	4.599.000
Basic earnings per share (€)	(0,08)	1,49

(b) Diluted earnings per share

The diluted earnings per share are calculated by dividing the earnings attributable to shareholders of the parent company by the weighted average of shares in circulation, adjusted to take account of the effects of all potential ordinary shares with diluting effect.

DILUTED EARNINGS PER SHARE	30/06/09	30/06/08
Earnings due to stockholders (€/1,000)	(525)	6.846
Weighted average - number of ordinary shares	6.400.000	4.599.000
Adjusted average number of ordinary shares	6.526.000	6.549.000
Diluted earnings per share (€)	(0,08)	1,05

Those linked to the stock option plan were considered as potential ordinary shares with a dilutive effect.

As regards the stock option plan, see the paragraph in this document specifically dedicated to this matter.

NOTE 6.29 – REPORT ON RELATED PARTIES

In addition to relations with the strategic management, operations with associated parties, mainly concern suppliers of laser systems and components with joint ventures from the Far East. These supplies took place at market values.

The table below summarises the capital and financial effects of transactions with related parties.

JV OPERATIONS	SHENYANG PRIMA LASER MACHINE CO. LTD	SHANGHAI UNITY PRIMA LASER MACHINERY CO. LTD	WUHAN OVL CONVERGENT	TOTAL OPERATIONS WITH JV
RECEIVABLES AT 01/01/2009	159.226	-	849.544	1.008.770
RECEIVABLES AT 30/06/2009	154.226	748.562	-	902.788
PAYABLES AT 01/01/2009	46.065	-	-	46.065
PAYABLES AT 30.06.09	46.065	-	-	46.065
REVENUES 01/01/09 - 30/06/2009	10.126	1.572.583	3.836	1.586.545
COSTS 01/01/09 - 30/06/2009	-	-	-	-
CHANGE IN RECEIVABLES 01/01/09 - 30/06/2009	(5.000)	748.562	(849.544)	(105.982)
CHANGE IN PAYABLES 01/01/09 - 30/06/2009	-	-	-	-

OPERATIONS WITH RELATED PARTIES	STRATEGIC MANAGEMENT
RECEIVABLES AT 01/01/2009	-
RECEIVABLES AT 30/06/2009	-
PAYABLES AT 01/01/2009	329.209
PAYABLES AT 30/06/2009	164.202
REVENUES 01/01/09 - 30/06/2009	-
COSTS 01/01/09 - 30/06/2009	783.025
CHANGE IN RECEIVABLES 01/01/09 - 30/06/2009	-
CHANGE IN PAYABLES 01/01/09 - 30/06/2009	(165.007)

OPERATIONS WITH RELATED PARTIES	TOTAL
RECEIVABLES AT 01/01/2009	1.008.770
RECEIVABLES AT 30/06/2009	902.788
PAYABLES AT 01/01/2009	375.274
PAYABLES AT 30/06/2009	210.267
REVENUES 01/01/09 - 30/06/2009	1.586.545
COSTS 01/01/09 - 30/06/2009	783.025
CHANGE IN RECEIVABLES	-
01/01/09 - 30/06/2009	(105.982)
CHANGE IN PAYABLES	-
01/01/09 - 30/06/2009	(165.007)

NOTE 6.30 - SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

In accordance with CONSOB memorandum of 28 July 2006 No. DEM/6064293, it is stated that the following significant non-recurring transactions occurred in the first half of 2009:

- the afore-mentioned transaction with EQT whose description and related effects (income of 9,049 thousand euro) refer to paragraph "SIGNIFICANT EVENTS THAT TOOK PLACE DURING THE FIRST HALF";
- the procedure of voluntary mobility (law 223/1991) which involved the staff of PRIMA ELECTRONICS and which included non-recurring costs of 492 thousand euro.

Some non-recurring events also occurred in the FINN-POWER Group, which matured non-recurring costs of 899 thousand euro, mainly related to a dispute with a customer attributable to previous management (340 thousand euro) and to staff reorganisation costs (224 thousand euro).

NOTE 6.31 – SEGMENT REPORT

It is pointed out that not all the data given below are directly related with those presented in Chapters 3-"GROUP INTERIM MANAGEMENT REPORT" and "4-ECONOMIC TREND BY SEGMENT", as these are expressed including inter-sector parties.

Information by business segment

The infra-segment revenues were determined on the basis of market prices by adopting the "cost plus" method.

The Group's operating segments are the three below:
- Laser Systems
- Electronics
- Metal Sheet machinery

The main segment details are set out below.

