

BORSA ITALIANA - STAR segment

PRESS RELEASE

**THE BOARD APPROVES THE COMPANY FINANCIAL STATEMENTS AND CONSOLIDATED  
FINANCIAL STATEMENTS 2016:**

**RECORD YEAR IN THE HISTORY OF THE GROUP**  
**FOR SALES, EBITDA AND ORDER ACQUISITION**  
**SIGNIFICANT IMPROVEMENT IN NET FINANCIAL POSITION**  
**PROPOSAL OF A DIVIDEND INCREASE TO 0.30 € PER SHARE**

- Consolidated REVENUES at 393.9 M€ (+ 8.1% against 364.5 M€);
- EBITDA at 35.4 M€ (+12.7% against 31.4 M€);
- GROUP NET RESULT at 10.2 M€ (+82.1% against 5.6 M€);
- NET FINANCIAL POSITION at -84.2 M€ (compared to -101.7 M€);
- ORDERS' BACKLOG at 143.4 M€ (+21.8% against 117.7 M€) and further increased to 161.2 M€ at 31/01/2017.

Collegno (TO), February 27<sup>th</sup> 2017 - The board of Directors of Prima Industrie S.p.A, a company leader in high technology laser systems, sheet metal working systems and electronic components for industrial applications, met today to approve the financial statements as at 31/12/2016 and the consolidated financial statements.

Synthetically the results for the year compared to the same period of the previous year are as follows:

Revenues and Profitability	31/12/16	31/12/15	Change
<i>Values in euro thousand</i>			
REVENUES	393.886	364.466	29.420
EBITDA	35.409	31.402	4.007
EBIT	18.528	17.487	1.041
EBT	11.347	8.132	3.215
NET RESULT	10.160	5.606	4.554

The company ended the fiscal year 2016 reaching almost 400 million euro in revenues, posting its record year approximately 40 years since its establishment.

The Group accounts benefited particularly from the good performance of PRIMA POWER division, whose growth has been 13% and has balanced the negative trend of the past year of PRIMA ELECTRO division.

This positive performance was the result of the significant investments made by the Group during the recent years and in particular those in research and development aimed to the renewal of the product

range, to the development of the proprietary fiber laser source, as well as investments to strengthen its presence on several geographic markets of particular importance, among which China.

The main accelerator of 2016 has been, however, our new HQTC (Headquarters & Technology Center) in Collegno (Torino). The HQTC, where all the Group product lines are exposed, was inaugurated at the end of May and in the first six months of activity was visited by more than 1,000 customers from more than 30 countries, contributing significantly to the Group order acquisition.

**Consolidated revenues** at 31/12/2016 amount to 393,886 thousand euro, an increase of 8.1% compared to the same period of 2015 (revenues were 364,466 thousand euro).

Following is the consolidated revenues geographical breakdown at 31/12/2016 compared with same period of the previous year:

Revenues	31/12/16		31/12/15	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
EMEA	226.094	57,4	228.640	62,7
AMERICAS	94.331	23,9	80.919	22,2
APAC	73.461	18,7	54.907	15,1
<b>TOTAL</b>	<b>393.886</b>	<b>100,0</b>	<b>364.466</b>	<b>100,0</b>

The geographic breakdown highlights that EMEA turnover is in line with the previous year (in absolute values) while there has been a significant increase in sales generated by AMERICAS and APAC.

The Group recorded consolidated revenues in EMEA for 226,094 thousand euro; in particular the Group achieved good results in Italy (16.2% of consolidated revenues), in Northern Europe (8.7% of consolidated revenues), in Spain (6.7% of consolidated revenues) and in Germany (6.0% of consolidated revenues).

The portion generated by AMERICAS is significantly increased compared to 2015, growing from 80,919 thousand euro to 94,331 thousand euro (+16.6%); much of this increase is attributable to USA, whose revenues grew from 64,121 thousand euro to 72,108 thousand euro.

As mentioned, APAC revenues increased compared to 2015; such growth is mainly referred to China and, secondly, to South Korea and India, whose sales have grown from 38,622 thousand euro to 52,284 thousand euro (+35.4% equal to 13.3% of consolidated revenues), from 3,733 thousand euro to 8,690 thousand euro and from 2,304 thousand euro to 4,929 thousand euro.

