



PRESS RELEASE

ITALIAN STOCK EXCHANGE – STAR SEGMENT

PRIMA INDUSTRIE

APPROVED THE COMPANY DRAFT FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS 2010

**THE GROUP RETURNS TO A NET PROFIT IN THE FOURTH QUARTER OF THE YEAR
FOR 2.3 MILLION EUROS.**

**THE WHOLE YEAR HIGHLIGHTS WELL IMPROVING REVENUES, PROFITABILITY,
NET DEBT AND ORDERS**

(in brackets the results as at 31/12/09)

- **Consolidated REVENUES at 250.0 M€ (against 231.9 M€);**
- **EBITDA at 10.4 M€ (against 6.2 M€);**
- **EBIT at 0.4 M€ (against -3.9 M€);**
- **NET RESULT at -6.0 M€ (against -8.7 M€);**
- **NET FINANCIAL POSITION at -141.3 M€ (against -150.1 M€);**
- **ORDER BACKLOG at 82.3 M€ (against 65.1 M€), further improving to 100.7 M€ as at 28/02/11.**

Collegno (TO), February 21, 2011 – Prima Industrie S.p.A, a leader in high technology laser systems, sheet metal working systems and electronic components for industrial applications, met today to approve the company draft financial statements as at 31/12/2010 and the consolidated financial statements.

The year 2010 has been a transition year after the effects of the deep economic and financial crisis occurred during the two year period 2008-2009. In such context the whole sector of capital goods and machine tools, that experienced the worst year ever in 2009, recorded during 2010 a good recovery.

Consolidated revenues for the Group Prima Industrie as at 31/12/2010 are 250,007 thousand Euros, growing by 7.8% against the year 2009 (231,886 thousand Euros). Such increase was outlined starting from the second quarter of the year, after a first quarter which, on one side reflected the weak order acquisition of 2009, and on the other side was compared to a first quarter 2009 which was positive, thanks to the order backlog acquired in 2008, before the crisis.

Therefore, as from the second quarter 2010, a turnaround occurred and the Group sales recorded an average increase of over 20% compared to the same period of the previous year.

For more details, see the following table:

<i>Revenues (€/000)</i>	<i>I Quarter</i>	<i>II Quarter</i>	<i>III Quarter</i>	<i>IV Quarter</i>	<i>12 months</i>
Year 2010	48.060	66.452	54.153	81.342	250.007
Year 2009	66.675	51.410	46.343	67.458	231.886
Change	(18.615)	15.042	7.810	13.884	18.121
Change%	-28%	29%	17%	21%	8%



Following is a geographic breakdown of consolidated revenues as at 31/12/2010 compared with the year 2009.

Revenues	December 31, 2010		December 31, 2009	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
Italy	54.196	21,7	51.862	22,4
Europe	84.226	33,6	97.388	42,0
North America	46.911	18,8	38.207	16,5
Asia and Rest of the World	64.674	25,9	44.429	19,1
TOTAL	250.007	100,0	231.886	100

Sales by geographic area highlight a shift in revenues from Europe to the extra-European markets (in which the turnover is about 45% of the total consolidated). In Italy there was an improvement (in absolute values) thanks to the effects in the first six months of the so-called Tremonti-ter. As a consequence of the US market recovery, the north-American area grew from 16.5% to 18.8%.

Following is a revenues break down by business segment:

Revenues	December 31, 2010		December 31, 2009	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
Laser Systems	105.508	42,2	91.123	39,3
Electronics	31.573	12,6	28.218	12,2
Sheet metal machinery	137.666	55,1	127.104	54,8
Inter-sector revenues	(24.740)	(9,9)	(14.559)	(6,3)
TOTAL	250.007	100,0	231.886	100,0

The analysis by segment shows that all the sectors increase against the year 2009. The higher inter-sector revenues testify for a higher degree of the Group integration.

