INTERIM REPORT
AS OF JUNE 30, 2010

August 27, 2010

BOARD OF DIRECTORS
PRIMA INDUSTRIE

MANAGEMENT AND CONTROL

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 of the Board of Directors	Massimo Ratti
General Director	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
Board of Auditors	
Chairman	Riccardo Formica
Regular Auditors	Andrea Mosca, Roberto Petrignani,
Alternate auditors	Roberto Coda, Franco Nada
Auditing Company	Reconta Ernst & Young S.p.A.

Expiry of mandates and Appointments

- The BoD shall remain in office until the approval of the 2010 Financial Statements.
- At the meeting held on May 7, 2008, the Board of Directors appointed Mr. Gianfranco Carbonato as the Chief Executive Officer and determined his powers.
- In terms of clause 25 of the Company By-Laws, the Chairman and Managing Director is the legal representative of the Company.

- The Board of Statutory Auditors shall remain in office until the approval of the 2012 Financial Statements.
- The Auditing company was appointed by the Stockholder's Meeting held on April 29, 2008 for the period 2008 - 2016.

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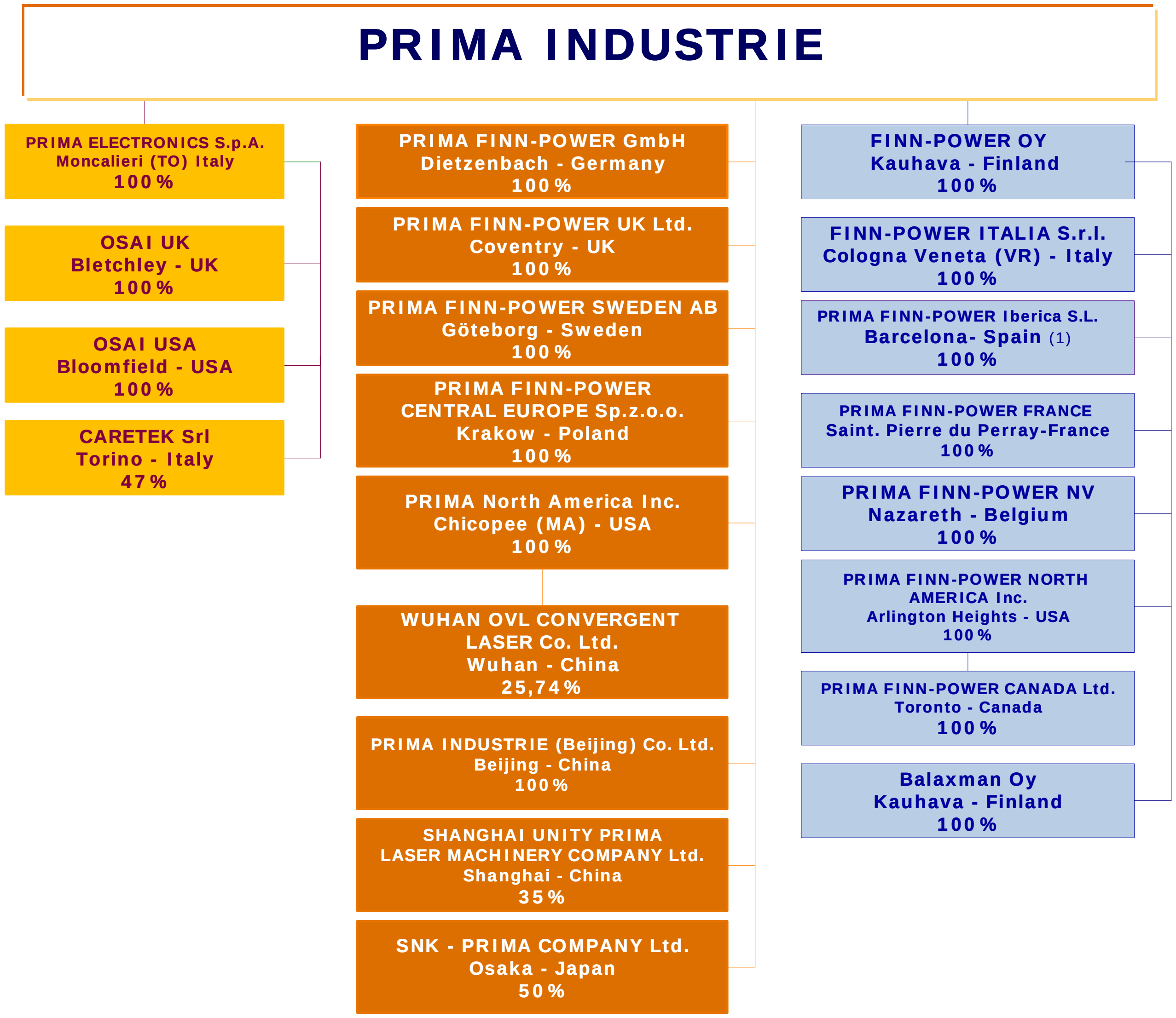
Chapter 1. STRUCTURE OF THE PRIMA INDUSTRIE GROUP AS OF 30/06/2010



(1) FINN-POWER OY holds 78% of PRIMA FINN-POWER IBERICA S.L. (the remaining 22% is held by PRIMA INDUSTRIE S.p.A).

FOREWORD

The Interim Report on Operations of the PRIMA INDUSTRIE Group at June 30, 2010, includes the abridged consolidated interim financial statements, the interim management report and the certification foreseen by section 154-bis, clause 5, and was prepared pursuant to section 154-ter of Legislative Decree 58/1998 as amended, and to the Issuers regulations issued by CONSOB.

The abridged consolidated interim financial statements are drafted in compliance with the applicable accounting standards as adopted by the European Community pursuant to regulation (EC) no. 1606/2002, and were prepared in accordance with IAS 34 – Interim reports.

This Interim Report was approved by the Board of Directors on August 27, 2010. Abridged consolidated interim financial statements are subject to limited audit.

ALTERNATIVE PERFORMANCE INDICATORS

In addition to the other conventional financial indicators prescribed in the IFRS, this interim report contains other alternative performance indicators, in order to provide a better assessment of the economic and financial management.

These indicators, that are also presented in the Management Report at the time of filing the other periodical reports must not, however, be considered as replacements for the conventional ones foreseen by the IFRS.

The Group uses as alternative performance indicators:

- the EBIT (which corresponds to the "Operating Profit"),
- the EBITDA ("Profit before interest, taxes and depreciation"), that is calculated by adding to the "Operating Profit" in the financial statements "Depreciation", as well as "Impairment and Write-downs".
- the normalized EBIT and EBITDA, which correspond to the aforementioned indicators net of non-recurrent items.

Also mentioned are:

- The "Value of production", represented by the sum of the items "Net revenues from sales and services", "Other operating revenues", "Variation in inventories of unfinished and finished products" and "Increases for internal works", and
- the "Margin of contribution", represented by the sum of the items "Net revenues from sales and services", "Other operating revenues", "Consumption of raw materials", "Variation of inventories of unfinished and finished products" and "Other overhead costs".

EXCHANGE RATES

The rates of exchange applied in conversion in the financial statements expressed in currencies other than the euro, for purposes of consolidation, are as follows.

CURRENCY	AVERAGE EXCHANGE RATE 1st Half 2010	1st Half 2009	SPOT EXCHANGE RATE June 30, 2010	December 31, 2009
US DOLLAR	1,3284	1,3322	1,2271	1,4406
POUND STERLING	0,8669	0,8939	0,8174	0,8881
SWEDISH KRONA	9,8727	10,8572	9,5259	10,2520
CHINESE RENMINBI	9,1480	9,1028	8,3215	9,8350
JAPANESE YEN	122,7135	127,1952	108,7900	133,1600
POLISH ZLOTY	4,0325	4,4748	4,1470	4,1045
CANADIAN DOLLAR	1,3737	1,6051	1,2890	1,5128

CONSOLIDATION AREA

During the first six months of the year 2010 no variations took place within the area of consolidation for companies consolidated with the “integral method”. It should be noted, however, that PRIMA ELECTRONICS S.p.A. incorporated, in February 2010, Caretek S.r.l., of which it holds 47% of the shares; this company is consolidated with the method of “shareholders' equity”.

On February 19, 2010 the two German subsidiaries of the company were merged: PRIMA INDUSTRIE GmbH and FINN-POWER GmbH, previously 100% owned respectively by PRIMA INDUSTRIE S.p.A. and FINN-POWER OY.

For more information regarding these two operations, reference is made to “Chapter 3 – Group Interim Management Report”.

The under-mentioned companies fell within the scope of consolidation indicated in the tables below as of 30/06/2010.

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. LASERDYNE SYSTEMS DIVISION: 8600, 109th Av. North, Champlin, MN 55316, U.S.A.	USD 24,000,000	100%	Line-by-line method
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	711 East Main Street, Chicopee, MA 01020, 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

SUBSIDIARY COMPANIES				
METAL SHEET MACHINES SEGMENT	REGISTERED OFFICE	SHARE CAPITAL	STAKE	CONSOLIDATION METHOD
FINN POWER Oy	Metallite 4, FI - 62200 Kauhava, FINLAND	€ 23.417.108	100%	Line-by-line method
BALAXMAN Oy	Metallite 4, FI-62200 Kauhava, FINLAND	€ 2.522	100%	Line-by-line method
PRIMA FINN-POWER Iberica S.L.	C/Primero de Mayo 13-15, 08908 L'Hospitalet de Llobregat, Barcelona, SPAIN	€ 6.440.000	100%	Line-by-line method
FINN-POWER Italia S.r.l.	Viale Finlandia 2, 37044, Cologna Veneta (VR), ITALY	€ 1.500.000	100%	Line-by-line method
PRIMA FINN-POWER NV	Leenstraat 5, B-9810 Nazareth, BELGIUM	€ 500.000	100%	Line-by-line method
PRIMA FINN-POWER FRANCE	Espace Green Parc , Route de Villepècle 91280 St. Pierre du Perray, FRANCE	€ 792.000	100%	Line-by-line method
PRIMA FINN-POWER NORTH AMERICA Inc.	555W Algonquin Rd., Arlington Heights, IL 60005, U.S.A.	USD 10,000	100%	Line-by-line method
PRIMA FINN-POWER CANADA Ltd.	1040 Martingrove Road, Unit 11, Toronto, Ontario M9W 4W4, CANADA	CAD 200	100%	Line-by-line method

JOINT VENTURES				
	REGISTERED OFFICE	SHARE CAPITAL	STAKE	CONSOLIDATION 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
CARETEK S.r.l.	Via Pio VII, 127 10127 Torino, ITALIA	€ 100.000	47%	Net equity method

MACROECONOMIC CONTEXT

Performance during the first semester of the year reflected a gradual recovery of the economy that led to a recovery of demand, and this generally involved all economic sectors.

The most recent estimates of the US Federal Reserve for 2010 indicate a growth that should reach between 3% and 3.5%.
The investment property sector, in particular, began to benefit from a recovery of orders, after the heavy losses in 2009 for all the operators in the sector. The orders were rather scattered, as the increase in the rate of orders was very lively in certain geographical areas, while in others (mainly in developed economies) the effects of the crisis were still being felt; this has made 2010 a year of transition, in expectation of further consolidation of the recovery for all the reference markets.

The association of German machine tool producers (VDMA) reported an increase in orders for April and May of this years of 50% and 61% compared to the same period of 2009 (when May was the lowest month ever for the industry), although still about 34% below the maximum levels reported in March 2007. In June, the increase in the acquisition of orders with respect to the corresponding month in 2009 was as much as 89%. The breakdown of orders shows a prevalence of orders from abroad, also thanks to the positive impact of the recent weakness of the euro.

In particular, the UCIMU (Union of Italian Machine Tool Manufacturers) reported a recovery in the first semester of this year, with regard to orders, of 34% (compared with the first semester of the previous year), with a second quarter in which orders increased by 66.4% as evidence of a recovery of both the domestic and the foreign markets. These data confirm the reversal of the trend, although the absolute ratio is still very low, the same as that reported in the second half of 2003, during the previous crisis.

In the U.S., purchases of high technology machine tools in the first five months of the year improved by 52.9% compared to the previous period of 2009 (sources: AMT - The Association for Manufacturing Technology and AMTDA, the American Machine Tool Distributors' Association), showing a sustainable recovery and one that was even better than expected.

A study conducted by Oxford Economics (a company that performs economic surveys and issues forecasts using data on 175 countries) found that economic growth is led by the emerging countries (particularly China), that some signs of recovery are also being seen in the United States and that Europe will reach sustained growth rates starting from the second half of 2011 and in 2012.

SIGNIFICANT EVENTS THAT TOOK PLACE DURING THE FIRST SEMESTER

CONCLUSION OF THE CAPITAL INCREASE PROCEDURE

On February 11, 2010, the company concluded the capital increase resolved by the Board of Directors on December 18, 2009, in application of the proxies conferred on it, pursuant to art. 2443 c.c., by the extraordinary shareholders' meeting held on June 8, 2009, and integrating the resolution passed by the Board on October 12, 2009.

This increase was made for 2,240,000 ordinary shares (par value of Euro 2.50 each), for a total par value of euro 5,600,000, that were the subject of an option offer, in the ratio of 7 new shares every 20 ordinary shares owned, at a price of Euro 6.80 each, and thus for a total value, inclusive of the premium, of Euro 15,232,000.

The shares offered on option were combined free of charge with the "PRIMA INDUSTRIE 2009-2013" Warrants, in the ratio of 1 Warrant every new share underwritten. The warrants give the right to underwrite new shares, in the ratio of 1 new share for every warrant held, at the price of Euro 8.50 each; during the first semester 2010, 121 warrants were exercised, for a further capital increase corresponding to 121 shares. Therefore as of 30/06/2010, the capital of PRIMA INDUSTRIE S.p.A. amounts to 21,600,302.50 Euro divided into 8,640,121 ordinary shares. On that date, the "PRIMA INDUSTRIE 2009-2013" warrants (convertible until 16/12/2013) still on the market totaled 2,239,879.

As of the data of this report, the capital of PRIMA INDUSTRIE S.p.A. amounts to 21,600,337.50 Euro divided into 8,640,121 ordinary shares, following the exercise of 14 warrants exercised in the period between the reference date of this interim report and the date of its approval.

INCORPORATION OF THE COMPANY CARETEK S.r.l.

On February 10, 2010, Caretek S.r.l. was incorporated by notarized deed. The company has a share capital of 100,000 euro, fully paid-in, of which PRIMA ELECTRONICS S.p.A. holds 47%, Consoft Sistemi S.p.A. 47% and Etica S.r.l. 6%.

Caretek S.r.l. was incorporated to promote the "*health care*" business to be implemented through the sale and rental of the Adamo electronic devices for remote assistance and monitoring. Adamo is on exhibit at this time as one of the examples of hi-tech *made in Italy* at the Italian building of Expo 2010 in Shanghai.

PRIMA ELECTRONICS S.p.A. is expected to become the preferential producer of all the electronic products marketed by the new company.

SALE OF EQUITY INVESTMENT IN THE JV SPLMC LTD.

On January 13, 2010, PRIMA INDUSTRIE S.p.A. sold its 50% share in the Joint Venture Shenyang Prima Laser Machine Co. to the Chinese partner, Shenyang Machine Tool Company Ltd., as for some time it has been considered not strategic in the light of the Group's other initiatives in China.

After the transfer of the shares to the Chinese partner, the duration of the JV, due to expire in 2009, was extended by 12 months.