The breakdown of revenues by segment, before inter-sector items, is as follows:

Revenues	31/12/16		31/12/15	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
PRIMA POWER	368.669	93,6	326.190	89,5
PRIMA ELECTRO	42.222	10,7	53.435	14,7
Inter-sector revenues	(17.005)	(4,3)	(15.159)	(4,2)
<b>TOTAL</b>	<b>393.886</b>	<b>100,0</b>	<b>364.466</b>	<b>100,0</b>

The above table shows that the overall growth of revenues relates to PRIMA POWER division (+ 42,250 thousand euro), while PRIMA ELECTRO division recorded a reduction of turnover due to the strong decrease in orbital welding systems sales (destined to the *oil & gas* sector), as well as lower sales of CO<sub>2</sub> lasers not yet balanced by important supplies of fiber lasers.

The **Value of production** at 31/12/2016 is equal to 407,258 thousand euro, an increase of 4.2% (equal to 16,601 thousand euro) against the same period of 2015 (last year was equal to 390,657 thousand euro).

The value of production includes increases for internal work for 10,450 thousand euro (they were equal to 11,751 thousand euro at 31/12/2015); these costs relate mainly to investments in development activities.

\* \* \* \* \*

Performance indicators	31/12/16		31/12/15	
	<i>Euro thousand</i>	<i>% on sales</i>	<i>Euro thousand</i>	<i>% on sales</i>
EBITDA	35.409	9,0	31.402	8,6
EBITDA Adj (*)	36.135	9,2	32.011	8,8
EBIT	18.528	4,7	17.487	4,8
EBIT Adj (*)	20.282	5,1	18.504	5,1
EBT	11.347	2,9	8.132	2,2
EBT Adj (*)	12.052	3,1	11.558	3,2
NET RESULT	10.160	2,6	5.606	1,5
NET RESULT ATTRIBUTABLE TO GROUP SHAREHOLDERS	10.102	2,6	6.017	1,7

(\*) net of non recurring items

Group **EBITDA** is equal to 35,409 thousand euro (9% of revenues) growing by 4,007 thousand euro against the same period of previous year (at 31/12/2015 it was equal to 31,402 thousand euro). Increasing is also the EBITDA margin from 8.6% to 9.0% in 2016.

Following is the Group EBITDA at 31/12/2016 and at 31/12/2015 by segment (before inter-sector items):

EBITDA	31/12/16		31/12/15	
	<i>Euro thousand</i>	<i>%</i>	<i>Euro thousand</i>	<i>%</i>
PRIMA POWER	34.363	97,1	25.246	80,4
PRIMA ELECTRO	1.257	3,5	6.134	19,5
Inter sector items and eliminations	(211)	(0,6)	22	0,1
<b>TOTAL</b>	<b>35.409</b>	<b>100,0</b>	<b>31.402</b>	<b>100,0</b>

The increase of this value is mainly related to the increased sales of PRIMA POWER division. It should be noticed that non-recurring items on EBITDA are negative for 726 thousand euro (of which -846 thousand euro relate to restructuring/reorganization costs and +120 thousand euro relate to disputes and penalties from customers/suppliers); at 31/12/2015 non-recurring events were negative for 609 thousand euro.

Consolidated **EBIT** at 31/12/2016 amounts to 18,528 thousand euro (equal to 4.7% of consolidated sales) an increasing of 1,041 thousand euro compared to same period of 2015 (it was equal to 17,487 thousand euro).

Such result is affected by depreciation of intangible assets for 11,931 thousand euro, of tangible fixed assets for 3,922 thousand euro, as well as to the non recurring effect coming from a devaluation of 1,028 thousand euro relating to development costs of PRIMA ELECTRO division. With regard to the amortization of intangible assets, they mainly relate to amortization of development costs (7,994 thousand euro) and to the amortization related to assets with a defined useful life recognized in the FINN-POWER Group business (brand and customer relations - "customer list") which amount to 3,137 thousand euro.