In order to complete the information about 2010 revenues, following is a breakdown (net from inter-sector items) both by segment and geographic area:

Revenues	Italy	Europe	North America	Asia and Rest of the World	TOTAL
<i>euro thousand</i>					
Laser Systems	22.378	29.043	12.108	29.065	92.594
Electronics	13.014	11.806	1.009	1.665	27.494
Sheet metal machinery	18.804	43.377	33.794	33.944	129.919
TOTAL	54.196	84.226	46.911	64.674	250.007

The laser systems segment carried out sales for 31% in Europe, for 24% in Italy and shows a very important presence also in Asia and rest of the world (31% of the total), where satisfying results were achieved in China (14,645 thousand Euros). The Electronics segment is present mostly in Italy and in Europe (in particular sales for 6,330 thousand Euros were achieved in Benelux and for 2,427 thousand Euros in Spain). Eventually the Sheet metal processing machines segment has a considerable weight in North America, Italy, Northern Europe and China.

The Group revenues do not include sales recorded by the Chinese JVs (consolidated with the equity method), amounting to about 59.3 million Euros in 2010 (more than doubled against 2009); in particular the JV SHANGHAI UNITY PRIMA (held for 35%) recorded revenues for 52.5 million Euros with a net profit of 5.3 million Euros.

The **value of production** at 31/12/2010 is 257,998 thousand Euros, increasing by 16% against the same period of the previous year (increase of 35,805 thousand Euros). The value of production includes increases for internal work for 6,905 thousand Euros (7,141 thousand Euros in 2009); such costs refer mainly to investments in R&D activities.



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Performance indicators	December 31, 2010		December 31, 2009	
	<i>Euro thousand</i>	<i>%</i>	<i>Euro thousand</i>	<i>%</i>
EBITDA	10.369	4,1	6.243	2,7
EBIT	352	0,1	(3.863)	(1,7)
EBT	(5.123)	(2,0)	(9.644)	(4,2)
NET RESULT	(5.965)	(2,4)	(8.696)	(3,8)

Group **EBITDA** is 10,369 thousand Euros (4.1% on sales), against 6,243 thousand Euros as at 31/12/2009 (2.7% on sales).

It is worth mentioning that EBITDA in 2009 benefited from positive non recurring items (mainly related to the EQT settlement).

As highlighted by the following tables, starting from the second quarter of 2010 the Group was again profitable at an operating level, recording better results than in the year 2009 and always improving, reaching in the last quarter of the year an EBITDA of 5.5 million Euros.

<i>EBITDA (€/000)</i>	<i>I Quarter</i>	<i>II Quarter</i>	<i>III Quarter</i>	<i>IV Quarter</i>	<i>12 months</i>
Year 2010	(1.713)	4.071	2.486	5.525	10.369
Year 2009	1.852	3.200	(473)	1.664	6.243
Change	(3.565)	871	2.959	3.861	4.126

The comparison with 2009 is even more significant if analyzed net from the non recurring items

<i>EBITDA norm. (€/000)</i>	<i>I Trimestre</i>	<i>II Trimestre</i>	<i>III Trimestre</i>	<i>IV Trimestre</i>	<i>12 mesi</i>
Esercizio 2010	(1.569)	3.267	1.675	5.729	9.102
Esercizio 2009	2.615	(2.425)	256	(229)	217
Variazione	(4.184)	5.692	1.419	5.958	8.885

Following is the EBITDA break down by segment, gross of inter-sector items:

EBITDA	December 31, 2010		December 31, 2009	
	<i>Euro thousand</i>	<i>%</i>	<i>Euro thousand</i>	<i>%</i>
Laser Systems	3.267	31,5	1.484	23,7
Electronics	3.882	37,4	2.129	34,1
Sheet metal machinery	3.781	36,5	2.831	45,4
Inter-sector eliminations	(561)	(5,4)	(201)	(3,2)
TOTAL	10.369	100,0	6.243	100,0

Consolidated **EBIT** for the year 2010 is 352 thousand Euros (negative 3,863 thousand Euros as at 31/12/2009). This result is affected by tangible assets depreciation for 3,139 thousand Euros and intangible assets amortization for 6,625 thousand Euros; as for the latter 2,531 thousand Euros relate to the amortization of the definite useful life assets accounted for in the Finn-Power Group business combination in 2008 (brand and customer list) and 3,006 thousand Euros relate to the development costs amortization.