The share sale agreement consisted of taking over a financial payable of 491,000 euro and a payment to PRIMA INDUSTRIE of 80,000 euro to settle the credit/debit positions open at the time of the sale. The transaction had a net cost of 411,000 euro, already reported in the financial statements as of 31/12/2009.

MERGER OF THE TWO GERMAN SUBSIDIARIES

On February 19, 2010 the two German subsidiaries of the Group were merged: PRIMA INDUSTRIE GmbH and FINN-POWER GmbH, previously 100% owned respectively by PRIMA INDUSTRIE S.p.A. and FINN-POWER OY.
The operation was made according to the following procedure:

- Acquisition of 100% of FINN-POWER GmbH from FINN-POWER OY by PRIMA INDUSTRIE S.p.A.
- Merger of FINN-POWER GmbH and PRIMA INDUSTRIE GmbH. The accounting effects of the transaction are retroactive to July 1, 2009.

The transaction, between subsidiaries of the same company (PRIMA INDUSTRIE S.p.A.) has no effects on the consolidated financial statements, determining the acquisition of the assets and liabilities of FINN-POWER GmbH by PRIMA INDUSTRIE GMBH.
The merger of the two companies in the Group operating in Germany is part of a process of rationalization of the sales and technical assistance network following the acquisition of the FINN-POWER Group.
The new company, called PRIMA FINN-POWER GmbH, has its registered office in Dietzenbach (Frankfurt), where the former PRIMA INDUSTRIE GmbH was located.

INCOME AND PROFITABILITY

The **consolidated revenues** as of 30/06/2010 amounted to 114,512,000 euro, down 3% with respect to the first semester 2009. This reduction was mainly due to the results of the first quarter (see the table below), which reflected the weak acquisition of orders in 2009, while the first quarter of 2009 still benefited from the order portfolio acquired in 2008 before the start of the crisis. It should also be borne in mind that, in the first semester 2009, the turnover was achieved against extensive *destocking* of the finished and unfinished product inventories (see the comment below relative to the value of production).

It should also be noted that, on a quarterly basis, the second quarter showed an improvement in turnover of 29.3% with respect to the corresponding period in 2009, as the consequence of the signs of recovery in orders (see the paragraph entitled "Business activities and order portfolio").

Euro thousand	***I half 2010***	***I half 2009***	***Change***	***Change %***
I Quarter	48.060	66.675	(18.615)	-27,9%
II Quarter	66.452	51.410	15.042	29,3%
Total revenues	**114.512**	**118.085**	**(3.573)**	**-3,0%**

The geographical breakdown of consolidated revenues at 30/06/2010 compared with the corresponding period of 2009 is as follows:

Revenues	I Half 2010		I Half 2009	
	Euro thousand	%	Euro thousand	%
Italy	26.106	22,8	24.377	20,6
Europe	38.729	33,8	53.614	45,4
North America	21.735	19,0	19.139	16,2
Asia and Rest of the World	27.942	24,4	20.955	17,8
TOTAL	**114.512**	**100,0**	**118.085**	**100,0**

Sales by geographical area reveal a shift of the Group's turnovers from Europe to the emerging markets of Asia and the Rest of the World (where sales reached almost 25% of the consolidated total.
There was an improvement of sales in North America, confirming the good signs coming from the U.S. market (see the companies in the previous paragraph on the Macroeconomic Context) and in Italy a significant improvement was seen as a result of the effects of the so-called Tremonti-ter legislation.

The division of the revenues by business segment is set out below, (for more details with regard to the Group's operating segments reference is made to note 6.31 – Segment Report).

Revenues	I Half 2010		I Half 2009	
	Euro thousand	%	Euro thousand	%
Laser Systems	44.072	38,5	46.568	39,4
Electronics	16.069	14,0	13.295	11,3
Sheet metal machinery	64.283	56,1	65.304	55,3
Inter-sector revenues	(9.912)	(8,6)	(7.082)	(6,0)
TOTAL	**114.512**	**100,0**	**118.085**	**100,0**

The breakdown by segment reveals that two segments relative to machinery (Laser systems and sheet metal processing machines) were affected by the decrease in turnover with respect to the first semester of 2009, though this was very slight, while the Electronic segment showed an increase of 21% compared with the first half of 2009.
The higher intersectorial revenues testify to the increasing level of integration of the Group.

To complete the report on revenues for the first half of 2010, we set out below the breakdown of revenues (net of inter-segment items) by segment and geographical area.

Revenues	Italy	Europe	North America	Asia and Rest of the World	TOTAL
euro thousand					
Laser Systems	10.107	12.494	4.054	11.169	37.824
Electronics	6.812	5.652	498	1.122	14.084
Sheet metal machinery	9.187	20.583	17.183	15.651	62.604
TOTAL	**26.106**	**38.729**	**21.735**	**27.942**	**114.512**

The Laser systems segment had 33% of its sales in Europe, 27% in Italy, and shows good performance in Asia and the Rest of the World (30% of the total), where it obtained appreciable results in China. The Electronic segment shows good performance above all in Italy and Europe (particularly Benelux and Spain). The sheet metal processing machines are a very important factor in northern Europe, the United States and China.

The turnover does not include the earnings of the Chinese joint ventures (consolidated with the shareholders' equity method), amounting to about 23 million euro in the semester.

The **value of production** at 30/06/2010 was 122,762,000 euro, up 18% compared to the corresponding period of the previous financial year (an increase of 18,948,000 euro). The value of production, which is higher than the turnover (amounting to 114,512,000 euro) highlights the increase in stocks of finished and unfinished products of the Group, which was necessary to satisfy the improved demand.

The value of production in the first semester of 2010 includes increases for internal work amounting to 3,300,000 Euro (3,391,000 in the corresponding period of 2009); these costs mainly refer to investments in development activities.

Performance indicators	I Half 2010		I Half 2009	
	Euro thousand	*%*	*Euro thousand*	*%*
EBITDA	2.358	2,1	5.052	4,3
EBIT	(2.677)	(2,3)	397	0,3
EBT	(5.317)	(4,6)	(1.039)	(0,9)
NET RESULT	(5.047)	(4,4)	(525)	(0,4)

The Group **EBITDA** amounted to 2,358,000 Euro (2.1% of sales) compared to the 5,052,000 Euro at 30/06/2009 (4.3% of sales).

The main variations that concerned this indicator were due to the net effect of the following factors:

- increase in the marginality of sales;
- greater absorption of fixed costs at a time of increased productivity compared to 2009;
- reduction of non-recurrent earnings (as specified in the table).

The table below illustrates the Group's return to generation of a positive marginality in the second quarter of the financial year.

Euro thousand	***I Half 2010***	***I Half 2009***	***Change***	***Change %***
I Quarter	(1.713)	1.852	(3.565)	-192,5%
II Quarter	4.071	3.200	871	27,2%
EBITDA	**2.358**	**5.052**	**(2.694)**	**-53,3%**

The breakdown of the EBITDA, inclusive of and net of the non-recurrent items is shown below:

Euro thousand	I Half 2010	I Half 2009
EBITDA	**2.358**	**5.052**
Non recurring items	660	4.862
Normalized EBITDA	**1.698**	**190**

Euro thousand	I Quarter 2010	I Quarter 2009
EBITDA	**(1.713)**	**1.852**
Non recurring items	(144)	(763)
Normalized EBITDA	**(1.569)**	**2.615**

Euro thousand	II Quarter 2010	II Quarter 2009
EBITDA	**4.071**	**3.200**
Non recurring items	804	5.625
Normalized EBITDA	**3.267**	**(2.425)**

As can be seen from the tables above, the EBITDA generated in the first half of 2010, net of non-recurrent items, is significantly higher than that of the first semester 2009.
Focusing on the second quarter 2010, we can see that the EBITDA was particularly satisfactory for the Group (4,071,000 euro) compared with that of the second quarter 2009 when it was not only lower in absolute value (3,200,000 euro), but also benefited from a high non-recurrent net income (5,625,000, mainly relative to the transaction with EQT); in this latter connection, the second quarter of 2010 was affected by the impact of much lower non-recurrent item (804,000 euro).
Concluding, therefore, we point out that the improved performance of orders and better general macroeconomic context enabled the Group, which had in the meantime provided to create a more efficient structure, to resume showing a moderately positive operating profitability.

If we analyze the non-recurrent items for the first semester 2010 more in detail, we can see that the amount of 660,000 euro refers mainly to a ministry contribution for technological innovation, amounting to 1,100,000 euro (ministry contribution relative to a program of technological innovation - law 46/82- that will have to be paid by the Ministry for Economic Development to the parent company; the activity carried out in the period 2002/2005 refers to a program of pre-competitive development, approved by the Technical Committee of the Ministry in April 2010, and communicated with an official note of the ministry on 15/06/2010) and to collection of a security deposit (for 601,000 euro) made to guarantee a contract (not of a commercial nature) not stipulated according to the conditions foreseen, following the breach of the counter party, offset by non-recurrent costs for 1,041,000 euro (of which 985,000 euro refer to steps taken to reduce the personnel and actions of reorganization of the Group structures, production and marketing strategies).

For further details on the subject of these events, reference is made to note 6.30 - Significant non-recurrent events and transactions.

To complete the information on the EBITDA, the following is a breakdown by segment, inclusive of inter-sectorial items.

EBITDA	I Half 2010		I Half 2009	
	Euro thousand	*%*	*Euro thousand*	*%*
Laser Systems	858	36,4	1.897	37,5
Electronics	1.591	67,5	356	7,1
Sheet metal machinery	90	3,8	2.956	58,5
Inter-sector eliminations	(181)	(7,7)	(157)	(3,1)
TOTAL	**2.358**	**100,0**	**5.052**	**100,0**

For better comparison of the results, it should be kept in mind that the EBITDA for the 1st semester 2009 was affected by a non-recurrent positive effect deriving from the transaction with EQT for 6,254,000 euro, plus 1,391,000 euro non-recurrent costs (about half of which were connected with the plan of reorganization of the personnel). The net effect relative to the segment of Sheet Metal Processing Machines was positive for 5,264,000 euro.

The consolidated **EBIT** for the first semester 2010 was -2,677,000 euro (+397,000 euro at 30/06/2009).
As for the EBITDA, it is important to note the impact of the non-recurrent items; as shown in the table below, the EBIT net of non-recurrent items as of 30/06/2010 shows an improvement compared to 30/06/2009 of 1,128,000 euro.

Euro thousand	I Half 2010	I Half 2009
EBIT	**(2.677)**	**397**
Non recurring items	660	4.862
Normalized EBIT	**(3.337)**	**(4.465)**

The EBIT is affected by depreciation of tangible fixed assets for 1,514,000 euro and intangible fixed assets for 3,267,000 euro; as regards the latter, 1,266,000 refer to depreciation relative to assets with a definite useful life entered in the corporate aggregation of the FINN-POWER Group (brand and customer relations - "customer list") and 1,462,000 euro refer to the amortization of development costs (792,000 euro as of 30/06/2009). The increase of depreciations in this category is due to the startup of several projects capitalized in previous periods.

The consolidated EBIT was also decreased by write-downs and *impairments* for 253,000 euro (mainly attributable to the write-down of a development project)

The consolidated **EBT** as of 30/06/2010 was negative for 5,317,000 euro (negative for 1,039,000 euro as of 30.06.2009; it should be noted that this value discounts net costs deriving from the financial management (including profits and losses on exchange rates) for 2,906,000 euro.

These include, in particular, costs relative to the loan stipulated in 2008 for acquisition of the FINN-POWER Group (hereinafter referred to as the "FINPOLAR Loan") for 2,101,000 euro and net financial costs for derivative instruments (mainly linked to the FINPOLAR Loan) for 1,205,000 euro.
The result of exchange rate management is positive for 1,307,000 euro (165,000 euro at 30/06/2009) thanks above all to the strengthening of the U.S. dollar with respect to the euro, which characterized almost the entire period considered.
It should be noted that, on the other hand, the financial management of the first semester 2009 was favorable influenced by the satisfactory outcome of the transaction with EQT, which had determined lower financial costs by 2,795,000 euro (relative to the cancellation of the financial costs accrued on the debt toward the vendors for 1,730,000 euro and other financial costs indemnified for 1,065,000 euro).

The net result of the joint venture pertaining to the Group, for the first semester 2010 is positive for 265,000 euro (283,000 euro at 30/06/2009).

The **NET PROFIT** as of 30/06/2010 is -5,047,000 euro (it was -525,000 euro as of 30/06/2009).

The comparison between the net profit for the first semester 2010 and the corresponding period of 2009, is significantly influenced by non-recurrent items (positive for 660,000 euro in 2010 and positive for 7,657,000 euro in 2009), but net of that effect the net profit shows an improvement by 2,475,000 euro.

Taxes for the period show a positive balance, prevalently due to the following factors:

- limited current taxes on reduced taxable income of come companies;
- registration of prepaid taxes on temporary differences arising during the semester;
- registration of prepaid taxes on infra-annual fiscal losses accrued by PRIMA North America (for which there is a *carry-back* mechanism for recovery of taxes paid in previous years;
- release of deferred tax liabilities.

For more details on changes in prepaid and deferred taxes, see note 6.27 - Current and deferred taxes.

EQUITY SITUATION

The reclassified equity situation of the PRIMA INDUSTRIE Group as of 30/06/2010 is shown below.

IN EURO /000	30/06/2010	31/12/2009
Tangible and intangible fixed assets	77.283	77.944
Goodwill	102.880	102.511
Equity investments and other non-current assets	6.756	5.599
Fiscal assets for prepaid taxes	6.037	4.916
NON-CURRENT ASSETS	**192.956**	**190.970**
Inventories	80.189	71.808
Trade receivables	64.606	58.823
Trade payables and advances	(84.057)	(71.094)
WORKING CIRCULATING CAPITAL	**60.738**	**59.537**
Other current assets and liabilities	(14.964)	(16.964)
Other non-current liabilities	(7.029)	(7.571)
Fiscal liabilities for deferred taxes	(10.686)	(10.903)
NET INVESTED CAPITAL	**221.015**	**215.069**
NET DEBT	**143.302**	**150.091**
SHAREHOLDERS' EQUITY	**77.713**	**64.978**
LOAN SOURCES	**221.015**	**215.069**

Tangible and intangible fixed assets of the PRIMA INDUSTRIE Group decreased by 292,000 euro compared with 31/12/2009. This variation is due to the combined effects of investments with opposite signs in the period (the main ones were relative to capitalization of development costs - see the following paragraph on "Research & Development") net of depreciation. There were no significant changes in the value of goodwill which, as illustrated in the explanatory note, was subject to *impairment test* to ascertain that it had not undergone losses of value. The increase in the value of the equity investments reflects the positive impact of the value of the shareholders' equity of Shanghai Unity Prima JV (due to the positive result of the semester and to a significant degree also to the appreciation of the renminbi to the euro). The higher fiscal assets for prepaid taxes largely reflects

the impact of the consolidation adjustments, with particular reference to the more significant impact of elision of the infragroup margins (consequent to the increasing productive activity recorded in the period).
The Current Working Capital reflects a negligible increase (1,201,000 euro), referring mainly to the increase in the production volumes in the first semester 2010, as can be seen from the growth of stocks and payables; the increase in receivables reflects the temporal distribution of the turnover in the two quarters and the greater increase of that item in the second quarter 2010.
At 30/06/2010 the Group's indebtedness amounted to 143,302,000 euro; considering that at the end of 2009 it was 150,091,000 euro, there has been a significant improvement in Group indebtedness (for further comments on the net debt, reference is made to the paragraph "Net financial position" hereafter).
The shareholders' equity increased with respect to the past year by 12,735,000 euro. This growth was primarily due to the conclusion, in the first semester of 2010, of the option of ordinary shares arising from the increase of capital resolved by the Board of Directors of the company on December 18, 2009; this increase of capital led to collection of 15,232,000 euro (inclusive of the accessory costs of the transaction).