The consolidated **EBT** at 31/12/2016 is positive for 11,347 thousand euro increasing by 3,215 thousand euro compared to the same period of the previous year (it was positive for 8,132 thousand euro). This amount reflects net financial charges (including profits and losses on exchange rates) for 8,230 thousand euro (at 31/12/2015 they amounted to 9,311 thousand euro).

It should be outlined that the value of net financial charges at 31/12/2015 was affected by non recurring financial charges amounting to 2,123 thousand euro incurred, due to the full advanced repayment of the FINPOLAR loan which also included the cancellation of the related IRS contract.

Profit before taxes at 31/12/2016 is positively influenced for 1,057 thousand euro by a non-recurring income that refers to a capital gain generated by the sale of EPS SA shares (participation accounted for using the equity method).

The Group **NET RESULT** at 31/12/2016 is positive 10,160 thousand euro (it was equal to 5,606 thousand euro at 31/12/2015); while the Net Result of the Parent Company amounts to 10,102 thousand euro.

\* \* \* \* \*

At 31/12/2016 the Group's **net financial position** shows a net debt of 84,215 thousand euro, a significant improvement compared to 101,747 thousand euro at 31/12/2015.

Below is a detailed table of net debt:

Value expressed in Euro thousand	31/12/16	31/12/15
CASH & CASH EQUIVALENTS	(62.680)	(41.365)
CURRENT FINANCIAL RECEIVABLES	(792)	(839)
CURRENT FINANCIAL LIABILITIES	35.790	25.731
NON CURRENT FINANCIAL LIABILITIES	111.897	118.220
<b>NET FINANCIAL POSITION</b>	<b>84.215</b>	<b>101.747</b>

In order to provide a better disclosure relating to the consolidated net financial position at 31/12/2016, we remind that (including costs):

- the Bond amounts to 40,531 thousand euro;
- the Club Deal loan agreement amounts to 29,507 thousand euro;
- the Finnish Loan amounts to 21,079 thousand euro;
- payables to leasing companies (almost exclusively for real estate) amount to 10,208 thousand euro.

\* \* \* \* \*

During the year 2016, the Group **order acquisition** (including *after-sale service*) totaled 426.5 million euro an increase of 9.4% compared to 389.9 million euro at 31/12/2015. Order acquisition of PRIMA POWER segment amounted to 401.3 million euro, order acquisition relating to PRIMA ELECTRO segment, from customers outside the Group only, was equal to 25.2 million euro.

Consolidated **order backlog** (not including *after-sale service*) at 31/12/2016 amounts to 143.4 million euro (+21.8% against 117.7 million euro at 31/12/2015). The order backlog includes 136.4 million euro relating to PRIMA POWER segment and 7 million euro relating to PRIMA ELECTRO segment.

At 31/01/2017 the order backlog rose to 161.2 million euro.

**Research and development** activities carried out by the Group during the year 2016 amounted to 22,917 thousand euro, equal to about 5.8% of consolidated revenues.

The capitalized portion was 10,098 thousand euro.

At 31/12/2016 the Group **employees** are 1,664, of which 1,406 in PRIMA POWER division and 258 in PRIMA ELECTRO division. This is an increase of 21 units compared to 31/12/2015.

The parent company **Prima Industrie S.p.A.** closed the year 2016 with a turnover of 124,694 thousand euro, an EBITDA of 8,131 thousand euro and a net profit of 1,758 thousand euro.

Even in light of the good expectations for the current financial year the Board of Directors has decided to propose to the Shareholders Meeting the distribution of a dividend of 0.30 euro per share, that is 20% higher than that paid out in the previous year.