Consolidated **EBT** as at 31/12/2010 is negative 5,123 thousand Euros; such value includes net financial charges (including profit and loss on exchange rates) for 7,275 thousand Euros.

We point out in particular financial charges for the loan signed in 2008 for the FINN-POWER Group acquisition (hereafter "FINPOLAR loan") for 4,379 thousand Euros and net financial charges for derivatives (mainly related to the FINPOLAR loan) for 2,153 thousand Euros. It has to be specified that the financial management is favorably influenced by the sale of the JV OVL, which produced a plus value of 528 thousand Euros.

The EBT is favorably influenced by the extremely positive result recorded in 2010 by the Chinese JV Shanghai Unity PRIMA for 1,838 thousand Euros.



The **NET RESULT** as at 31/12/2010 is negative 5,965 thousand Euros improving against last year by 2,731 thousand Euros (it was negative 8,696 thousand Euros as at 31/12/2009). Taxes in the year 2010 were 843 thousand Euros. We remind that the three Italian companies applied to the National tax consolidation.

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As at 31/12/2010 the Group **net debt** is negative 141,268 thousand Euros, improving against the previous year by 8,823 thousand Euros (150,091 thousand Euros as at 31/12/2009).

Value expressed in Euro thousand	31/12/2010	31/12/2009
CASH & CASH EQUIVALENTS	(14.838)	(15.084)
CURRENT FINANCIAL RECEIVABLES	(2)	-
CURRENT FINANCIAL LIABILITIES	45.310	44.163
NON CURRENT FINANCIAL LIABILITIES	110.798	121.012
NET FINANCIAL LIABILITIES	141.268	150.091

In order to give a better information about the Group net debt at 31/12/2010, we remind that:

- In February 2010 a share capital increase was closed for a counter value, including premium, of 15,232 thousand Euros;
- Debt for leasing is 2,373 thousand Euros;
- Bank debt includes negative fair value of some derivatives for 7,830 thousand Euros; the main derivatives of the Group are the IRS subscribed by the parent company to partially cover the interest rate risk over the FINPOLAR loan (the subscription was part of the financing agreement);
- debt for factoring are 514 thousand Euros.

The main components of the Group Net Debt as at 31/12/2010 is represented by the FINPOLAR loan, whose latest maturity date is February 2016.

The remaining debt relevant to that loan as at 31/12/2010 is 128,048 thousand Euros (including interests accrued and excluding the fair value of the derivatives subscribed for a partial hedge).

It is under way a negotiation with the financing banks pool in order to retune the loan itself. The renegotiation is based on a Group Industrial long term Plan which has been assessed by an Independent Business Review carried out by BAIN & COMPANY.

R&D activities of the Group in 2010 amounted to 14,296 thousand Euros (that is 5.7% on sales); the capitalized share was 6,323 thousand Euros (of which 2,371 thousand Euros in the Laser Segment, 2,990 thousand Euros in the Sheet Metal processing machinery and 962 thousand Euros in the Electronics segment).

The **order acquisition** (including after-sale service) as at 31/12/2010 was 271.8 ,million Euros, with a 28% growth over 2009.

In particular in the fourth quarter of the year the order collection (85.6 million Euros) recorded an increase of almost 50% over the corresponding period of 2009. With a monthly average of 28.5 million Euros, this represents the best quarterly result since mid 2008, before the worsening of the economic worldwide crisis.