ORDER ACQUISITION AND PORTFOLIO

The Group, as usual, pursued an intensive activity of order acquisition during the semester, participating in some of the main trade fairs in the sector, particularly:

in Western Europe:
- METAPRO (Brussels – Belgium)
- SAMUMETAL (Pordenone – Italy)
- TECHNI SHOW (Utrecht – the Netherlands)
- FINNTEC (Helsinki – Finland)
- LAMIERA (Bologna – Italy)
- BIEMH (Bilbao - Spain)
- LASYS (Stuttgart - Germany)
- ILA BERLIN AIR SHOW (Berlin – Germany)

in Eastern Europe:
- METALLOBRABOTKA (Moscow – Russia)
- MSV (Nitra – Slovakia)
- MTP (Poznan – Poland)

and in Asia and the Rest of the World:
- STEELFAB (Sharjah – Arab Emirates)
- IMTEX (Bangalore – India)
- AUSTECH (Sidney – Australia)
- MMTS (Montreal – Canada)
- CHINA INTERNATIONAL AVIATION WEEK (Xi'an – China)

In the first months of 2010, order acquisition showed good performance, especially in Italy (also thanks to the effects of the so-called Tremonti-ter law), but also in China and in several countries in central and eastern Europe; as a result, the **order portfolio** at 30/06/2010 amounted to 127.2 million euro (up by over 22% compared with 104.1 million euro at 39/06/2009). The preliminary data for the month of July report order acquisitions for 21.3 million euro, which confirms the positive total for the first semester.

The **order portfolio** at 30/06/2010 amounted to 74.5 million euro, in line with the corresponding item for 30/06/2009.

NET FINANCIAL POSITION

As of 30/06/2010, the Group's net financial position showed an indebtedness amounting to 143,302,000 euro, down from 31/12/2009 by 6,789,000 euro.

Value expressed in Euro thousand	30/06/2010	31/12/2009
CASH & CASH EQUIVALENTS	(10.731)	(15.084)
CURRENT FINANCIAL LIABILITIES	36.286	44.163
NON CURRENT FINANCIAL LIABILITIES	117.747	121.012
NET FINANCIAL LIABILITIES	**143.302**	**150.091**

As illustrated in the cash-flow statement, the improvement of net financial debt is mainly due to the liquidity acquired from the capital increase, which was used to repay medium/long-term loans and for management of operating and investment assets.

The net financial position shows the overall exposure to credit institutions and other lenders.

For better disclosure relating to the Consolidated Net Financial Position as of 30/06/2010, the following should be borne in mind:

- The FINPOLAR loan amounts totally to 122,522,000 euro and is subject to respect of certain *covenants* measured on an annual basis (for further details reference is made to the financial statements as of 31/12/2009);
- payables due to leasing companies (almost exclusively referring to real estate) amount to 2,578,000 euro;
- bank payables include the negative *fair value* of several IRS for 9,156,000 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);
- the parent company PRIMA INDUSTRIE successfully concluded, in the first semester of 2010, an offer of ordinary shares arising from the increase of capital resolved by the Board of Directors of the company on December 18, 2009; this increase of capital led to collection of 15,232,000 euro (inclusive of the accessory costs of the transaction).

The breakdown of the net financial position is illustrated in the notes below (see note 6.12).

The financial requirements forecast for the second half of 2010 consist mainly of funds for overhead, and repayment of the installment of the FINPOLAR loan due on 04/08/2010, for a total (inclusive of capital, interest and IRS cash-flow) of 6,002,000 euro. At the time of approval of this interim financial report, the installment had been regularly paid.

As regards coverage of the residual needs, the Group can count on its liquid assets, as well as unused credit lines, mainly for advances on invoices and orders. It is important to note that, as of 30/06/2010, credit lines were available for 64,876,000 euro, of which 49,452,000 euro to the parent company (in particular at the consolidated level 26,735,000 euro for cash). These lines, as of 30/06/2010, had been used at the consolidated level for only 22,086,000 euro.

RESEARCH AND DEVELOPMENT

The activities of research & development performed by the Group in the first semester of 2010 totaled approximately 7,657,000 euro (6.7% of the turnover). The portion capitalized amounted to 3,050,000 euro; in line with respect to the corresponding period in 2009 (3,013,000 euro); for all capitalized development assets, the technical feasibility and generation of probable future economic benefits was ascertained, and where these requisites were lacking, they were written down.

During the semester, research and development in the 3D division of the LASER SYSTEMS segment related to the final stages of validation of the new generation of Rapido called "Evoluzione 2". The Rapido "Evoluzione 2" is considered by the market to be the best machine existing for applications in intensive production of *automotive* parts. Three years after presentation of the cutting and welding system, it is profoundly renewed, ensuring reduction of cycle timing up to 15% with the same investment cost. The 2D division worked on delivery of the first flat machine equipped with fiber laser produced by PRIMA INDUSTRIE: the Syncrono Fibra.
A Zaphiro was presented at the Lamiera fair held in May in Bologna and, connected to it, for the first time the new system of loading/unloading magazines called Compact Tower was presented, featuring the capacity to greatly reduce the floor space occupied, since the tower is no longer placed next to the pallet changer, but directly overhead.

As regards the CONVERGENT Laser Division (PNA), the activity of research & development is concentrated on development of a low-cost CO2 2.5-3 kW laser prototype. Relative to the LASERDYNE division, research & development is focused on the design of a new generation of LASERDYNE 430, a 3-axis system (with an optional fourth axis) for use in precision cutting and welding for a wide range of sectors (such as filters, medical devices and aerospace). The LASERDYNE 430 machine will also serve as platform for the new LASERDYNE 450 (5 axes).

As regards the ELECTRONIC sector, development of the OPEN10 application was completed, for the control of the Night Train sheet metal magazine, and the PRIMALOGIC, a low-cost PLC with integrated functions of Motion Control was also completed and released for production, to implement the OPEN10 software level. Development of the OPEN20 Rel. 2.0 (basic CNC for the control of 2D machines) was completed, and the first deliveries were made, with development of the applications for the first clients.

As regards the sector of SHEET METAL PROCESSING MACHINES, during the first half, the new BLUE TECH series of hydraulic punches was developed, with the following features: optimization of energy consumption, higher punching speed, optimization of pressure levels (with elimination of pressure peaks), intelligent load control and minimization of heat generation. The Group also developed a new Laser-Combi machine for processing large pieces (length up to 4 meters). Activities for the completion of the new TULUS software modules also continued.

PERSONNEL

In the first semester of 2010, the plan to reduce personnel, undertaken in 2009, continued in the sphere of a policy of cost reduction and greater flexibility of the use of the workforce, so as to reduce its incidence on company costs.
On June 30, 2010, the Group employed 1,378 people, 85 less than the 1,463 employed on December 31, 2009. During the semester the reduction was concentrated in the companies of the Sheet Metal Processing Machines segment.

THE STOCK TREND AND TREASURY STOCK

During the first semester of 2010, PRIMA INDUSTRIE stocks went from a unit value of 7.90 euro on 4/01/2010 to a value of 6.98 euro per share on 30/06/2010.

The lowest value recorded was 6.565 Euro (on 25/05/2010) and the highest was 9.45 Euro (on 13/01/2010).
In particular, as can be seen from the graph, the stock rose sharply during the period of the option to the shareholders of the new shares relative to the capital increase; in that period the volumes exchanged were particularly high relative both to the rights and to the shares themselves.
Following the capital increase, and in particular starting from March 2010, the stock followed the performance of the stock exchange and the reference index, which remained on an upward trend until the middle of April, and then dropped sharply in the second part of the month, also due to the events linked to the Greek situation and fear of possible default by other countries.

Starting from June, the stock quotation returned practically stably to a price of around 7 euro.

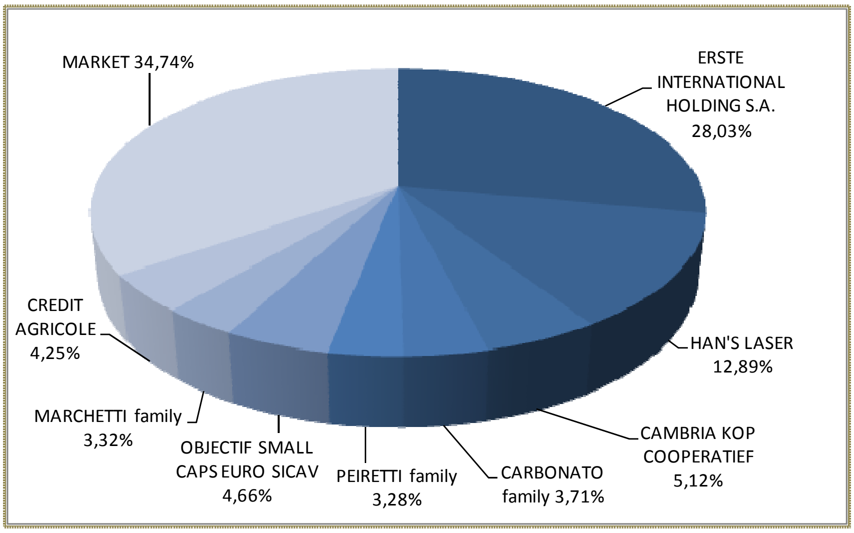
The graph shows these trends.

As of 30/06/2010 and as at the date of approval of this report, PRIMA INDUSTRIE S.p.A. did not and does not hold any treasury stock, nor has it passed any resolution authorizing the company to purchase treasure shares.

SHAREHOLDING STRUCTURE

As stated above (in the paragraph entitled "Significant events of the first semester") as of 30/06/2010 the capital of PRIMA INDUSTRIE S.p.A. amounts to 21,600,302.50 Euro divided into 8,640,121 ordinary shares with a par value of 2.5 Euro each. The Group has issued no bonds or securities other than ordinary shares. As a consequence of the conversion of the "PRIMA INDUSTRIE Warrants 2009-2013" as of the date of this report, the capital of PRIMA INDUSTRIE S.p.A. amounts to 21,600,337.50 Euro divided into 8,640,135 ordinary shares.

In the light of the entries in the shareholders' ledger, updated on the basis of the capital increase mentioned and subsequent communications received by the company or monitoring authorities, the most updated shareholding structure is as follows:



STOCK OPTION PLANS

At the reference date of this Interim 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 FINN-POWER OY, as well as the General Manager of PRIMA INDUSTRIE S.p.A.. and the financial manager of the Group.

In particular the beneficiaries at 30/06/2010 were the following:

SURNAME NAME	FUNCTION
CARBONATO Gianfranco	Chairman and Managing Director of PRIMA INDUSTRIE SpA
BASSO Ezio	General Director and Executive Manager of PRIMA INDUSTRIE SpA
HEDENBORG Tomas	Managing Director of FINN POWER OY
PEIRETTI Domenico	Managing Director of PRIMA ELECTRONICS SpA and Executive Manager of PRIMA INDUSTRIE SpA
RATTI Massimo	CFO of PRIMA INDUSTRIE Group

In the first six months of the year the cost of the stock options, determined at the beginning of the plan on the basis of the pro-tempore value of the PRIMA INDUSTRIE shares, was 205,000 euro.

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

OPERATIONS WITH ASSOCIATES

For details on the subject of transactions by the Group with associates, see Note 6.29 – Information on associates".

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.

EVENTS AFTER THE END OF THE SEMESTER

INCORPORATION OF A BRANCH OF THE GROUP IN RUSSIA

On 08/07/2010, OOO PRIMA INDUSTRIE was incorporated with headquarters in Moscow and resolved share capital (as of the date of this report) of 4,800,000 rubles. The company, a 100% direct subsidiary of PRIMA INDUSTRIE S.p.A., became operational during the third quarter of the year, in the business of promotion, sale and technical assistance for the Group's machines in Russia. The incorporation of a company under Russian law corresponds to the intention of the Group to be more and more directly present on markets with a higher rate of expected growth.

TRANSACTION WITH OSAI'S VENDORS

After the reference date of the interim report, PRIMA ELECTRONICS S.p.A. successfully concluded a transaction with the vendors of OSAI S.p.A. (the company acquired in July 2007 and subsequently merged by incorporation into PRIMA ELECTRONICS), having the purpose of settling the controversies deriving from violation of the declarations and guarantees foreseen in the contract of acquisition, for the amount of about 0.6 million euro.

FORESEEABLE MANAGEMENT DEVELOPMENTS AND PROSPECTS FOR THE YEAR IN PROGRESS

After a difficult first quarter 2010, the Group returned during the second quarter to showing an operating profit and profit before taxes, as a consequence both of the rationalization of its organization structure, and of the signs of recovery of the market.

The indications on trade margins were particularly encouraging, as they reflect the better performance of order acquisitions made starting from the end of 2009.

In consideration of what we have illustrated, it is reasonable to consider that there is no uncertainty as regards the continuation of business relative to the abridged consolidated interim report as of 30/06/2010.

In improved operating profitability, the acquisition of orders that reached values averaging over 20 million euro monthly in the last several months, the availability of credit lines sufficient for the needs of operating cash, the seasonal aspect of the *business* that is traditionally better in the second half, make it reasonable to believe that the group will achieve even higher levels of turnover and profitability in the second half than it did in the first half of 2010.

Chapter 4. ECONOMIC PERFORMANCE BY SEGMENT

The data reported here refer to profits for the first semester of 2010 for the three operating segments (inclusive of intersectorial items) of the PRIMA INDUSTRIE Group.

	1st Half 2010					1st Half 2009				
Values in thousands of Euros	REVENUES	EBITDA	% on Revenues	EBIT	% on Revenues	REVENUES	EBITDA	% on Revenues	EBIT	% on Revenues
LASER SYSTEMS	44.072	858	1,9%	(53)	-0,1%	46.568	1.897	4,1%	1.191	2,6%
ELECTRONICS	16.069	1.591	9,9%	1.100	6,8%	13.295	356	2,7%	(27)	-0,2%
SHEET METAL PROCESSING EQUIPMENT	64.283	90	0,1%	(3.547)	-5,5%	65.304	2.956	4,5%	(613)	-0,9%
ELISIONS	(9.912)	(181)	1,8%	(177)	1,8%	(7.082)	(157)	2,2%	(154)	2,2%
CONSOLIDATED	**114.512**	**2.358**	2,1%	**(2.677)**	-2,3%	**118.085**	**5.052**	4,3%	**397**	0,3%

It should be noted that on April 23, 2010 the Group announced a new organization structure. The Group will be structured in two divisions, Machines and Electronics. The Electronics division will develop electronic products while the Machines division will include laser systems and sheet metal processing equipment.
Within the Machine division, two functional units have been identified:

- Operations
- Sales, Marketing and Service.

The new organization flanks the existing corporate structure, that continues to regulate the legal, accounting and fiscal areas of the Group.

In the future, with this new organization, the information by operating sectors may change with respect to that furnished until now.

LASER SYSTEMS

The revenues for the first semester 2010 were down by 5% compared to the corresponding period of 2009; consequently the EBIT and EBITDA were also lower.
In spite of the improvement of profits of PRIMA INDUSTRIE S.p.A., the segment totaled slightly lower profits than in 2009.