The Group Chairman, Gianfranco Carbonato, noted: *"In addition to expressing satisfaction for the year just ended, we also want to underline that the excellent order backlog of the beginning of the year - strongly higher compared to the same period of the previous year - allows us to confirm the target of further growth for 2017. This year, it should also be the year in which sales of proprietary fiber laser sources are expected to increase considerably, allowing also the PRIMA ELECTRO division to overcome its difficult phase".*

The Board of Directors has resolved to call the Annual General Meeting for the day April 10<sup>th</sup> 2017 (1<sup>st</sup> call) and April 11<sup>st</sup> 2017 (2<sup>nd</sup> call) to resolve on the following agenda:

1. 2016 Annual Report and relevant documents: consequent resolutions. Examination of 2016 Group Consolidated Annual Report. Destination of net income and dividend distribution.
2. Report on the Remuneration ex article 123-ter of T.U.F..
3. Appointment of the Auditors for the financial years 2017-2025 and determination of their fees; related and consequent resolutions.
4. Appointment of the Board of Directors and of its Chairman; after determining the number of its members and the term of their office. Determine of the remuneration of the Directors. Related and consequent resolutions.
5. Resolutions concerning the authorization to purchase and dispose of treasury stock pursuant to articles 2357 and 2357 of the Civil Code, subject to the revocation of the shareholders' resolution of April 21st 2016.

The Board of Directors will propose to the Annual General Meeting to destine the net profit of the parent company, which closed with a net result amount to euro 1,757,529.35, for euro 87,876.47 to Legal Reserve and to distribute the residual euro 1,669,652.88 of the said net profit, as well as euro 1,475,329.32 relating to undistributed retained earnings previously accrued as Extraordinary Reserve, equal to an overall dividend unit of 0.30 euro per each of the 10,483,274 shares.

The payment of the dividend, if approved by the AGM, will take place as follows:

- May 15<sup>th</sup> 2017: Exdividend date
- May 16<sup>th</sup> 2017: Record date
- May 17<sup>th</sup> 2017: Payment Date

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

The company draft financial statements at December 31<sup>st</sup> 2016, the Directors' Report, the Statutory Auditors' Reports and the Reports of the independent auditors as well as the consolidated financial statements at December 31<sup>st</sup> 2016, the Directors' Reports for the agenda of AGM, the Report on Corporate Governance and Ownership Structure and the Report on Remuneration will be made available to anyone upon request at the registered office and will also be available in the "Investors" section of the Company's website [www.primaindustrie.com](http://www.primaindustrie.com), as well as on the authorized storage mechanism 1info, [www.1info.it](http://www.1info.it), within the legal terms.

## CONSOLIDATED BALANCE SHEET

Values in Euro	31/12/2016	of which related parties	31/12/2015	of which related parties
Property, plant and equipment	35.281.369	-	28.465.557	-
Intangible assets	155.713.399	-	157.770.974	-
Investments accounted for using the equity method	1.009.341	1.009.341	1.223.555	1.223.555
Other investments	139.051	-	121.358	-
Non current financial assets	9.578	-	35.000	-
Deferred tax assets	11.555.324	-	9.845.765	-
Other non current assets	-	-	19.703	-
<b>NON CURRENT ASSETS</b>	<b>203.708.062</b>		<b>197.481.912</b>	
Inventories	98.561.165	-	93.992.707	-
Trade receivables	88.376.748	50.647	86.413.895	221.005
Other receivables	6.425.617	-	8.019.131	-
Current tax receivables	5.053.888	-	7.029.222	-
Derivatives	-	-	47.225	-
Financial assets	791.509	-	791.509	-
Cash and cash equivalents	62.679.901	-	41.365.408	-
<b>CURRENT ASSETS</b>	<b>261.888.828</b>		<b>237.659.097</b>	
Assets held for sale	318.812	-	284.000	-
<b>TOTAL ASSETS</b>	<b>465.915.702</b>		<b>435.425.009</b>	
Capital stock	26.208.185	-	26.208.185	-
Legal reserve	4.565.082	-	4.494.745	-
Other reserves	70.738.752	-	72.243.694	-
Currency translation reserve	6.848.598	-	5.965.409	-
Retained earnings	19.276.926	-	14.786.376	-
Net result	10.102.304	-	6.016.715	-
<i>Stockholders' equity of the Group</i>	<i>137.739.847</i>	<i>-</i>	<i>129.715.124</i>	<i>-</i>
<i>Minority interest</i>	<i>1.212.065</i>	<i>-</i>	<i>1.196.407</i>	<i>-</i>
<b>STOCKHOLDERS' EQUITY</b>	<b>138.951.912</b>		<b>130.911.531</b>	
Interest-bearing loans and borrowings	111.675.762	-	117.805.350	-
Employee benefit liabilities	8.100.353	-	7.912.782	-
Deferred tax liabilities	8.340.653	-	10.518.305	-
Provisions	162.684	-	150.551	-
Derivatives	220.866	-	414.635	-
<b>NON CURRENT LIABILITIES</b>	<b>128.500.318</b>		<b>136.801.623</b>	
Trade payables	88.448.383	-	78.323.460	1.283
Advance payments	26.029.170	-	21.385.159	-
Other payables	22.076.067	774.582	19.218.309	617.896
Interest-bearing loans and borrowings	34.894.444	-	25.700.281	-
Current tax payables	7.695.264	-	7.257.725	-
Provisions	18.424.370	-	15.796.491	-
Derivatives	895.774	-	30.430	-
<b>CURRENT LIABILITIES</b>	<b>198.463.472</b>		<b>167.711.855</b>	
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<b>465.915.702</b>		<b>435.425.009</b>	