In the last quarter of the year the geographic break down shows the increasing weight of China which represents about 11% of the total collected (not considering the amount collected by the non consolidated Chinese JVs) and the strong recovery of the North- American market (about 26% of the total collected).

The consolidated **order backlog** (not including spare parts and after sale service) as at 31/12/2010 is 82.3 million Euros increasing by over 26% against 65.1 million Euros as at 31/12/2009.

As at 28/02/2011 the backlog further increased to 100.7 million Euros (about +22% against the end of 2010).



As at 31/12/2010 the Group **employees** were 1,353, decreasing by 110 units against 1,463 as at 31/12/2009. The reduction, to be considered within a policy aiming at the cost reduction and at a higher workforce flexibility, affected mostly the Sheet metal processing machines segment.

The **parent company Prima Industrie S.p.A.** as at 31/12/2010 showed the following results:

Performance indicators	Year 2010		Year 2009	
	Euro thousand	%	Euro thousand	%
REVENUES	75.454	100,0	63.243	100,0
EBITDA	3.920	5,2	1.040	1,6
EBIT	2.337	3,1	(122)	(0,2)
EBT	3.891	5,2	(3.444)	(5,5)
NET RESULT	3.437	4,6	(2.554)	(4,0)

Commenting the results approved, Gianfranco Carbonato, Chairman and CEO of Prima Industrie, said *"The results of the year just closed shows comforting signs of recovery after the deep crisis of the markets, with all the performance indicators on the upgrade; the year 2011 is a very important year not only to confirm the markets recovery, but also because the Group celebrates the third anniversary from the Finn-Power acquisition and the completion of the reorganization of the operations and of the structure of the resulting new Group. As a mark of the completed integration, the Group is going to introduce itself to the market with a new brand for the products and new logos to represent the new spirit of the Group, although always with an eye kept on the over thirty-year successful history both of Prima Industrie and Finn-Power."*

The Board of Directors resolved to call the Ordinary Shareholders' meeting to approve the company financial statements as at 31/12/2010 and to appoint the new Board of Directors for the period 2011-2013 on April 28 (first call) and April 29, 2011 (second call). In the same date the Extraordinary Shareholders meeting will be called in order to resolve some bylaws amendments relating to new clauses introduced by Law Decree n. 27/2010, on the subject of shareholders' rights and on the subject of the new Procedure for the Transactions with related parties, approved by the company pursuant to Consob resolution n. 17221/2010.

The Board of Directors will propose to the Shareholders' meeting to assign the company net profit of 3,436.5 thousand Euros to the Legal reserve for 1,586.4 thousand Euros, and to Extraordinary Reserve for 1,850.1 thousand Euros.

"The manager responsible for preparing the company's financial reports, Massimo Ratti, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records".

The Company Top Management will comment the results just approved during the STAR Conference planned by Borsa Italiana S.p.A. in Milan on March 22nd, 2011.

The company draft financial statements as at December 31, 2010, with all the related documents, and the directors reports for the Shareholders' meeting, will be available at the Company registered offices, at Borsa Italiana and will be also available on the company website www.primaindustrie.com, under section "Investors" within the legal terms.



PRIMA INDUSTRIE heads a leading Group in developing, manufacturing and marketing of laser systems for industrial applications, sheet metal processing machinery, and opto-electronic components. The parent company Prima Industrie S.p.A. is listed on the Italian Stock Exchange since 1999 (MTA – STAR segment). With over 30 years of experience the Group can count on over 10,000 machines installed in more than 60 countries worldwide and is among the main worldwide manufacturers in its own reference market.

The Group has about 1350 direct employees (besides some 200 employees in the Chinese JVs) and manufacturing sites in **Italy** (PRIMA INDUSTRIE S.p.A, PRIMA ELECTRONICS S.p.A, FINN-POWER Italia Srl), **Finland** (FINN-POWER Oy), **USA** (PRIMA North America Inc.) and **China** (Shanghai Unity Prima Ltd.) as well as a commercial direct presence in France, Spain, Germany, UK, Belgium, Poland, Russia, USA, Canada, China and UAE.