We set out in detail the operating results of the Laser systems segment, highlighting PRIMA INDUSTRIE S.p.A.'s information.

Company	1st Half 2010			1st Half 2009		
Values in thousands of Euros	*REVENUES*	*EBITDA*	*EBIT*	*REVENUES*	*EBITDA*	*EBIT*
PRIMA INDUSTRIE SpA	34.148	2.448	1.730	32.652	1.807	1.245
Other companies and elisions	9.924	(1.590)	(1.783)	13.916	90	(54)
LASER SYSTEMS	**44.072**	**858**	**(53)**	**46.568**	**1.897**	**1.191**

As can be seen from the table above, the parent company reported an increase in revenues of 5%, reabsorbed by the decreased revenues earned by the other companies in the segment. The EBITDA of PRIMA INDUSTRIE S.p.A. improved by 35%; this increase is attributable to non-recurrent items reported by the company in the first semester (for more details see note 6.30 – Significant non-recurrent events and transactions). The growth in the turnover of the parent company is a positive sign for the business of the laser systems.

As we have just reported, the first semester was significantly influenced by non-recurrent items. In order to compare it coherently with the data from the first semester of 2009, the results for the period must be purged of the non-recurrent items. For this purpose, see the table here below.

Expressed in Euro/000	1st Half 2010	1st Half 2009
EBITDA	**858**	**1.897**
Non-recurrent items	1.519	90
Normalized EBITDA	**(661)**	**1.807**

The normalized Group EBITDA, in any case, for the 2nd quarter 2010 amounted to 207,000 Euro (up by 846,000 euro compared to the corresponding period of the previous year).

Expressed in Euro/000	II Quarter 2010	II Quarter 2009
EBITDA	**1.870**	**(549)**
Non-recurrent items	1.663	90
Normalized EBITDA	**207**	**(639)**

ELECTRONICS

Compared to the same period in 2009, the Electronics segment reported an increase in revenues in this semester (+21%) and consequently in the EBITDA, which went from 356,000 euro to 1,591,000 euro.

We set out hereunder an analysis of the operating results of the Electronics segment, highlighting the information relative to PRIMA ELECTRONICS S.p.A.

Company	1st Half 2010			1st Half 2009		
Values in thousands of Euros	*REVENUES*	*EBITDA*	*EBIT*	*REVENUES*	*EBITDA*	*EBIT*
PRIMA ELECTRONICS SpA	15.407	1.689	1.217	12.788	549	187
Other companies and elisions	662	(98)	(117)	507	(193)	(214)
ELECTRONICS	**16.069**	**1.591**	**1.100**	**13.295**	**356**	**(27)**

As can be seen from the above table, PRIMA ELECTRONICS S.p.A. had an increase of revenues (up by +20%) and the EBITDA was also positively affected by this increase, going from 549,000 euro to 1,689,000 euro.

It should be noted that the information relating to 2009 and to the first semester 2010 includes non-recurrent costs mainly linked to the reorganization of production for 2010 and the staff reorganization plan for 2009.

Expressed in Euro/000	1st Half 2010	1st Half 2009
EBITDA	**1.591**	**356**
Non-recurrent items	(171)	(492)
Normalized EBITDA	**1.762**	**848**

SHEET METAL PROCESSING EQUIPMENT

In terms of revenues in the first six months of 2010, the sheet metal processing equipment segment seems the most significant division of the Group. The EBITDA for the period is positive for 90,000 euro. The EBIT for this segment is negative for 3,547,000; depreciation of the trademark and customer list, amounting to 1,266,000 Euro, and amortization of development costs for 952,000 Euro impacted significantly on this result.

A detailed analysis of the operating results of the metal sheet machines segment is set out below, highlighting the data relative to FINN POWER OY.

Company	1st Half 2010			1st Half 2009		
Values in thousands of Euros	*REVENUES*	*EBITDA*	*EBIT*	*REVENUES*	*EBITDA*	*EBIT*
FINN-POWER Oy	42.009	903	(795)	36.504	2.574	1.046
Other companies and elisions	22.274	(813)	(2.752)	28.800	382	(1.659)
SHEET METAL PROCESSING EQUIPMENT	**64.283**	**90**	**(3.547)**	**65.304**	**2.956**	**(613)**

In order to compare the data for the first semester of 2010 with the corresponding period of 2009, the results for the period must be purged of the non-recurrent items. For this purpose, see the table here below.

Expressed in Euro/000	1st Half 2010	1st Half 2009
EBITDA	**90**	**2.956**
Non-recurrent items	(688)	5.264
Normalized EBITDA	**778**	**(2.308)**

As can be seen from the preceding table, eliminating the non-recurrent items, the EBITDA for the sheet metal process machinery segment increased significantly with respect to the first half of 2009.

ACCOUNTING TABLES

BALANCE SHEET – CONSOLIDATED FINANCING

Values in Euro	30/06/2010	of which related parties	31/12/2009	of which related parties
Property, plant and equipment	26.133.140		26.446.492	
Intangible assets	154.030.141		153.850.327	
Investment properties	-		158.000	
Investments accounted for using the equity method	5.849.086	*5.849.086*	4.699.761	*4.699.761*
Other investments	880.853		880.853	
Other non current financial assets	-		-	
Deferred tax assets	6.037.298		4.916.371	
Other non current assets	26.423		18.696	
NON CURRENT ASSETS	**192.956.941**		**190.970.500**	
Inventories	80.188.839		71.807.653	
Trade receivables	64.606.159	*1.248.961*	58.823.172	*986.281*
Other receivables	6.266.500		4.398.680	
Current tax receivables	5.665.961		5.984.885	
Cash and cash equivalents	10.730.775		15.083.752	
CURRENT ASSETS	**167.458.234**		**156.098.142**	
TOTAL ASSETS	**360.415.175**		**347.068.642**	
Capital stock	21.600.302		16.000.000	
Legal reserve	2.733.635		2.733.635	
Other capital reserves	53.440.258		45.185.605	
Currency translation reserve	1.542.454		(2.384.892)	
Retained earnings	3.443.305		12.138.832	
Net result	(5.046.571)		(8.695.527)	
Stockholders' equity of the Group	**77.713.383**		**64.977.653**	
Minority interest	-		-	
STOCKHOLDERS' EQUITY	**77.713.383**		**64.977.653**	
Interest-bearing loans and borrowings	108.591.553		113.495.746	
Employee benefit liabilities	6.960.755		7.503.809	
Deferred tax liabilities	10.685.841		10.902.912	
Provisions	67.754		67.754	
Derivatives	9.155.973		7.516.059	
NON CURRENT LIABILITIES	**135.461.876**		**139.486.280**	
Trade payables	60.985.240	-	51.429.488	-
Advance payments	23.072.087		19.664.435	
Other payables	15.778.001	*117.777*	15.398.252	*284.482*
Interest-bearing loans and borrowings	36.285.689		44.160.205	
Current tax payables	3.326.321		2.671.847	
Provisions	7.792.578		9.277.398	
Derivatives	-		3.084	
CURRENT LIABILITIES	**147.239.916**		**142.604.709**	
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	**360.415.175**		**347.068.642**	

CONSOLIDATED INCOME STATEMENT

Values in Euro	30/06/2010	30/06/2009
Net revenues	114.512.419	118.085.006
Other income	2.475.251	1.835.349
Change in inventories of finished goods and WIP	2.473.892	(19.497.232)
Increases in fixed assets for internal work	3.299.943	3.390.671
Use of raw materials, consumables, supplies and goods	(56.119.741)	(40.073.059)
Personnel cost	(38.870.922)	(39.674.003)
Depreciation	(4.781.597)	(4.655.405)
Amortization and impairment	(252.798)	-
Other operating expenses	(25.413.190)	(19.014.271)
OPERATING PROFIT	**(2.676.743)**	**397.056**
of which: non recurring items	***660.023***	***4.862.254***
Financial income	80.322	240.195
Financial expenses	(4.293.123)	(2.124.875)
Net exchange differences	1.307.238	164.981
Net result of investments accounted for using the equity method	265.484	283.179
RESULT BEFORE TAXES	**(5.316.822)**	**(1.039.464)**
of which: non recurring items	***660.023***	***7.657.076***
Income taxes	270.251	514.927
NET RESULT	**(5.046.571)**	**(524.537)**
of which: non recurring items	***660.023***	***7.657.076***
- Attributable to Group shareholders	*(5.046.571)*	*(524.537)*
- Attributable to minority shareholders	-	-
RESULT PER SHARE - BASIC (in euro)	**(0,63)**	**(0,08)**
RESULT PER SHARE - DILUTED (in euro)	**(0,63)**	**(0,08)**

STATEMENT OF COMPREHENSIVE INCOME

Values in Euro	30/06/2010	30/06/2009
NET RESULT (A)	***(5.046.571)***	***(524.537)***
Gains/(Losses) on cash flow hedges	(1.562.574)	(957.392)
Gains/(Losses) on exchange differences on translating foreign operations	3.927.346	(170.864)
TOTAL OTHER GAIN/(LOSSES) (B)	**2.364.772**	**(1.128.256)**
TOTAL NET RESULT OF THE PERIOD (A) + (B)	**(2.681.799)**	**(1.652.793)**

TABLE OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

from January 1st to March 31st, 2009

Values in Euro	01/01/2009	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	30/06/2009
Capital stock	16.000.000	-	-	-	-	-	-	-	-	-	16.000.000
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**

from January 1st to December 31st, 2009

Values in Euro	01/01/2010	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	30/06/2010
Capital stock	16.000.000	-	-	-	5.600.302	-	-	-	-	-	21.600.302
Additional paid-in capital	36.814.893	-	-	-	9.632.726	-	-	-	-	-	46.447.619
Legal reserve	2.733.635	-	-	-	-	-	-	-	-	-	2.733.635
Capital increase - expenses	(1.263.903)	-	-	-	(20.563)	-	-	-	-	-	(1.284.466)
Stock option reserve	728.494	-	-	-	-	-	-	-	205.064	-	933.558
Change in the FV of hedging derivatives	(5.214.268)	-	-	-	-	-	-	(1.562.574)	-	-	(6.776.842)
Other reserves	14.120.389	-	-	-	-	-	-	-	-	-	14.120.389
Currency translation reserve	(2.384.892)	-	-	-	-	-	-	3.927.346	-	-	1.542.454
Retained earnings	12.138.832	-	-	-	-	(8.695.527)	-	-	-	-	3.443.305
Net result	(8.695.527)	-	-	-	-	8.695.527	-	(5.046.571)	-	-	(5.046.571)
Stockholders' equity of the Group	**64.977.653**	**-**	**-**	**-**	**15.212.465**	**-**	**-**	**(2.681.799)**	**205.064**	**-**	**77.713.383**
Minority interest	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
STOCKHOLDERS' EQUITY	**64.977.653**	**-**	**-**	**-**	**15.212.465**	**-**	**-**	**(2.681.799)**	**205.064**	**-**	**77.713.383**

CONSOLIDATED STATEMENT OF CASH FLOW

VALUES IN EURO	30/06/2010	30/06/2009
Net result	**(5.046.571)**	**(524.537)**
Adjustments (sub-total)	***(320.131)***	***5.720.926***
Depreciation and amortization	5.034.395	4.655.405
Net change in deferred tax assets and liabilities	(1.337.998)	289.695
Net result of investments accounted for using the equity method	(265.484)	(283.179)
Change in employee benefits	(543.054)	(1.077.423)
Change in inventories	(8.381.186)	22.543.648
Change in trade receivables	(5.782.987)	16.223.466
Change in trade payables	12.963.404	(35.036.689)
Net change in other receivables/payables and other assets/liabilities	(2.007.221)	(1.593.997)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)	**(5.366.702)**	**5.196.389**
Cash flow from investments		
Acquisition of tangible fixed assets	(735.638)	(558.367)
Acquisition of intangible fixed assets	(43.605)	(468.440)
Capitalization of development costs	(3.050.311)	(3.012.828)
Disposal/(Purchase) investments accounted for using the equity method	(47.000)	-
Net disposal of tangible and intangible fixed assets	168.081	609.083
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	**(3.708.473)**	**(3.430.552)**
Cash flow from financing activities		
Change in other non current financial liabilities and other minor items	515.680	1.618.665
Increases in loans and borrowings *(including bank overdrafts)*	3.092.009	22.279.051
Repayment of loans and borrowings *(including bank overdrafts)*	(16.527.134)	(22.533.017)
Increases/(repayments) in financial lease liabilities	(140.658)	(424.523)
Capital increase	15.212.465	-
Other changes in equity	2.569.836	(923.192)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)	**4.722.198**	**16.984**
Net change in cash and equivalents (D=A+B+C)	**(4.352.977)**	**1.782.821**
Cash and equivalents beginning of period (E)	**15.083.752**	**14.467.456**
Cash and equivalents end of period (F=D+E)	**10.730.775**	**16.250.277**

CONSOLIDATED BALANCE SHEET IN ACCORDANCE WITH CONSOB RESOLUTION NO. 15519 DATED 27 JULY 2006

Values in Euro	30/06/2010	*of which related parties*	31/12/2009	*of which related parties*
Property, plant and equipment	26.133.140		26.446.492	
Intangible assets	154.030.141		153.850.327	
Investment properties	-		158.000	
Investments accounted for using the equity method	5.849.086	*5.849.086*	4.699.761	*4.699.761*
Other investments	880.853		880.853	
Other non current financial assets	-		-	
Deferred tax assets	6.037.298		4.916.371	
Other non current assets	26.423		18.696	
NON CURRENT ASSETS	**192.956.941**		**190.970.500**	
Inventories	80.188.839		71.807.653	
Trade receivables	64.606.159	*1.248.961*	58.823.172	*986.281*
Other receivables	6.266.500		4.398.680	
Current tax receivables	5.665.961		5.984.885	
Cash and cash equivalents	10.730.775		15.083.752	
CURRENT ASSETS	**167.458.234**		**156.098.142**	
TOTAL ASSETS	**360.415.175**		**347.068.642**	
Capital stock	21.600.302		16.000.000	
Legal reserve	2.733.635		2.733.635	
Other capital reserves	53.440.258		45.185.605	
Currency translation reserve	1.542.454		(2.384.892)	
Retained earnings	3.443.305		12.138.832	
Net result	(5.046.571)		(8.695.527)	
Stockholders' equity of the Group	**77.713.383**		**64.977.653**	
Minority interest	-		-	
STOCKHOLDERS' EQUITY	**77.713.383**		**64.977.653**	
Interest-bearing loans and borrowings	108.591.553		113.495.746	
Employee benefit liabilities	6.960.755		7.503.809	
Deferred tax liabilities	10.685.841		10.902.912	
Provisions	67.754		67.754	
Derivatives	9.155.973		7.516.059	
NON CURRENT LIABILITIES	**135.461.876**		**139.486.280**	
Trade payables	60.985.240	-	51.429.488	-
Advance payments	23.072.087		19.664.435	
Other payables	15.778.001	*117.777*	15.398.252	*284.482*
Interest-bearing loans and borrowings	36.285.689		44.160.205	
Current tax payables	3.326.321		2.671.847	
Provisions	7.792.578		9.277.398	
Derivatives	-		3.084	
CURRENT LIABILITIES	**147.239.916**		**142.604.709**	
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	**360.415.175**		**347.068.642**	