## CONSOLIDATED INCOME STATEMENT

Values in Euro	31/12/2016	of which related parties	31/12/2015	of which related parties
Net revenues	393.885.774	395.563	364.465.523	373.914
Other income	4.217.630	649	4.773.331	38.736
Change in inventories of finished goods and WIP	(1.295.770)	-	9.667.276	-
Increases in fixed assets for internal work	10.450.001	-	11.751.310	-
Use of raw materials, consumables, supplies and goods	(179.095.944)	-	(173.263.011)	-
Personnel cost	(102.699.067)	(340.640)	(100.223.151)	(350.186)
Depreciation	(15.853.684)	-	(13.507.132)	-
Impairment - Write-off	(1.027.682)	-	(407.924)	-
Other operating expenses	(90.053.657)	(1.071.742)	(85.769.211)	(1.064.961)
<b>OPERATING PROFIT</b>	<b>18.527.601</b>		<b>17.487.011</b>	
<i>of which: non recurring items</i>	<i>(1.752.995)</i>	<i>-</i>	<i>(1.017.205)</i>	
Financial income	626.831	-	693.514	-
Financial expenses	(8.507.194)	-	(9.472.762)	-
Net exchange differences	(349.409)	-	(531.702)	-
Net result of investments accounted for using the equity method	1.057.207	1.057.207	-	-
Net result of other investments	(7.729)	-	(44.300)	-
<b>RESULT BEFORE TAXES</b>	<b>11.347.307</b>		<b>8.131.761</b>	
<i>of which: non recurring items</i>	<i>(703.517)</i>	<i>-</i>	<i>(3.425.832)</i>	
Taxes	(1.187.184)	-	(2.525.917)	-
<b>NET RESULT</b>	<b>10.160.123</b>		<b>5.605.844</b>	
- Attributable to Group shareholders	10.102.304	-	6.016.715	-
- Attributable to minority shareholders	57.819	-	(410.871)	-
<b>RESULT PER SHARE - BASIC (in euro)</b>	<b>0,96</b>		<b>0,57</b>	
<b>RESULT PER SHARE - DILUTED (in euro)</b>	<b>0,96</b>		<b>0,57</b>	