The Prima Industrie Group is structured on 2 Business Units:

Laser and sheet metal processing machines: including design, manufacturing and marketing of:

- Laser machines for cutting, welding and drilling of 3D and 2D components.
- Machines for sheet metal treatment by means of mechanical tools (punching machines, combined punching/shearing systems, combined punching/laser cutting systems, panel benders and automation systems).

Opto-electronic components: including development, manufacturing and marketing of power and control electronics, and of high-power laser sources for industrial applications, destined both to the Group machines and to third parties.

For further information:

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CONSOLIDATED BALANCE SHEET

Values in Euro	31/12/2010	31/12/2009
Property, plant and equipment	25.012.944	26.446.492
Intangible assets	153.754.370	153.850.327
Investment properties	-	158.000
Investments accounted for using the equity method	7.094.101	4.699.761
Other investments	938.670	880.853
Other non current financial assets	-	-
Deferred tax assets	5.150.271	4.916.371
Other non current assets	68.785	18.696
NON CURRENT ASSETS	192.019.141	190.970.500
Inventories	70.151.228	71.807.653
Trade receivables	64.594.764	58.823.172
Other receivables	6.977.985	4.398.680
Current tax receivables	4.691.311	5.984.885
Derivatives	1.714	-
Cash and cash equivalents	14.837.872	15.083.752
CURRENT ASSETS	161.254.874	156.098.142
TOTAL ASSETS	353.274.015	347.068.642
Capital stock	21.600.337	16.000.000
Legal reserve	2.733.635	2.733.635
Other capital reserves	52.226.002	45.185.605
Currency translation reserve	(347.660)	(2.384.892)
Retained earnings	5.997.695	12.138.832
Net result	(5.965.272)	(8.695.527)
Stockholders' equity of the Group	76.244.737	64.977.653
<i>Minority interest</i>	-	-
STOCKHOLDERS' EQUITY	76.244.737	64.977.653
Interest-bearing loans and borrowings	103.019.395	113.495.746
Employee benefit liabilities	7.019.791	7.503.809
Deferred tax liabilities	10.910.840	10.902.912
Provisions	67.091	67.754
Derivatives	7.778.856	7.516.059
NON CURRENT LIABILITIES	128.795.973	139.486.280
Trade payables	59.067.818	51.429.488
Advance payments	19.094.705	19.664.435
Other payables	14.130.459	15.398.252
Interest-bearing loans and borrowings	45.256.498	44.160.205
Current tax payables	2.461.577	2.671.847
Provisions	8.169.063	9.277.398
Derivatives	53.185	3.084
CURRENT LIABILITIES	148.233.305	142.604.709
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	353.274.015	347.068.642



CONSOLIDATED INCOME STATEMENT

Values in Euro	31/12/2010	31/12/2009
Net revenues	250.006.768	231.885.849
Other income	4.549.822	6.621.171
Change in inventories of finished goods and WIP	(3.463.583)	(23.455.299)
Increases in fixed assets for internal work	6.904.774	7.141.233
Use of raw materials, consumables, supplies and goods	(118.023.115)	(96.044.496)
Personnel cost	(76.207.574)	(77.950.213)
Depreciation	(9.763.926)	(9.932.146)
Amortization and impairment	(252.798)	(174.025)
Other operating expenses	(53.398.543)	(41.954.734)
OPERATING PROFIT	351.825	(3.862.660)
Financial income	775.434	335.781
Financial expenses	(8.417.153)	(6.400.837)
Net exchange differences	366.897	(99.055)
Net result of investments accounted for using the equity method	1.800.252	382.610
RESULT BEFORE TAXES	(5.122.745)	(9.644.161)
Income taxes	(842.527)	948.634
NET RESULT	(5.965.272)	(8.695.527)
- Attributable to Group shareholders	(5.965.272)	(8.695.527)
- Attributable to minority shareholders	-	-
RESULT PER SHARE - BASIC (in euro)	(0,71)	(1,36)
RESULT PER SHARE - DILUTED (in euro)	(0,71)	(1,36)