CONSOLIDATED INCOME STATEMENT IN ACCORDANCE WITH CONSOB RESOLUTION NO. 15519 DATED 27 JULY 2006

Values in Euro	30/06/2010	*of which related parties*	30/06/2009	*of which related parties*
Net revenues	114.512.419	*2.217.669*	118.085.006	*1.586.545*
Other income	2.475.251		1.835.349	
Change in inventories of finished goods and WIP	2.473.892		(19.497.232)	
Increases in fixed assets for internal work	3.299.943		3.390.671	
Use of raw materials, consumables, supplies and goods	(56.119.741)		(40.073.059)	
Personnel cost	(38.870.922)	*(373.004)*	(39.674.003)	*(424.815)*
Depreciation	(4.781.597)		(4.655.405)	
Amortization and impairment	(252.798)		-	
Other operating expenses	(25.413.190)	*(388.750)*	(19.014.271)	*(358.210)*
OPERATING PROFIT	**(2.676.743)**		**397.056**	
of which: non recurring items	***660.023***		***4.862.254***	
Financial income	80.322		240.195	
Financial expenses	(4.293.123)		(2.124.875)	
Net exchange differences	1.307.238		164.981	
Net result of investments accounted for using the equity method	265.484	*265.484*	283.179	*283.179*
RESULT BEFORE TAXES	**(5.316.822)**		**(1.039.464)**	
of which: non recurring items	***660.023***		***7.657.076***	
Income taxes	270.251		514.927	
NET RESULT	**(5.046.571)**		**(524.537)**	
of which: non recurring items	***660.023***		***7.657.076***	
- Attributable to Group shareholders	*(5.046.571)*		*(524.537)*	
- Attributable to minority shareholders	-		-	
RESULT PER SHARE - BASIC (in euro)	**(0,63)**		**(0,08)**	
RESULT PER SHARE - DILUTED (in euro)	**(0,63)**		**(0,08)**	

CONSOLIDATED CASH FLOW STATEMENT IN ACCORDANCE WITH CONSOB RESOLUTION NO. 15519 DATED 27 JULY 2006

VALUES IN EURO	30/06/2010	30/06/2009
Net result	**(5.046.571)**	**(524.537)**
Adjustments (sub-total)	***(320.131)***	***5.720.926***
Depreciation and amortization	5.034.395	4.655.405
Net change in deferred tax assets and liabilities	(1.337.998)	289.695
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Disposal/(Purchase) investments accounted for using the equity method	(47.000)	-
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Cash flow from financing activities		
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Capital increase	15.212.465	-
Other changes in equity	2.569.836	(923.192)
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Cash and equivalents end of period (F=D+E)	**10.730.775**	**16.250.277**

COMPANY INFORMATION

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

PRIMA North America, Inc. (incorporated under American law) is structured in three divisions:
- CONVERGENT LASERS DIVISION: which designs, manufactures, sells and provides service 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 motors and turbines for the generation of energy.
- PRIMA LASER SYSTEMS: sells and services the 3D laser machines produced by PRIMA INDUSTRIE on the North American market.

PRIMA FINN-POWER GmbH (incorporated under German law) performs activities of management, promotion and service on the German market.

PRIMA FINN-POWER SWEDEN AB (incorporated under Swedish law) performs activities of management, promotion and service on the Scandinavian market.

PRIMA FINN-POWER UK LTD. (incorporated under British law) carries out management, promotion and service for PRIMA INDUSTRIE's products on the English and neighboring markets.

PRIMA FINN-POWER CENTRAL EUROPE Sp.zo.o. (incorporated under Polish law), performs activities of management, promotion and service on the Eastern European markets.

OOO PRIMA INDUSTRIES (operational from the third quarter 2010), performs activities of management, promotion and service on the Russian market.

PRIMA INDUSTRIE (Beijing) Co. Ltd. (incorporated under Chinese law) performs servicing activities on the Chinese market.

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

This company is the parent company of the group composed of the following firms:
- OSAI USA Llc., 100% shareholding
- OSAI UK Ltd., 100% shareholding

- CARETEK S.r.l. 47% shareholding

The FINN-POWER Group with headquarters in Kauhava, Finland, and with production plants in both Finland and Italy and subsidiary companies in Italy, France, Belgium, Spain, the USA and Canada, operates mainly in the sector of machines for sheet metal processing (punching machines, punching-shearing cells and punching machines-lasers, automatic bending cells and the related automation systems) and to a lesser extent, in the sector of laser cutting machines, a sector in which the PRIMA INDUSTRIE Group is a leader.
FINN-POWER products are positioned in the medium-high range and are characterized by good versatility and size as well as a high degree of automation: the company is renowned for its flexible production systems operating throughout the whole production unit.

FINN-POWER OY (acquired by PRIMA INDUSTRIE S.p.A. in February 2008) is the parent company of a group consisting of:

- FINN-POWER ITALIA S.r.l., 100% shareholding, whose mission is the production of a line of FINN-POWER products (paneling machines), and the sale and servicing of all the FINN-POWER products on the Italian market.
- PRIMA FINN-POWER FRANCE Sarl, 100% shareholding, a marketing and servicing company.
- PRIMA FINN-POWER NV, 100% shareholding, a marketing and servicing company.
- PRIMA FINN-POWER IBERICA,SL, holding of 78% (the remaining 22% is held by PRIMA INDUSTRIE S.p.A.), a marketing and servicing company.
- BALAXMAN OY, 100% shareholding.
- PRIMA FINN-POWER North America, 100% shareholding, a marketing and servicing company.
- PRIMA FINN-POWER CANADA Ltd, 100% shareholding through PRIMA FINN-POWER North America, a marketing and servicing company.

FORM AND CONTENT

The abridged consolidated interim report of the PRIMA INDUSTRIE Group as of 30/06/2010 was prepared in the perspective of an on-going concern (for more details see the note on “Accounting Standards”) and in respect of the International Financial Reporting Standards issued by the International Accounting Standards Board and approved by the European Union (defined as “IFRS”), as well as the legislative provisions and regulations in force in Italy (with particular reference to Legislative Decree 58/1998 and subsequent amendments, and the issuer regulations published by the CONSOB). “IFRS” means 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 abridged consolidated interim report was prepared, in summary form, in accordance with IAS 34 "Interim Financial Statements" but does 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 ending 31/12/2009, to which reference is made for additional details.

The abridged interim consolidated financial statements of the PRIMA INDUSTRIE Group are expressed in Euro, which is also the applicable currency in the economies in which the Group mainly operates.
The foreign subsidiaries are included in the abridged consolidated interim financial statements at 30/06/2010 in accordance with the principles described in the Note entitled "Accounting Principles" in the Consolidated Financial Statements as of 31/12/2009.

The Balance Sheet information as at 31/12/2009, the Income Statement information as well as that relative to the cash-flow for the first six months of 2009 and the changes in shareholders' equity in the first six months of 2009 was presented for comparative purposes, in application of IAS 1 (Presentation of the Financial Statements).

ACCOUNTING PRINCIPLES

Ongoing concern

The abridged consolidated interim financial statements at 30/06/2010 were prepared in the perspective of an ongoing concern, as there are reasonable expectations that PRIMA INDUSTRIE will continue its operations in the foreseeable future. In particular, the improved operating profitability with respect to the first semester of the previous year (net of the non-recurrent items), the increase in order acquisitions in recent months, the availability of credit lines sufficient for the working cash needs, are the main factors taken into consideration to ascertain that, at this time, there are no significant doubts about the Group's prospects of remaining in business.

Accounting criteria and principles of consolidation

The accounting criteria and principles of consolidation used for the preparation of the abridged consolidated interim financial statements at 30/06/2010 are the same as those used in preparing the annual consolidated financial statements at 31/12/2009, to which reference is made, save application of the new standards/interpretations applied by the Group after January 1, 2010, and any adaptations required by the nature of interim reporting.
In particular and at the time of preparing the abridged half-yearly Consolidated Financial Statements as of 30/06/2010, the income taxes for the six months for the individual consolidated enterprises were 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.

Use of account estimates

The preparation of the interim Financial Statements requires management to make estimates and assumptions that have an effect on the revenue values, as well as on the 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 assumption that are based on management's best assessment, differ from the actual circumstances, they will be changed in an appropriate way in the period in which the circumstances themselves change. In particular and at the time of preparing the abridged consolidated interim financial statements as at 30/06/2010, the income taxes for the period for the individual consolidated enterprises were 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.

We set out hereunder a list of the main accounting entries whose formulation required management to formulate to a greater extent subjective assumptions and estimates:

- Impairment of goodwill: the goodwill is periodically subject to the impairment test on the basis of the forecasted cash flows generated by the aforementioned 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 revised determination of the value of the goodwill recorded in the Financial Statements will be made, with possible negative effects on the economic result.
- Deferred taxes: the deferred tax assets and liabilities recorded in the financial statements are determined by applying to the differences between the value attributed to an asset or a liability according to statutory criteria and the value attributed to that asset or liability for tax purpose, the tax rates that are presumed to be applicable in the different countries in the year in which the temporary differences are expected to cease. The deferred taxes relating to fiscal losses that can be carried forward to future financial years are recorded in the Financial Statements only if and to the extent that management believes 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 changes, the items recorded in the financial statements will be adjusted.
- Provisions for inventory obsolescence: in determining the provision for inventory obsolescence the Group companies perform a series of estimates relative to the future demand for the various types of products and materials in stock, on the basis of the production plan 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 for receivable write-downs: the provisions for receivable write-downs are determined on the basis of an analysis of the individual credit positions in the light of past experience in terms of recovery of receivables and the relationships with the individual customers. If there is an unexpected deterioration of the economic and financial situation of an important customer, this could result in the need to adjust the fund for receivable write-downs, with the consequent negative effects on the Income Statement.
- Employee benefits: in many companies of the Group (particularly in Italy, Germany and France) benefit programs are in existence, prescribed by labor agreements or by law. Benefits are received on the termination of the working relationship. Calculation of the amount to be recorded in the Financial Statements requires actuarial estimates to be made that take into account a series of assumptions relating to parameters such as the annual rates of inflation, the growth in wages, the annual rate of staff turnover and other variables. Any change in these parameters requires readjustment of the actuarial estimates and consequent adjustment of the amounts disclosed in the Financial Statements.

New standards and interpretations enacted by the EU, which went into effect on 1 January 2010.

The Group has taken note and, where necessary, applied the following published standards, interpretations and updates in the first semester 2010:

- interpretation of IFRIC 12 "Agreements for services on concession" should be applied in the financial statements of private companies that manage assets of public interest, granted to them with concessions, when the organization granting the concession (i) controls/regulates and sets the price for the services of public utility to be offered by the concessionaire company through the infrastructures that the concessionaire obtains for management or provides itself and (ii) maintains, through ownership or in other ways, the authorization granted on any residual interest in the infrastructures upon expiration of the concession;

- IFRS 1 revised regarding subjects required to apply the IFRS standards for the first time and compile the document "First Time Adoption" ;

- amendments to IFRS 2 on the subject of reporting transactions with payments based on shares, paid in cash within a group, and abrogation of IFRIC 8 and IFRIC 11;

- IFRS 3 revised, which introduces changes in the method of representing corporate aggregations, and in particular: in acquisitions of controlling interests made in steps it is necessary to recalculate the entire shareholding owned at fair value; the transactions made with third parties after acquisition of the controlling interest and in cases of maintenance of control, are entered in the shareholders' equity; the costs incurred for the acquisition must be charged immediately to the income statement; the changes to "contingent considerations" are entered in the income statement;

- IAS 27 revised, which pertains to the valorization of equity investments in case of increase or decrease of the portion owned. In case of changes regarding possession, with maintenance of control, the effects are now entered in the shareholders' equity, otherwise in case of loss of control, the residual shareholding is valued at fair value;

- IFRIC 15 "Agreements for the construction of real estate";

- IFRIC 16 "Coverage of a net investment in a foreign management": the interpretation applies to cases in which the company intends to cover the risk deriving from an investment in a foreign company and wants to qualify the transaction as one of coverage pursuant to IAS 39;

- IFRIC 17 "Distribution to the shareholders of assets not represented by cash on hand": The interpretation specifies, in particular, when the dividend must be reported and how it must be valued, as well as how to proceed to enter the differences, when paying the dividend, between the book value of the assets distributed and the book value of the dividend payable;

- IFRIC 18 "Transfer of assets by clients": the interpretation concerns the methods of entering goods received from clients, or cash, for connection to a distribution network. IFRIC 18 must be applied only by subjects that are not required to apply IFRIC 12;

- Certain marginal amendments and improvements to other accounting standards and interpretations.

ACCOUNTING STATEMENT FORMAT

As far as the layout of the Financial Statements is concerned, the Group has elected to use the layout described here below:

a) as regards the Balance Sheet, the Company has adopted the layout 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 layout used divides the costs by their nature; the total consolidated income statement includes, in addition to the profit for the period, the other changes in movements of the shareholders' equity different from those with the shareholders;
c) as regards the table of changes in Stockholders' Equity, the Company adopted the layout that reconciles the opening and closing balances of each item of equity for the period underway as well as for the previous one;
d) as regards the Cash Flow Statement the Company elected the so-called “indirect” method, which determines the financial flow net of operating activities adjusting the profit and loss for the effects of:
   - non monetary elements such as depreciation, impairment, profits and losses on associated unrealized items;
   - the changes in inventories, receivables and payables generated by the operating activities;
   - other elements where the financial flows are generated by investment assets and financing.

It should be noted, also, that with reference to Consob resolution no. 15519 of July 27, 2006 regarding the layout of financial statements, specific additional formats for the financial statements and equity-financial situation have been included, highlighting the significant relationships with associates and non-recurrent transactions, in order to ensure greater overall legibility of the financial statements.

These Interim Financial Statements were approved by the Board of Directors on August 27, 2010.

EXPLANATORY NOTES

The data provided in the explanatory notes are in euro, unless specified otherwise.

NOTE 6.1 – INTANGIBLE FIXED ASSETS

At 30/06/2010 the tangible fixed assets amount to 26,133 euro, down from 313,000 Euro as at 31/12/2009.

For more details, see the table here below.