Segment result - 30/06/2009	Laser systems	Electronics	Metal Sheet Machines	Not allocated	Group
Total segment revenues	46.568	13.295	65.304	-	125.167
(Inter-segment revenues)	(5.427)	(1.158)	(497)	-	(7.082)
Revenues	**41.141**	**12.137**	**64.807**	-	**118.085**
Operating results	1.488	(329)	(762)	-	397
Net financial income/expenses	(208)	(337)	(1.175)	-	(1.720)
Income/expenses from affiliates and joint ventures	283	-	-	-	283
Pre-tax profit	-	-	-	-	**(1.040)**
Taxes	-	-	-	-	515
Net result	-	-		-	**(525)**

Segment result - 30.06.08	Laser systems	Electronics	Metal Sheet Machines	Not allocated	Group
Total segment revenues	70.311	23.117	91.750	-	185.178
(Inter-segment revenues)	(401)	(3.448)	-	-	(3.849)
Revenues	**69.910**	**19.669**	**91.750**	-	**181.329**
Operating results	8.761	1.890	3.706	-	14.357
Net financial income/costs	(2.294)	(345)	(2.582)	-	(5.221)
Income/costs from affiliates and joint ventures	355	-	-	-	355
Pre-tax profit	-	-	-	-	**9.491**
Taxes	-	-	-	-	(2.645)
Net Result	-	-	-	-	**6.846**

Segment depreciations - 30/06/2009	Laser systems	Electronics	Metal Sheet Machines	Not allocated	Group
Amortisation of tangible fixed assets	425	330	1.300	-	2.055
Amortisation of intangible fixed assets	279	53	2.268	-	2.600
Total	**704**	**383**	**3.568**	**0**	**4.655**

Segment depreciations - 30/06/2008	Laser systems	Electronics	Metal Sheet Machines	Not allocated	Group
Amortisation of tangible fixed assets	394	296	917	-	1.607
Amortisation of intangible fixed assets	183	17	1.978	-	2.178
Total	**577**	**313**	**2.895**	**0**	**3.785**

Segment assets and liabilities - 30/06/2009	Laser systems	Electronics	Metal Sheet Machines	Not allocated	Group
Assets	110.155	31.534	190.659	27.966	360.314
Affiliates and joint ventures	4.326	750	-	-	5.076
Total assets	**114.481**	**32.284**	**190.659**	**27.966**	**365.390**
Liabilities	**27.969**	**12.617**	**61.126**	**190.039**	**291.751**

Segment assets and liabilities - 31/12/2008	Laser systems	Electronics	Metal Sheet Machines	Not allocated	Group
Assets	145.189	32.627	198.624	24.688	401.128
Affiliates and joint ventures	4.114	750	-	0	4.864
Total assets	**149.303**	**33.377**	**198.624**	**24.688**	**405.992**
Liabilities	**50.985**	**14.549**	**74.806**	**190.565**	**330.905**

Information by geographical area

For details relating to the revenues subdivided by geographical area see what is revealed in Chapter 3 "GROUP INTERIM MANAGEMENT REPORT", in the paragraph "Income and profitability".

NOTE 6.32 – FINANCIAL RISK MANAGEMENT

The Group's financial instruments, intended to finance operating activities, include bank financing, financial leasing contracts and factoring, bank deposits payable on demand and in the short term. There are other financial instruments, such as trade receivables and payables, arising from operations.
The Group has also performed operations in derivatives, such as “Interest Rate Swap – IRS” contracts. The aim of these instruments is to manage the interest rate risk generated by the Group's operations and its financing sources.
The main risks from the Group's afore-mentioned financial instruments are the interest rate risk, the exchange rate risk, the credit risk and the liquidity risk.
The Group has adopted a specific policy to correctly manage financial risks with the aim of protecting its activities and its capacity to create value for shareholders and for all stakeholders.
As expected in the report on operations, the PRIMA INDUSTRIE Group is mainly exposed in the following risk categories:

- Interest rate risk
- Exchange rate risk
- Credit risk
- Liquidity risk

Detailed below are the objectives and policies of the Group for managing the risks listed above.

Interest rate risk

The debt position towards the credit system and the capital market can be negotiated at a fixed rate or a variable rate.

The variation of market interest rates generates the following risk categories:

- a increase change in market rates exposes the risk of higher costs to be paid on the share of debt at variable rates;
- a decrease change in market rates exposes the risk of excessive costs to be paid on the share of debt at fixed rates;

In particular the strategies adopted by the Group to address this risk are the following:

- Interest rate → Management/Hedging

The exposure to the interest rate is structural in nature, as net financial position generates net financial charges subject to the volatility of the interest rate, according to the conditions laid down with the contractual financial counterparties.
Consequently the strategy identified is Management/Hedging and is specified in:

- Continuous monitoring of the exposure to the interest rate risk;
- Hedging activities by means of derivative financial instruments.

Exchange rate risk

The debt position towards the banking system and the capital market, and to other creditors can be expressed in the correct account currency (euro), or in other account currencies.
In this case the financial burden of the debt in currency is subject to the interest rate risk not from the euro market, but from the currency market chosen.