CONSOLIDATED STATEMENT OF CASH FLOWS

VALUES IN EURO	31/12/2010	31/12/2009
Net result	(5.965.272)	(8.695.527)
Adjustments (sub-total)	6.537.033	23.229.550
Depreciation and amortization	10.016.724	10.106.171
Net change in deferred tax assets and liabilities	(225.972)	660.619
Net result of investments accounted for using the equity method	(1.800.252)	(794.089)
Change in employee benefits	(484.018)	(1.517.609)
Change in inventories	1.656.425	34.379.220
Change in trade receivables	(5.771.592)	13.442.835
Change in trade payables	7.068.600	(26.994.462)
Net change in other receivables/payables and other assets/liabilities	(3.922.882)	(6.053.135)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)	571.761	14.534.023
Cash flow from investments		
Acquisition of tangible fixed assets	(1.649.426)	(1.142.825)
Acquisition of intangible fixed assets	(171.322)	(460.137)
Capitalization of development costs	(6.323.420)	(6.500.781)
Disposal/(Purchase) investments accounted for using the equity method	(94.000)	-
Net disposal of fixed assets and investment properties	317.077	639.919
Devaluation of Shenyang investment	-	5.519.940
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	(7.921.091)	(1.943.884)
Cash flow from financing activities		
Change in other non current financial liabilities and other minor items	(467.951)	1.816.902
Increases in loans and borrowings (including bank overdrafts)	11.737.418	38.167.243
Repayment of loans and borrowings (including bank overdrafts)	(21.208.316)	(43.802.684)
Increases/(repayments) in financial lease liabilities	(190.057)	(885.953)
Change in finan. lease liab. due to the amendment of Kauhava lease contract	-	(5.855.258)
Capital increase	15.212.584	(290.680)
Other changes	2.019.772	(1.123.413)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)	7.103.450	(11.973.843)
Net change in cash and equivalents (D=A+B+C)	(245.880)	616.296
Cash and equivalents beginning of period (E)	15.083.752	14.467.456
Cash and equivalents end of period (F=D+E)	14.837.872	15.083.752



PRIMA INDUSTRIE S.p.A. - BALANCE SHEET

Values in Euro	31/12/2010	31/12/2009
Property, plant and equipment	6.729.443	7.005.903
Intangible assets	4.316.362	3.676.161
Investment properties	95.278.464	105.554.984
Investments accounted for using the equity method	1.487.760	1.487.760
Other investments	51.832	51.832
Financial assets - loans to the subsidiaries	89.336.197	68.759.461
Other financial assets	15.942.506	14.035.206
Deferred tax assets	1.802.439	2.174.635
Other non current assets	10.222	9.704
NON CURRENT ASSETS	214.955.225	202.755.646
Inventories	17.174.151	14.307.982
Trade receivables	32.615.423	25.949.433
Other receivables	1.808.925	763.152
Current tax receivables	1.771.619	1.672.792
Derivatives	1.714	-
Other current financial assets	400.679	5.300.188
Cash and cash equivalents	458.034	1.332.089
CURRENT ASSETS	54.230.545	49.325.636
TOTAL ASSETS	269.185.770	252.081.282
Capital stock	21.600.337	16.000.000
Legal reserve	2.733.635	2.733.635
Other reserves	52.226.002	45.185.605
Retained earnings (losses)	(1.572.844)	(1.572.844)
Net result	3.436.529	(2.554.390)
STOCKHOLDERS' EQUITY	78.423.659	59.792.006
Interest-bearing loans and borrowings	99.277.643	109.223.537
Employee benefit liabilities	3.204.590	3.303.740
Deferred tax liabilities	695.426	552.888
Provisions	4.675.085	67.754
Derivatives	6.406.560	6.069.424
NON CURRENT LIABILITIES	114.259.304	119.217.343
Trade payables	26.876.790	19.040.651
Advance payments	2.869.487	2.715.746
Other payables	8.083.519	12.866.188
Interest-bearing loans and borrowings	35.306.947	35.100.246
Current tax payables	682.879	928.018
Provisions	2.630.000	2.418.000
Derivatives	53.185	3.084
CURRENT LIABILITIES	76.502.807	73.071.933
TOTAL LIABILITIES AND EQUITY	269.185.770	252.081.282