Tangible fixed assets	Land and buildings	Plants and machinery	Industrial and trade equipment	Other goods	Fixed assets under construction	TOTAL
Values as of January 1, 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 as of January 1, 2009	**26.493.628**	**5.085.046**	**915.567**	**2.561.318**	**448.308**	**35.503.867**
Year 2009						
Net value as of January 1, 2009	26.493.628	5.085.046	915.567	2.561.318	448.308	35.503.867
Variation in the area of consolidation	-	-		-	-	-
Variation in the area of consolidation on depr.fund	-	-	-	-	-	-
Increases	30.677	234.624	235.100	424.805	217.619	1.142.825
Disinvestments	(7.409.563)	(412.020)	(796)	(692.487)	-	(8.514.866)
Use of depreciation fund	1.360.762	322.750	-	671.495	-	2.355.007
Depreciation	(1.146.019)	(1.422.372)	(415.647)	(950.948)	-	(3.934.986)
Impairment	-	-	-	-	-	-
Reclassifications	-	(113.953)	47.377	66.576	-	-
Depreciation funds reclassified	-	-	-	-	-	-
Difference on exchange rates	(72.870)	(97.053)	697	(74.620)	-	(243.846)
Difference on exchange on depr.funds	9.831	58.701	(800)	70.759	-	138.491
Net value as of December 31, 2009	**19.266.446**	**3.655.723**	**781.498**	**2.076.898**	**665.927**	**26.446.492**
December 31, 2009						
Historic cost	23.670.894	16.633.227	5.699.690	13.727.615	665.927	60.397.353
Depreciation fund	(4.404.448)	(12.977.504)	(4.918.192)	(11.650.717)	-	(33.950.861)
Net value as of December 31, 2009	**19.266.446**	**3.655.723**	**781.498**	**2.076.898**	**665.927**	**26.446.492**
Values as of January 1, 2010						
Historic cost	23.670.894	16.633.227	5.699.690	13.727.615	665.927	60.397.353
Depreciation fund	(4.404.448)	(12.977.504)	(4.918.192)	(11.650.717)	-	(33.950.861)
Net value as of January 1, 2010	**19.266.446**	**3.655.723**	**781.498**	**2.076.898**	**665.927**	**26.446.492**
1st Half 2010						
Net value as of January 1, 2009	19.266.446	3.655.723	781.498	2.076.898	665.927	26.446.492
Variation in the area of consolidation	-	-	-	-	-	-
Variation in the area of consolidation on depr.fund	-	-	-	-	-	-
Increases	22.800	24.879	219.958	372.587	95.414	735.638
Disinvestments	-	(1.333)		(237.728)	-	(239.061)
Use of depreciation fund	-			228.980	-	228.980
Depreciation	(354.159)	(548.874)	(208.641)	(402.443)	-	(1.514.117)
Impairment	(28.000)	-			-	(28.000)
Reclassifications	-	151.237			(151.237)	-
Depreciation funds reclassified	-	-			-	-
Difference on exchange rates	360.833	485.158	3.461	410.770	-	1.260.222
Difference on exchange on depr.funds	(40.475)	(335.572)	(3.979)	(376.988)	-	(757.014)
Net value as of June 30, 2010	**19.227.445**	**3.431.218**	**792.297**	**2.072.076**	**610.104**	**26.133.140**
June 30, 2010						
Historic cost	24.026.527	17.293.168	5.923.109	14.273.244	610.104	62.126.152
Depreciation fund	(4.799.082)	(13.861.950)	(5.130.812)	(12.201.168)	-	(35.993.012)
Net value as of June 30, 2010	**19.227.445**	**3.431.218**	**792.297**	**2.072.076**	**610.104**	**26.133.140**

The reduction in net book value of tangible fixed assets mainly reflects depreciation in the period, against rather low net investments and a net increase of 503,000 euro due to the exchange effect.

NOTE 6.2 – INTANGIBLE FIXED ASSETS

The intangible fixed assets at 30/06/2010 amounted to 154,030,000 Euro, up by 180,000 euro compared to 31/12/2009.

For more details regarding the movements of intangible fixed assets during the first semester of 2010, see the table below.

Intangible fixed assets	Goodwill	Development costs	Other goods	TOTAL
Year 2009				
Net value as of January 1, 2009	102.585.493	8.012.689	42.577.652	153.175.834
Variation in the area of consolidation	-	-	-	-
Increases/(decreases)	-	6.500.781	460.137	6.960.918
Reclassifications	-	3.316.084	(3.316.084)	-
Depreciation	-	(2.341.064)	(3.656.096)	(5.997.160)
Impairment	-	(174.025)	-	(174.025)
Difference on exchange rates	(74.393)	(40.847)	-	(115.240)
Net value as of December 31, 2009	**102.511.100**	**15.273.618**	**36.065.609**	**153.850.327**
1st Half 2010				
Net value as of January 01, 2010	102.511.100	15.273.618	36.065.609	153.850.327
Variation in the area of consolidation	-	-	-	-
Increases/(decreases)		3.050.311	43.605	3.093.916
Reclassifications	-	-	-	-
Depreciation	-	(1.462.391)	(1.805.089)	(3.267.480)
Impairment	-	(224.798)	-	(224.798)
Difference on exchange rates	368.463	209.713	-	578.176
Net value as of June 30, 2010	**102.879.563**	**16.846.453**	**34.304.125**	**154.030.141**

The most significant item is Goodwill, which as of 30/06/2010 amounts to 102,880,000 euro and was increased only by effect of the rate of exchange recorded on goodwill by PRIMA North America. All goodwill recorded in the financial statements relates to the residual value paid with respect to the portion already specifically allocated to the net assets acquired.

The table below sets out the book value of the goodwill allocated to each unit that generates financial flows.

UNIT GENERATOR OF CASH FLOWS	BOOK VALUE OF GOODWILL AT 30/06/2010	BOOK VALUE OF GOODWILL AT 31/12/2009
FINN-POWER GROUP	96.078	96.078
OSAI (Service)	4.125	4.125
PRIMA NORTH AMERICA	2.486	2.117
MLTA	154	154
OSAI UK	37	37
TOTAL	**102.880**	**102.511**

Goodwill is not subject to depreciation and is annually subject to the *impairment test*. In consideration of the consolidated profits for the first semester 2010, the Group performed the *impairment test* as of 30/06/2010 on the value of the goodwill of the FINN-POWER Group and PRIMA NORTH AMERICA. We did not test the goodwill of OSAI (Service), because no impairments of value were observed during the semester, considering that performance of the CGU was positive and that as of 31/12/2009 there was already a significant difference between the book value and the recoverable value.

For purposes of ascertaining any impairment of value, the individual goodwill items acquired through the business combinations have been 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 the goodwill entered in the financial statements will be recovered through discounted cash flows produced by the *cash generating unit* (CGU) of reference.
Therefore, as of 30/06/2010, the book value from the cash generating unit (inclusive of goodwill, intangible assets with limited useful life identified at the time of purchase and of the other net operating assets) was compared with the value of use, or rather the current value of future financial flows that should derive from their continued use and any removal from service of them at the end of their useful life.
The estimate of the recoverable value is based on the program data approved for the same test at 31/12/2009, updated (only for the second semester 2010) to consider – where necessary – the differences between the final data of the first semester 2010 and the budget data. The program data extend for FINN-POWER until 2014, while for PRIMA North America they extend until 2013. The expected flows for future years after the last year of their respective programs have been capitalized in perpetuity.

The nominal growth assays ("g") used for purposes of estimating the terminal value are as follows, and are coherent with the values at 31/12/2009.

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

The discount rate applied (WACC) to prospective cash flows was 8.76% for the FINN-POWER Group, and 8.40% for PRIMA North America (both *pre-tax*), calculated taking account of the sector in which the CGUs operate, the countries in which we expect to achieve the programmed results, the debt structure at full capacity and the current economic situation.

The WACC used for purposes of estimating the terminal value are as follows, in particular that used for the FINN-POWER Group is coherent with the values at 31/12/2009.

FINN-POWER Group	PRIMA NORTH AMERICA
8,76%	8,40%

In both cases, determination of the value of use of the goodwill according to the process illustrated showed a recoverable value higher than the book value of the CGU, so that is was not necessary to make any reductions in the respective values. In particular, the value of use of the FINN-POWER Group CGU as at 30/06/2010 amounts to about 24 million Euro.

With respect to the basic assumptions described above, an analysis of sensitivity was made of the results with respect to the WACC, the growth rates (g) and the forecast results. In particular, relative to the FINN-POWER goodwill, even with the increase in the cost of capital by 30 *basis points* (hundredths of a percentage point) and resetting the growth rate (g) in perpetuity, the values of use show no impairment losses. Considering a growth rate (g) of zero, the WACC that would make the recoverable value of the CGU equal to its book value would be 9.5%.

We also provided to perform a sensitivity analysis which had forecasting results inferior to the expectations reflected in the 2010-2014 plan; if revenues should decrease by about 5% (and consequently also the EBITDA), even in this case (with a WACC of 8.76% and a growth rate of 0.5%) the values of use would not show any loss from impairment.

The *impairment test* was not performed, for this reason, with a view to writing down the book values of the CGUs subject to assessment.

Among the other intangible assets capitalized were also fixed assets for their defined useful life, to which part of the price paid for the acquisition of FINN-POWER was allocated in 2008: the “FINN-POWER” trademark and the customer list are included under the heading of Other capitalized fixed assets; the residual value of these two assets at 30/06/2010 amounted to 21,086,000 Euro and 10,500,000 Euro, respectively. The useful life of these two intangible assets is respectively 15 and 10 years.

The most significant increases in the first half of 2010 are those related to the costs for activities of development of new projects, where the technical feasibility and the ability to generate future financial benefits has been verified, amounting to 3,050,000 euro. It will be noted that, with reference to this activity, taking account of the benefits expected from their exploitation, losses of value were incurred on one project and negatively affected the semester for 225,000 euro.

NOTE 6.3 – NON-INSTRUMENTAL INVESTMENT PROPERTIES

In May 2010, FINN-POWER Italia sold agricultural land in Asola (MN) at a price substantially in line with the values assigned to it in the financial statements.

NOTE 6.4 - INVESTMENTS ACCOUNTED FOR USING THE SHAREHOLDERS' EQUITY METHOD

The value of equity investments included in this item increased with respect to the past year, by 1,149,000 euro.

Equity investments valued with PN method	SUP (1)	SNK	CARETEK	TOTAL
January 1, 2009	**3.982.959**	**79.575**	**-**	**4.062.534**
Portion of result	794.499	(410)	-	794.089
Increases	-	-	-	-
Currency adjustment	(153.164)	(3.698)	-	(156.862)
December 31, 2009	**4.624.294**	**75.467**		**4.699.761**
Portion of result	282.440	(456)	(16.500)	265.484
Increases	-	-	47.000	47.000
Currency adjustment	821.098	15.743	-	836.841
June 30, 2010	**5.727.832**	**90.754**	**30.500**	**5.849.086**

(1) SHANGHAI UNITY PRIMA LASER MACHINERY CO. LTD.

The change was due to inclusion of the profit portion, currency adjustment of the equity investments in SUP and SNK, and the incorporation of Caretek S.r.l. on February 10, 2010. Caretek S.r.l. has a share capital of 100,000 euro, fully paid-in, of which PRIMA ELECTRONICS S.p.A. holds 47%, Consoft Sistemi S.p.A. 47% and Etica S.r.l. 6%. For more information regarding these two operations, reference is made to Chapter 3 – Group Interim Management Report. The value entered in the abridged consolidated financial statements refers for 5,728,000 euro to the equity investment of 35% in Shanghai Unity Prima Laser Machinery Co.Ltd, for 91,000 euro to the equity investment of 50% in SNK Prima Company Ltd and the remainder to the newly incorporated Caretek S.r.l.

NOTE 6.5 - OTHER EQUITY INVESTMENTS

The value of the other equity investments as at 31/12/2009 has been reclassified, transferring the entire value reported under Other financial assets in this item; this was done to furnish a better representation of the Group's equity situation.

With the exception of this reclassification, the item Other equity investments remained unchanged with respect to the previous year. The item consists of the following elements:

- Electro Power Systems (750,000 euro);
- Consorzio Sintesi (52,000 euro).
- Fimecc OY (50,000 euro);
- other lesser equity investments (29,000 euro).

The equity investment in ELECTRO POWER SYSTEMS is held by the subsidiary PRIMA ELECTRONICS and amounts to 3.08%, the equity investment in the Consorzio Sintesi is held by the parent company in the amount of 10%, while the equity investment in Fimecc OY is held by FINN-POWER OY and amounts to 2.4%.

Among the Other equity investments is an equity investment, from the third quarter of 2009, in OSAI GmbH in liquidation, amounting to 1 Euro. During the third quarter 2009, OSAI GmbH was put in liquidation and has therefore been excluded from the area of consolidation.

NOTE 6.6 - OTHER FINANCIAL ASSETS

As already stated in “Note 6.5 – Other equity investments”, in order to furnish a better representation of the Group's equity situation, we reclassified the Other financial assets at 31/12/2009 among Other equity investments.

NOTE 6.7 - FISCAL ASSETS FOR PREPAID TAXES

Fiscal assets for prepaid taxes amount to 6,037,000 euro, up with respect to the previous year by 1,121,000 euro.
The temporary differences that generated these fiscal assets refer to margins on infragroup sales not realized, funds for risks on warranties and write-down funds for receivables and inventories; the increase with respect to 31/12/2009 is mainly due to the increase of infragroup margins by effect of the increase of revenues and prepaid taxes on infra-annual losses accrued by PRIMA North America. The Group has allocated the prepaid taxes on infra-annual losses, since their recoverability is not linked to future positive results, but to a request of reimbursement that must be submitted to the American tax authorities; the U.S. fiscal law provides that a company, when it incurs a loss in the year, may request a refund of the taxes paid in the previous three years. This asset was classified among prepaid taxes because as of 30/06/2010 the refund application had not been presented as yet; therefore, if PRIMA North America as of 31/12/2010 is still in the fiscal loss condition, the relative receivable will be transferred from this item to Other fiscal assets (for more details about U.S. fiscal legislation relative to this tax credit see note 6.11 – Other fiscal assets).

Entry in the financial statements of the prepaid taxes was made, wherever there was a definite probability of recovering them.

With reference to the recoverability of these taxes it should be noted that the parent company and PRIMA ELECTRONICS has historically had positive fiscal earnings, both as regards IRES, and IRAP (the fiscal loss in 2009 of PRIMA INDUSTRIE S.p.A. was due to the effects of the economic situation) and expect to reach positive taxable fiscal levels also in the coming years. The assessment of recoverability of prepaid taxes takes account of the expected profitability in future years and is also supported by the fact that the prepaid taxes refer mainly to asset adjustment funds and funds for risks and costs, for which there is no expiration date.

In the light of the foregoing, there are no elements requiring amendment of the previous assessments made regarding the recoverability of prepaid taxes.

NOTE 6.8 - INVENTORIES

The following table illustrates the breakdown of inventories as of 30/06/2010 and 31/12/2009.

INVENTORIES	30/06/10	31/12/09
Raw materials	36.384.350	32.648.395
(Raw materials devaluation fund)	(3.775.802)	(3.406.432)
Unfinished goods	14.721.938	9.161.872
(Unfinished goods devaluation fund)	(175.489)	(175.489)
Finished products	35.426.100	35.873.404
(Finished products write-down fund)	(2.392.258)	(2.294.097)
TOTAL	**80.188.839**	**71.807.653**

At 30/06/2010 the inventories amounted to 80,189,000 Euro net of the provision for write-downs of inventories totaling 6,344,000 Euro.
The value of inventories in stock on 30/06/2010 shows a net increase of 8,381,000 euro. The increase over 31/12/2009 mainly concerned raw and unfinished materials; this increase reflects the growth of production, in response to the improved sales trend of the Group in the second quarter 2010.

NOTE 6.9 - TRADE RECEIVABLES

Trade receivables as of 30/06/2010 amount to 64,606,000 euro and, compared with the previous year, are up by 5,783,000 euro.

TRADE RECEIVABLES	30/06/10	31/12/09
Receivables from clients	68.955.717	63.673.042
Receivable write-down fund	(5.598.519)	(5.836.151)
Net receivables from clients	**63.357.198**	**57.836.891**
Receivables from associates	1.248.961	986.281
Write-down fund for rec. from assoc.	-	-
TOTAL	**64.606.159**	**58.823.172**

The receivables from associates amount to 1,249,000 euro and are commented on in note 6.29 - Information about associates. The increase in trade receivables between 30/06/2009 and 31/12/2009 was caused by the increase in sales revenues in the second quarter 2010. With reference to the receivable write-down fund, there was no significant change.

NOTE 6.10 - OTHER RECEIVABLES

The other receivables as of 30/06/2010 amount to 6,293,000 euro (of which 26,000 euro non-current) and increased with respect to the past year by 1,876,000 euro, mainly due to the ministry contribution pursuant to law 46/82 (for more details about this contribution see note 6.20 – Other operating revenues and note 6.30 – Significant non-recurrent events and transactions).
The value of the other receivables refers mainly to accruals and deferrals in assets, advances paid to suppliers, advances on travel expenses paid to employees, contributions for research & development to be received.