The attitude and the strategies to be pursued towards the risk factors are determined from a plurality of elements that affect both the characteristics of the reference markets, and their impact on company financial statement results.
Four possible strategic separate directions for operational management of the individual risk factors may in fact, be identified:

- "Avoid" strategy (Avoidance)
- Acceptance
- Management/Hedging
- "Market Intelligence" (Speculation)

In particular the strategies adopted by the Group to address this risk are the following:

- Exchange rate → Management/Hedging

The exposure of the exchange rate risk resulting from financial factors is currently contained as the company does not assume financing in currencies other than euro, with the exception of some funding in the USA of the subsidiary PRIMA North America, for which US dollars constitutes the reference currency.
With regard to balance of payments, the exposure to exchange rate risk is sufficiently reduced on a Group level, as trade flows in US Dollars (the only really relevant account currency other than the euro) of the subsidiary PRIMA North America Inc., PRIMA FINN-POWER North America Inc. and OSAI USA Inc. (who only operate in US dollars) are partially balanced by flows from the parent company PRIMA INDUSTRIE S.p.A. and PRIMA ELECTRONICS (who bought a considerable amount of components whose price is tied to the US dollar). The Group, therefore, tends to minimise recourse to financial markets for hedging because of the benefit arising from this natural hedging.
In any case PRIMA INDUSTRIE carries out frequent monitoring to detect the existence of natural hedging at Group level.
As regards account currencies other than the US dollar, which regard almost exclusively some subsidiaries who engage in sales and after-sales support, the strategy for risk management is rather of acceptance, either because it is generally for items of a modest value, or the difficulty in finding suitable hedging instruments.

Credit risk

The Group only deals with known and reliable customers; in addition, the balance of credits is monitored during the financial year so that the amount of exposure to losses is not significant. For this reason PRIMA INDUSTRIE recently set up a Group credit management office.

It is noted that part of the receivables from customers are sold through factoring operations.
There are no significant concentrations of credit risk in the Group.

Financial activities are exposed in the financial statements net of write-downs calculated based on the risk of counter-party non-compliance, determined considering the information available on the customer's solvency and possibly considering historic data.

The credit risk concerning the Group's financial activities is a maximum risk which amounts to the net accountable value of these activities in the event of the counter-party's insolvency.

Liquidity risk

The liquidity risk is the risk that the financial resources are not sufficient to meet the financial and commercial obligations in terms of pre-determined deadlines and timetables. The liquidity risk which the Group is subjected to may arise from delays in payment of their sales and more generally, from difficulties obtaining funding to support operational activities within the time needed. The cash flows, the need for financing and liquidity for the companies in the Group are monitored or centrally managed under the control of the Group's treasury, with the objective of ensuring effective and efficient management of financial resources.

The Group operates with the aim of collection operations on different financial markets and with various technical forms, with the aim of ensuring a fair level of liquidity either current or future. The strategic objective is to ensure that at any time the Group has sufficient credit lines to meet financial deadlines for the next twelve months.

The persistence of the current difficult context of the markets both operational and financial requires particular attention to liquidity risk management and in that sense particular attention is paid to measures to generate financial resources necessary to support operational activity, and to deal with financial needs in the short-term. To this end, the Group expects to meet the financial needs regarding deadlines and planned investments through the cash available and the use of credit lines. For more information and considerations on this point see “Chapter 3. GROUP INTERIM MANAGEMENT REPORT” in paragraph “NET FINANCIAL POSITION”.

On the basis of the information referred to above and the positive expected outcome of actions undertaken to retrieve financial resources necessary to support short-term needs, the liquidity risk is considered suitably monitored.

NOTE 6.33 – SUBSEQUENT EVENTS

No events took place after the reference date for the Interim Financial Report which, if known previously, would have resulted in an adjustment to the values recorded.

on behalf of the Board of Directors
The Chairman

____
Mr. Gianfranco Carbonato.

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Certification of the Condensed Financial Statements for the six months in terms of Section 81-ter of Consob Regulations no. 11971 as amended.

1. We the undersigned, Gianfranco Carbonato and Massimo Ratti, respectively the Managing Director and the Manager in charge of preparing the Corporate Accounting documents of PRIMA INDUSTRIE SpA, taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24th February 1998, hereby certify the following:

- the suitability in relation to the company's characteristics and
- the effective application of the administrative and accounting procedures for preparing the Condensed Interim Financial Statements, during the period 1 January 2009 - 30 June 2009;

2. In this regard no significant events emerged.

3. We also hereby certify, that

3.1 the condensed interim financial statements:

a) were drawn up in accordance with the existing rules and the applicable international accounting standards recognised in the European Community pursuant to EC Regulation No. 1606/2002 of the European Parliament and Council, of 19/07/2002;
b) reflect the situation as described in the accounting documentation;
c) are suitable to provide a truthful and accurate representation of economic and financial situation of the issuer and all its consolidated companies.

3.2 the interim management report includes a reliable analysis of the references to important events that occurred in the first six months of the financial year and their impact on the condensed interim financial statements, together with a description of the main risks and uncertainties for the remaining six months of the financial year. The interim management report also includes a reliable analysis of the information on significant transactions with related parties.

Collegno, 28 August 2009

SIGNATURE OF THE MANAGING DIRECTOR GIANFRANCO CARBONATO	SIGNATURE OF THE MANAGER IN CHARGE OF THE CORPORATE ACCOUNTING DOCUMENTS MASSIMO RATTI
______________________	______________________