PRIMA INDUSTRIE S.p.A. - INCOME STATEMENT

Values in Euro	31/12/2010	31/12/2009
Net revenues	75.453.690	63.243.072
Other income	2.915.025	2.101.779
Change in inventories of finished goods and WIP	694.990	(7.597.184)
Increases in fixed assets for internal work	1.717.940	2.320.864
Use of raw materials, consumables, supplies and goods	(39.459.646)	(26.717.781)
Personnel cost	(17.797.515)	(16.189.973)
Depreciation	(1.582.901)	(1.162.199)
Amortization and impairment	-	-
Other operating expenses	(19.604.623)	(16.120.932)
OPERATING PROFIT	2.336.960	(122.354)
Financial income	13.517.740	2.887.548
Financial expenses	(11.795.321)	(5.896.270)
Net exchange differences	(168.221)	99.016
Net result of investments in associates and joint ventures	-	(411.479)
RESULT BEFORE TAXES	3.891.158	(3.443.539)
Income taxes	(454.629)	889.149
NET RESULT	3.436.529	(2.554.390)



PRIMA INDUSTRIE S.p.A. - STATEMENT OF CASH FLOWS

VALUES IN EURO	31/12/2010	31/12/2009
Net result	3.436.529	(2.554.390)
Adjustments (sub-total)	(6.952.353)	15.295.502
Depreciation and amortization	1.582.901	1.162.199
Re-establishment of PRIMA North America value	(11.279.671)	-
Devaluation of PRIMA FINN-POWER GMBH	325.198	-
Net change in deferred tax assets and liabilities	514.734	(359.837)
Change in employee benefits	(99.150)	(162.965)
Change in inventories	(2.866.169)	12.224.060
Change in trade receivables	(6.665.990)	7.139.646
Change in trade payables and advance payments	7.989.880	(15.887.940)
Net change in other receivables/payables and other assets/liabilities	3.545.914	11.180.339
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)	(3.515.824)	12.741.112
Cash flow from investments		
Acquisition of tangible fixed assets	(275.564)	(350.122)
Acquisition of intangible fixed assets	(105.824)	(152.691)
Capitalization of development costs	(1.565.670)	(2.267.961)
Establishment/capital increase PRIMA (Beijing)	(566.765)	(100.000)
Acquisition of PRIMA FINN-POWER IBERICA	-	(1.441.304)
Establishment of OOO Prima Industrie	(122.737)	-
Change in investments for stock option	(156.241)	(156.241)
Change in financial receivables and other financial assets	(407.300)	(3.210.760)
Proceeds from sale of assets	416	-
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	(3.199.685)	(7.679.079)
Cash flow from financing activities		
Change in other non current financial liabilities and other minor items	385.523	1.671.043
Increases in loans and borrowings	7.596.111	36.106.917
Repayment of loans and borrowings	(17.335.304)	(42.878.160)
Net change in financial lease liabilities	-	(185.842)
Capital increase	5.600.337	-
Other change in equity	9.594.787	(847.710)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)	5.841.454	(6.133.752)
Net change in cash and equivalents (D= A+B+C)	(874.055)	(1.071.719)
Cash and equivalents beginning of period (E)	1.332.089	2.403.808
Cash and equivalents and of period (F= D+E)	458.034	1.332.089