NOTE 6.11 - OTHER FISCAL ASSETS

The item stands at 5,666,000 euro compared with 5,985,000 euro at the end of the previous financial year. Fiscal assets refer mainly to VAT receivables (3,233,000 euro), receivables entered by the three American subsidiaries and the German subsidiary on accrued losses (1,482,000 euro), as well as from the Group's corporate income tax (434,000 euro) and IRAP advances (288,000 euro).

With reference to the receivable on fiscal losses accrued in the U.S. and Germany, it should be noted that the American and German fiscal laws foresee that a company, if it has a loss in the year, can request a total or partial refund of taxes paid in previous years (three for the American law). To make this request it is not necessary to have positive fiscal results in the future, it is only necessary to send the tax authorities an application for the refund. Therefore, this item was included under the heading of “Other current fiscal assets”.

NOTE 6.12 - NET FINANCIAL POSITION

As of 30/06/2010, the Group’s net financial position showed an indebtedness amounting to 143,302,000 euro, down from 31/12/2009 by 6,789,000 euro. For a better understanding of the changes in the net financial position during the first semester 2010, the reader is referred to the cash-flow statement for the period.

As required by Consob Communication no. DEM/6064293 of 28/07/2006, the following table illustrates the net financial indebtedness as of 30/06/2010 and 31/12/2009, determined with the criteria indicated in the Recommendation of the CESR (Committee of European Securities Regulators) of 10/02/2005 “Recommendations for uniform implementation of the European Commission regulation in information prospectuses”, also cited by Consob.

FINANCIAL POSITION				
	Values in thousands of euro	30/06/10	31/12/09	Variations
A	CASH	10.731	15.084	(4.353)
B	OTHER VALUABLES ON HAND	-	-	-
C	SECURITIES HELD FOR NEGOTIATION	-	-	-
D	**CASH ON HAND (A+B+C)**	**10.731**	**15.084**	**(4.353)**
E	**CURRENT FINANCIAL RECEIVABLES**	**-**	**-**	-
F	CURRENT BANK PAYABLES	12.406	11.768	638
G	CURRENT PART OF NON-CURRENT INDEBTEDNESS	22.896	31.158	(8.262)
H	OTHER CURRENT FINANCIAL PAYABLES	984	1.237	(253)
I	**CURRENT FINANCIAL INDEBTEDNESS (F+G+H)**	**36.286**	**44.163**	**(7.877)**
J	**NET CURRENT FINANCIAL INDEBTEDNESS (I-D-E)**	**25.555**	**29.079**	**(3.524)**
K	NON-CURRENT CURRENT BANK PAYABLES	114.326	117.551	(3.225)
L	BONDS ISSUED	-	-	-
M	OTHER NON-CURRENT FINANCIAL PAYABLES	3.421	3.461	(40)
N	**NON-CURRENT FINANCIAL INDEBTEDNESS (K+L+M)**	**117.747**	**121.012**	**(3.265)**
O	**NET FINANCIAL INDEBTEDNESS (J+N)**	**143.302**	**150.091**	**(6.789)**

The improvement in net financial indebtedness is mainly due to the capital increase resolved on February 11, 2010, for 15,232,000 euro (inclusive of accessory costs). Part of the liquidity collected from the capital increase was absorbed during the semester by the flow deriving from ordinary management for operating activities, investments and loans and, to a lesser extent, by investment management.

LIQUIDITY

For more details relative to the increase in liquidity, see the consolidated cash-flow statement.

PAYABLES TO BANKS

The main debt included in this item is the FINPOLAR loan. This loan, which amounted to a total of 122,522,000 euro on 30/06/2010 is divided as follows:

- Section A: medium/long-term loan of 34,886,000 (expiring in February 2015 with repayment in semi-annual installments of unvarying capital);
- Section B: medium/long-term loan of 63,403,000 (expiring in February 2016 with a "bullet" repayment at expiration);
- Section C1: medium/long-term loan of 12,581,000 (expiring in February 2015 with repayment in semi-annual installments of unvarying capital starting August 4, 2011);
- Section C2: revolving credit line of advances on invoices used until June 30, 2010 for 502,000 euro;
- Section D: cash credit line for 9,809,000 euro (for a maximum capital amount of 20 million euro).
- Accrued interest for all 5 sections amounting to 1,341,000 euro.

As regards the loan with repayment in semi-annual installments expiring in 2015 (Section A), the installment due in February 2010 was duly repaid (the capital amounts to 3,525,000 euro) and, at the time of drafting this abbreviated interim report, the installment due August 4, 2010 for the same capital amount was also duly repaid.

Section D was repaid during the first semester 2010 for a about 8 million euro.

The FINPOLAR loan is subject to respect of certain *covenants*, measured annually on a consolidated basis and, therefore, the next measurement will be relative to the financial statements as of 31/12/2010. For a breakdown of these *covenants*, and redefinition of them during previous years, reference is made to the financial statements for 2009.

The FINPOLAR loan is for 103,883,000 euro expiring after 12 months.

Non-current payables to banks also include payables for 1,287,000 euro and the negative *fair value* of certain financial derivative instruments (IRS – Interest Rate Swap) which amount to a total of 9,156,000 euro. The main contracts are those stipulated by PRIMA INDUSTRIE S.p.A. in partial coverage of the interest rate risk on the above-mentioned FINPOLAR loan. The tests of effectiveness made on the derivative hedge contracts were found to be substantially effective as of 30/06/2010 and have therefore been entered, as all the other requisites of IAS 39 were satisfied, using the criterion of "hedge accounting". The financial instruments for which the test of effectiveness is not performed, in consideration of their characteristics, are accounted for by reporting the relative variations of *fair value* in the income statement.

In current payables to banks (considering also the current part of the non-current indebtedness) we have included the FINPOLAR loan for 18,639,000 euro, bank overdrafts for 7,509,000 euro, and other bank loans for 9,154,000 euro.

OTHER FINANCIAL PAYABLES
The other financial payables amount in total to 4,405,000 euro (of which 3,421,000 are not current).

The other financial payables include:
- interest on the residual payable due to EQT (also relative to the acquisition of the FINN-POWER Group), which came due from July to November 2009, and entirely classified in the current portion of the payable, for 311,000 euro;
- payables for financial leases amounting to 2,578,000 euro (of which 254,000 euro current);
- other financial payables for 1,517,000 euro (of which 419,000 euro current); these payables refer mainly to facilitated ministry loans.

CHANGES IN PAYABLES TO BANKS AND LOANS
The payables to banks and the loans taken out by the PRIMA INDUSTRIE Group as of 30/06/2010 (not inclusive of the *fair value* of derivatives) amount to 144,877,000 euro and in the first semester 2010 they changed as shown in the table here below.

PAYABLES TO BANKS AND LOANS	*Euro/000*
Payables to banks and loans - current portion (01/01/2010)	44.160
Payables to banks and loans - non-current portion (01/01/2010)	113.496
TOTAL PAYABLES TO BANKS AND LOANS AS OF 01/01/2010	**157.656**
Variation in the area of consolidation	-
Stipulation of loans and borrowings	3.092
Repayment of loans and borrowings	(16.527)
Net variation in liabilities for financial leases and Sabatini transactions	(141)
Exchange effect	797
TOTAL PAYABLES TO BANKS AND LOANS AS OF 30/06/2010	**144.877**
of which:	
Payables to banks and loans - current portion (30/06/10)	36.286
Payables to banks and loans - non-current portion (30/06/10)	108.591
TOTAL PAYABLES TO BANKS AND LOANS AS OF 30/06/2010	**144.877**

NOTE 6.13 - SHAREHOLDERS' EQUITY

During the period, the company concluded the increase of capital resolved by the Board of Directors of the company on December 18, 2009; this increase of capital led to collection of 15,232,000 euro (inclusive of the accessory costs of the transaction). For more details on this subject, see the table of changes in shareholders' equity.

NOTE 6.14 - EMPLOYEE BENEFITS

The item Employee benefits includes:
- Severance Indemnity paid by Italian companies to their employees;

- a fidelity bonus granted by the Parent Company and PRIMA ELECTRONICS to their employees;
- a pension fund recognized by PRIMA INDUSTRIE GmbH and PRIMA FINN-POWER FRANCE Sarl to their employees.

EMPLOYEE BENEFITS	30/06/10	31/12/09
Severance indemnity fund	5.831.464	6.405.048
Fidelity premium	1.129.291	1.098.761
TOTAL	**6.960.755**	**7.503.809**

The reduction with respect to the year 2009 is due, substantially, to the reduction in the Group's personnel.

NOTE 6.15 - FISCAL LIABILITIES FOR DEFERRED TAXES

The tax liabilities for deferred taxes amount to 10,686,000 euro and reflect a decrease compared to the previous financial year which amounted to 217,000 euro. It should be noted that this item also includes tax liabilities for deferred taxes on the trademark, in relation to the customer list and on the real estate property in Cologna Veneta arising from the FINN-POWER business combination amounting to 8,868,000 euro.

NOTE 6.16 - FUNDS FOR RISKS AND CHARGES

The provisions for risks and charges amount to 7,860,000 Euro, a decrease compared to 31/12/2009 of 1,485,000 Euro.
The most significant type is that relating to the Product Guarantee Reserve. The Product Guarantee Reserve relates to the provisions made for work undertaken in technical guarantee on Group products and is considered to be appropriate in relation to the guarantee costs that must be incurred.

The provisions for non-current risks refer exclusively to the client indemnity fund for agents and amount to a total of 68,000 euro. The current provision for risks refers mainly to product warranties (down 696,000 euro from 31/12/2009). In addition to this reduction of the product guarantee fund, the reduction of funds was due to use of the funds for restructuring and reorganization of the company, allocated at 31/12/2009.

The other funds refer to legal procedures and other disputes; these funds are the best estimate by the management of the liabilities to be recorded with reference to legal procedures arising in the course of the ordinary operating activities with retailers, clients, suppliers or public authorities, and also legal procedures relative to disputes with former employees.

NOTE 6.17 - TRADE PAYABLES, ADVANCES AND OTHER PAYABLES

The value of these payables has increased since 31/12/2009 by a total amount of 13,343,000 Euro. The trade payables and advances are the types of payables that increased the most, above all due to the increased volumes of sales leading to an increase in the supplies of goods and services for production.
It should be noted that the item Advances by customers includes both the 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 details, see the table here below.

TRADE AND OTHER PAYABLES	30/06/10	31/12/09
Payables to suppliers	60.985.240	51.429.488
Trade payables	**60.985.240**	**51.429.488**
Advances from clients	23.072.087	19.664.435
Advances from clients	**23.072.087**	**19.664.435**
Tax and social security payables	2.133.720	3.581.415
Payables to employees	4.684.937	3.131.090
Other short-term payables	8.959.344	8.685.747
Other payables	**15.778.001**	**15.398.252**

NOTE 6.18 - FISCAL LIABILITIES FOR CURRENT TAXES

Fiscal liabilities for current taxes as of 30/06/2010 amounted to 3,326,000 euro, up compared to 31/12/2009 by 654,000 euro. The main component of this item is payables to tax authorities for VAT.

NOTE 6.19 - NET REVENUES FROM SALES AND SERVICES

We have already commented at length on revenues from sales and services, both in chapter 3 of this document: “Interim Management Report of the Group” in the paragraph entitled “Revenues and profitability” and in note 6.31 – Segment report.

NOTE 6.20 - OTHER OPERATING REVENUES

The item Other revenues and income amounts to 2,475,000 euro, up by 640,000 from the same period of 2009.

The two main components of this item should be considered non-recurrent and are:

- a contribution in the capital account (Law 46/82), relative to a program of technological innovation, to be paid by the Ministry for Economic Development to the parent company, for 1,100,000 euro;
- collection of a deposit made to guarantee a contract (not a trade contract) which was not stipulated at the conditions foreseen due to a breach by the counter party (601,000 euro).

For further details on the subject, reference is made to note 6.30 - Significant non-recurrent events and transactions.

NOTE 6.21 - INCREASES FOR INTERNAL WORKS

Increases for internal works as of 30/06/2010 amount to 3,300,000 euro and refer mainly to capitalization of assets for the development of new projects (3,050,000 euro), for which the technical feasibility and generation of probable future economic benefits has been ascertained.

NOTE 6.22 - PERSONNEL COST

The cost of the personnel as of 30/06/2010 amounts to 38,871,000 euro and is down from the corresponding period of the past year. This reduction is due to the effective action of cost reduction undertaken by the Group, with a view to adjusting staff requirements and using redundancy provisions such as temporary government subsidized layoffs in Italy or equivalent instruments in other countries. It should be noted that this item includes non-recurrent entries for 719,000 euro (for further details on the subject, reference is made to note 6.30 - Significant non-recurrent events and transactions).

NOTE 6.23 – DEPRECIATION – IMPAIRMENT AND WRITEDOWNS

Depreciation in the period increased with respect to the same period in 2009, above all following their increased incidence on development costs. It should be noted that the depreciation of the trademark and relations with the clientele ("customer list") totaled 1,266,000 euro. During the semester, the Group wrote down a development project capitalized previously, for an amount of 225,000 euro. This write-down was made in the sphere of audits made by the management to determine any impairments of value.

NOTE 6.24 - OTHER OPERATING COSTS

The Other operating costs for the first semester of 2010 amounted to 25,413,000 euro. This item is not directly comparable with that of the past year, because the costs for the first semester 2009 were net of the indemnity received from EQT (which amounted to 6,031,000 euro).

NOTE 6.25 - FINANCIAL INCOME AND COSTS

The financial management for the first semester of 2010 was negative in an amount of 2,906,000 euro. Also in this case the comparison with the first semester 2009 is impossible due to the reporting last year of the indemnity received from EQT, which amounted to 2,795,000 euro).

FINANCIAL MANAGEMENT	30/06/10	30/06/09
Financial income	80.322	240.195
Financial costs	(4.293.123)	(2.124.875)
Net result deriving from transactions in foreign currency	1.307.238	164.981
TOTAL	**(2.905.563)**	**(1.719.699)**

The financial costs relative to the FINPOLAR loan incurred by PRIMA INDUSTRIE amount to 2,101,000 euro, while net financial costs on derivatives stipulated by the Group amount to 1,205,000 euro.

NOTE 6.26 - NET PROFIT OF AFFILIATED COMPANIES AND JOINT VENTURES

At 30/06/2010 this item amounts to 265,000 euro and is down compared to the previous financial year 18,000 euro. The result recorded in the Income Statement refers to the valuation of the Chinese JV Shanghai Unity PRIMA Laser Machinery Co Ltd (SUP); see also previous note 6.4 - Equity investments values with the shareholders' equity method.

NOTE 6.27 - CURRENT AND DEFERRED TAXES

Income taxes in the first semester of 2010 indicate a positive net balance of 270,000 euro; this is due mainly to the following:

- limited current taxes on reduced taxable income of come companies;
- registration of prepaid taxes on temporary differences arising during the semester;
- registration of prepaid taxes on infra-annual fiscal losses accrued by PRIMA North America (for which there is a *carry-back* mechanism for recovery of taxes paid in previous years;
- release of deferred tax liabilities.

For more details on changes in prepaid and deferred taxes, see notes 6.7 and 6.15.

NOTE 6.28 – EARNING PER SHARE

(a) Basic profit per share

The basic profit per share is determined by dividing the result due to the shareholders of the Parent Company by the average number of shares in circulation during the period, excluding the ordinary stock acquired by the Parent Company, held as treasury stock in portfolio.

During the first semester of 2010 the stock in circulation amounted to 8,070,752 shares; thus the result per share for the first semester of 2010 amounted to a loss of €0.63 per share.

BASIC PROFIT PER SHARE	30/06/10	30/06/09
Profit due to shareholders (Euro/000)	(5.047)	(525)
Weighted average - number of ordinary shares	8.070.752	6.400.000
Basic profit per share (Euro)	(0,63)	(0,08)

(b) Diluted profit per share

The diluted result per share is determined by dividing the result allocated to the shareholders of the Parent Company by the average number of shares in circulation during the period, corrected to take into account the effects of the potential ordinary shares with dilutive effect.

DILUTED PROFIT PER SHARE	30/06/10	30/06/09
Profit due to shareholders (Euro/000)	(5.047)	(525)
Weighted average - number of ordinary shares	8.070.752	6.400.000
Corrected average number of ordinary shares	10.436.631	6.526.000
Diluted profit per share (Euro)	(0,48)	(0,08)

As potential ordinary shares with dilutive effect, we considered those linked to the stock option plan and the warrant, that can be exercised until December 16, 2013.

In relation to the stock option plan the reader is referred to the specific paragraph dedicated to this subject in this document.

The diluted profit per share shown in the tables of the financial statements is equal to the basic profit per share, as foreseen by the IAS/IFRS accounting standards in case of recourse to an anti-dilution situation (i.e. the loss deriving from the dilutive calculations is lower than the basic loss).

NOTE 6.29 - INFORMATION ON ASSOCIATES

In addition to the relations with strategic management, the transactions with associated parties were mainly concerned with the supply of laser systems and components to the Joint Ventures. The aforesaid supplies were made at market price.

A table that summarizes the equity and financial effects of these transactions is set out hereunder.

OPERATIONS WITH ASSOCIATES	*SHENYANG PRIMA LASER MACHINE*	*SHANGHAI UNITY PRIMA LASER MACHINERY*	*WUHAN OVL CONVERGENT*	*CARETEK*	**TOTALE OPERAZIONI CON JV**	*STRATEGIC MANAGEMENT*	**TOTAL OPERATIONS WITH ASSOCIATES**
RECEIVABLES AS OF 01/01/2010	*116.726*	*504.028*	*365.527*	-	**986.281**	-	**986.281**
RECEIVABLES AS OF 30/06/10	-	*908.625*	*340.005*	*331*	**1.248.961**	-	**1.248.961**
PAYABLES AS OF 01/01/2010	*46.065*	-	-	-	**46.065**	*284.482*	**330.547**
PAYABLES AS OF 30/06/2010	-	-	-	-	**-**	*117.777*	**117.777**
REVENUES 01/01/2010 - 30/06/2010	-	*845.391*	*1.368.409*	*3.869*	**2.217.669**	-	**2.217.669**
COSTS 01/01/2010 - 30/06/2010	-	-	-	-	**-**	*761.754*	**761.754**
CHANGES IN RECEIVABLES						-	**-**
01/01/2010 - 30/06/2010	*(116.726)*	*404.597*	*(25.522)*	*331*	**262.680**	-	**262.680**
CHANGES IN PAYABLES						-	**-**
01/01/2010 - 30/06/2010	*(46.065)*	-	-	-	**(46.065)**	*(166.705)*	**(212.770)**

NOTE 6.30 - SIGNIFICANT NON-RECURRENT EVENTS AND TRANSACTIONS

During the first semester 2010 the company performed several transactions that can be considered non-recurrent.

expressed in euro/000	***EBITDA***	***Financial costs***	***Total***
Ministry contribution	1.100	-	1.100
Collection of a security deposit	601	-	601
Activities of reorganization/restructuring	(985)	-	(985)
Other lesser events	(56)	-	(56)
TOTAL	**660**	**-**	**660**

These transactions are described here below.

Ministry contribution. a contribution in the capital account (Law 46/82), relative to a program of technological innovation, to be paid by the Ministry for Economic Development to the parent company, for 1,100,000 euro; the activity performed in the period 2002/2005 refers to a program of precompetitive development examined with favorable opinion by the ministry Technical Committee in April 2010 (and communicated with an official note of the ministry on 15/06/2010). The parent company has always invested heavily in activities of research and development (see also the relative paragraph in the interim management report of the Group) and has consequently received numerous contributions for activities of technological innovation, so that the non-recurrent nature of this operation is relative exclusively to the lack of temporal correlation between the costs incurred and the income recognized, and not to the type of operation.

Collection of a security deposit. Collection of a deposit made to guarantee a contract (not a trade contract) which was not stipulated at the conditions foreseen due to a breach by the counter party (601,000 euro).

Activities of reorganization and restructuring of the Group- These actions refer mainly to the staff reductions and actions of reorganization of the production and marketing strategies. The staff reduction activities totaled 719,000 euro (of which 535,000 euro in the sheet metal processing machines segment, 157,000 euro in the laser system segment and the rest in the electronic segment).

NOTE 6.31 – SEGMENT REPORT

It should be noted that not all the data set forth hereunder are directly related to those presented in Chapters 3 - Group interim management report and 4 – Economic performance by segment, since the latter are expressed inclusive of intersectorial items.

Information by sector of activity

The infra-sector revenues were determined on the basis of the market price using the "cost plus" or "sales minus" method. The Group has the following three operating segments:

- Laser Systems
- Electronics
- Sheet Metal Processing Machines

The following table illustrates the main details of by sector.

Profits for sector 30/06/2010	Laser Systems	Electronics	Sheet Metal Processing Machines	Items not allocated	Total
Total revenues for sector	44.072	16.069	64.283	-	124.424
(Inter-sectorial revenues)	*(6.248)*	*(1.985)*	*(1.679)*	-	*(9.912)*
Revenues	**37.824**	**14.084**	**62.604**	**-**	**114.512**
EBITDA	1.710	996	(348)	-	2.358
EBIT	802	505	(3.984)	-	(2.677)
Net financial costs/income	(2.429)	(63)	(414)	-	(2.906)
Income/costs from affiliates and joint ventures	282	(16)	-	-	266
Profit before taxes	-	-	-	-	**(5.317)**
Taxes	-	-	-	270	270
Net profit	-	-		-	**(5.047)**

Profits for sector 30/06/2009	Laser Systems	Electronics	Sheet Metal Processing Machines	Items not allocated	Total
Total revenues for sector	46.568	13.295	65.304	-	125.167
(Inter-sectorial revenues)	*(5.427)*	*(1.158)*	*(497)*	-	*(7.082)*
Revenues	**41.141**	**12.137**	**64.807**	**-**	**118.085**
EBITDA	2.192	54	2.806	-	5.052
EBIT	1.488	(329)	(762)	-	397
Net financial costs/income	(208)	(337)	(1.175)	-	(1.720)
Income/costs from affiliates and joint ventures	283	-	-	-	283
Profit before taxes	-	-	-	-	**(1.040)**
Taxes	-	-	-	515	515
Net profit	-	-		-	**(525)**

Assets and liabilities for sector 30/06/2010	Laser Systems	Electronics	Sheet Metal Processing Machines	Not allocated	Group
Assets	60.210	32.133	238.908	22.434	353.685
Affiliates, JV and other equity investments	5.870	781	79	-	6.730
Total Assets	**66.080**	**32.914**	**238.987**	**22.434**	**360.415**
Liabilities	**37.369**	**14.065**	**63.223**	**168.045**	**282.702**

Assets and liabilities for sector 31/12/2009	Laser Systems	Electronics	Sheet Metal Processing Machines	Not allocated	Group
Assets	53.960	29.580	231.963	25.985	341.488
Affiliates, JV and other equity investments	4.752	750	79	-	5.581
Total Assets	**58.712**	**30.330**	**232.042**	**25.985**	**347.069**
Liabilities	**27.612**	**12.098**	**63.631**	**178.750**	**282.091**

(*) For greater comparability of data, the values relative to "affiliates, JV and other equity investments" as of 31.12.2009 have been reclassified

Sales breakdown by geographical area

For details relating to the revenues divided by geographical area the reader is referred to the contents of chapter 4 - Economic Performance of the Group, in the paragraph entitled “Revenues and profitability”

NOTE 6.32 - MANAGEMENT OF FINANCIAL RISKS

The financial instruments of the Group which are allocated for the purposes of financing operations include bank loans, financial lease contracts, sight and short-term bank deposits. There are also other financial instruments, such as trade receivables and payables, deriving from operating activities.
The Group also performed operations in derivatives, such as “Interest Rate Swap – IRS” contracts. The purpose of these instruments is to manage interest rate risks generated by the Group's operations and its loan sources.
The main risks generated by the Group's aforementioned financial instruments are interest risks, exchange rate risks, credit risks and cash flow risks.
The Group has applied a specific policy to manage financial risks correctly, with the purpose of safeguarding its business and its ability to create value for the shareholders and all the Stakeholders.
As indicated in the Management Report, the PRIMA INDUSTRIE Group is mainly exposed in the following risks categories:

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

The following table illustrates the goals and policies of the Group for management of the risks indicated above.

Interest rate risk

The position of indebtedness toward the credit system and capital market can be negotiated at fixed or variable rates.

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

- an upward variation of market rates exposes the group to the risk of higher financial costs to pay on the amount payable at the variable rate;
- a downward variation of market rates exposes the group to the risk of higher financial costs to pay on the amount payable at the fixed rate;

The strategies of the Group to meet these risks are as follows:

- Interest rate $\longrightarrow$ Management/Hedging

Exposure to the interest rate is structural in nature, as the net financial position generates net financial costs subject to the volatility of interest rates, depending on the contract conditions established with the financial counterparts.
Consequently, the strategy identified, consisting of Management/Hedging consists of:
- Continuous monitoring of exposure to interest rate risk
- Activities of Hedging via derivative financial instruments

Exchange rate risk
The position of indebtedness toward the banking system and capital market, as well as toward the other creditors, can be expressed in the group's own reporting currency (euro), or in other reporting currencies.
In this case, the financial cost of the payable in currency is subject to the interest rate risk of a market other than the euro market, that of the chosen currency.

The attitude and strategies to pursue toward the risk factors are determined by a number of elements that concern both the characteristics of the reference markets and their impact on the results of the corporate financial statements.
Four possible strategic orientations can be identified for operating management of the separate risk factors:

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

The strategies of the Group to meet these risks are as follows:

- Exchange rate $\longrightarrow$ Management/Hedging

Exposure to the exchange rate risks deriving from financial factors is currently limited, as the company does not take out loans in currencies other than the euro, with the exception of a few loans in the U.S. pertaining to the subsidiary PRIMA North America, for which the U.S. dollar is the currency of reference.
Relative to trade items, however, the exposure to exchange rate risk is rather reduced at the group level, as it is partially balanced between trade flows in U.S. dollars (substantially the only currency of account different from the euro) from the subsidiaries PRIMA North America Inc., PRIMA FINN-POWER North America Inc. and OSAI USA Inc. (which operate only in dollars) and flows from the parent company PRIMA INDUSTRIE S.p.A. and PRIMA ELECTRONICS (which acquire a large quantity of parts the price of which is linked to the dollar). The Group therefore tends to minimize its recourse to financial markets for hedges due to the benefits deriving from this natural hedge.

In any case, PRIMA INDUSTRIE performs frequent monitoring to ascertain the existence of this natural hedge at the Group level.
As regards the reporting currencies other than the U.S. dollar, almost exclusively used only by a few subsidiaries that perform activities of sales and after-sales service, the risk management strategy is generally one of acceptance, both because generally the amounts are not large, and also because of the difficulty of finding adequate hedges.

Credit risk
The company deals only with known and reliable clients, moreover the receivable balance is monitored during the year so that the exposure to losses is never great. For this purpose, PRIMA INDUSTRIE recently established a function of Group receivable management.

It should be noted that part of receivables from clients are transferred to factoring companies.
There are no significant concentrations of receivable risk for the Group.
Financial assets are reported in the financial statements net of the write-down calculated on the basis of the risk of non-performance by the other party, determined on the basis of the available information on the solvency of the client and possibly considering the history.

The receivable risk regarding financial assets of the Group has a maximum level equal to the net book value of these assets in case of insolvency of the other party.

Liquidity risk
The liquidity risk is the risk that financial sources may not be sufficient to meet the financial and trade obligations of the Group within the terms and deadlines established for them. The liquidity risk to which the Group is subject may arise following delayed payments and, more in general, to the difficulty in obtaining financing to support operating activities in the necessary time. The cash flows, financing needs and liquidity of the companies in the Group are monitored or managed centrally, under the control of the Group treasury, with the goal of ensuring effective and efficient management of the financial resources.
The Group operates with a view to performing operations of collection on different financial markets and with different technical forms, in order to guarantee a proper level of liquidity currently and in the future. The strategic goal is to ensure that the company disposes at all times of sufficient credit to meet its financial obligations in the next twelve months.

The persistence of the current difficult market situation from the operating and financial standpoint, requires particular attention to management of the liquidity risk, and in this sense the company pays close attention to actions capable of generating the necessary financial resources to support operations and meet its short-term financial needs. For this purpose, the Group expects to meet its financial needs at they come due and make the investments foreseen using its liquid assets and credit lines. For more information regarding this aspect, see Chapter 3 – Group Interim Management Report at the paragraph headed "Net financial position".

On the basis of the above information, and the positive outcome of the actions undertaken to locate the necessary financial resources and support the short-term needs, we consider the liquidity risk adequately monitored.

NOTE 6.33 – EVENTS SUBSEQUENT TO THE PERIOD

No events have occurred since the reference date of this Interim Management Report that, if known previously, would have necessitated a correction of the values reported.

On behalf of the Board of Directors
The Chairman

____
Mr. Gianfranco Carbonato.

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Certification of the abridged interim Financial Statements pursuant to Section 81-ter of Consob Regulation no. 11971/1999 and subsequent amendments and additions.

1. The undersigned Gianfranco Carbonato (managing director) and Massimo Ratti (executive in charge of preparing corporate accounting documents) of PRIMA INDUSTRIE S.p.A. hereby certify, taking account, also, of the terms of art. 154-*bis* clauses 3 and 4, of legislative decree no. 58 dated February 24, 1998:

- the adequacy in relation to the business characteristics and
- effective application of the administrative and accounting procedures for the drafting of the abbreviated interim financial statements for the period January 1, 2010 - June 30, 2010*;*

2. In this connection there are no significant observations to report.

3. We also certify that

3.1 the abridged interim financial statements:

a) are drafted in compliance with the applicable accounting standards as adopted by the European Community pursuant to regulation (EC) no. 1606/2002 of the European Parliament and Council, dated 19/07/2002;
b) reflect the situation as described in accounting documentation;
c) provide a truthful and correct representation of the equity, economic and financial situation of the issuer and the group of enterprises included in the consolidation.

3.2 the interim management report includes a reliable analysis of the reference to the important events that occurred during the first six months of the year and their effects on the abridged interim financial statements, as well as a description of the main risks and uncertainties for the remaining six months of the year. The interim management report also contains a reliable analysis of information of significant transactions with associates.

Collegno, August 27, 2010

SIGNED BY THE MANAGING DIRECTOR
GIANFRANCO CARBONATO

SIGNATURE OF EXECUTIVE IN CHARGE OF DRAFTING
THE COMPANY ACCOUNTING DOCUMENTS
MASSIMO RATTI