## CONSOLIDATED STATEMENT OF CASH FLOWS

VALUES IN EURO	31/12/2016	of which related parties	31/12/2015 (**)	of which related parties
Net result	10.160.123		5.605.844	
<i>Adjustments (sub-total)</i>	<b>29.886.002</b>	-	<b>(1.759.599)</b>	-
Depreciation, impairment & write-off	16.881.366	-	13.915.056	-
Gain from sales of shares in investments accounted for using the equity method	(1.057.207)	(1.057.207)	-	-
Net change in deferred tax assets and liabilities	(3.887.211)	-	(192.229)	-
Change in employee benefits	187.571	-	(769.590)	-
Change in inventories	(4.568.458)	-	(16.488.757)	-
Change in trade receivables	(1.962.853)	170.358	(749.988)	(215.718)
Change in trade payables and advances	14.768.934	(1.283)	5.181.126	(4.244)
Net change in other receivables/payables and other assets/liabilities	9.523.860	156.686	(2.655.217)	26.486
<b>Cash Flows from (used in) operating activities (A)</b>	<b>40.046.125</b>		<b>3.846.245</b>	
<b>Cash flow from investments</b>				
Acquisition of tangible fixed assets (*)	(3.176.344)	-	(4.403.766)	-
Acquisition of intangible fixed assets	(904.090)	-	(1.334.088)	-
Capitalization of development costs	(9.710.945)	-	(10.337.511)	-
Net disposal of fixed assets	72.280	-	133.191	-
Devaluation of other investments	7.729	-	50.000	-
Sale/Purchase of shares in investments accounted for using the equity method	1.271.421	1.271.421	(464.483)	(464.483)
Purchase/Capital increases in Other investments	(25.422)	-	-	-
<b>Cash Flows from (used in) investing activities (B)</b>	<b>(12.465.371)</b>		<b>(16.356.657)</b>	
<b>Cash flow from financing activities</b>				
Change in other financial assets/liabilities and other minor items	651.232	-	(3.127.350)	-
Increases in loans and borrowings (including bank overdrafts)	11.514.175	-	138.290.097	-
Repayment of loans and borrowings (including bank overdrafts)	(16.203.858)	-	(120.076.216)	-
Repayments in financial lease liabilities	(170.909)	-	(447.874)	-
Dividends paid	(2.620.818)	-	(2.096.655)	-
Change in currency translation reserve	883.189	-	4.325.559	-
Other variations	(277.111)	-	684.827	-
<b>Cash Flows from (used in) financing activities (C)</b>	<b>(6.224.100)</b>		<b>17.552.388</b>	
<b>Cash Flows from (used in) change of minority shareholders (D)</b>	<b>(42.161)</b>		<b>456.924</b>	
<b>Net change in cash and equivalents (E=A+B+C+D)</b>	<b>21.314.493</b>		<b>5.498.900</b>	
<b>Cash and equivalents beginning of period (F)</b>	<b>41.365.408</b>		<b>35.866.508</b>	
<b>Cash and equivalents end of period (G=E+F)</b>	<b>62.679.901</b>		<b>41.365.408</b>	

(\*) not included the acquisition of real estate assets by means of a financial lease and included assets held for sale

(\*\*) for a better comprehension, the 2015 figures have been re-exposed



**PRIMA INDUSTRIE S.p.A. - BALANCE SHEET**

Values in Euro	31/12/2016	of which related parties	31/12/2015	of which related parties
Property, plant and equipment	13.954.864	-	6.773.620	-
Intangible assets	9.945.490	-	9.487.291	-
Investment in subsidiaries	159.429.421	159.429.421	141.200.554	141.200.554
Other investments	11.931	-	11.931	-
Financial assets - loan to the subsidiaries	2.800.000	2.800.000	-	-
Other financial assets	-	-	18.128.639	18.128.639
Deferred tax assets	2.291.324	-	2.381.269	-
<b>NON CURRENT ASSETS</b>	<b>188.433.030</b>		<b>177.983.304</b>	
Inventories	24.445.109	-	21.515.280	-
Trade receivables	43.266.836	17.939.689	39.260.864	16.657.363
Other receivables	2.638.733	-	2.377.098	-
Current tax receivables	3.045.409	-	4.377.960	-
Derivatives	-	-	47.225	-
Financial assets	5.886.259	5.094.750	5.650.714	4.859.205
Cash and cash equivalents	7.456.973	-	5.514.785	-
<b>CURRENT ASSETS</b>	<b>86.739.319</b>		<b>78.743.926</b>	
<b>TOTAL ASSETS</b>	<b>275.172.349</b>		<b>256.727.230</b>	
Capital stock	26.208.185	-	26.208.185	-
Legal reserve	4.565.082	-	4.494.745	-
Other reserves	71.034.163	-	72.539.104	-
Retained earnings	(1.697.935)	-	(1.775.643)	-
Net result	1.757.529	-	1.406.734	-
<b>STOCKHOLDERS' EQUITY</b>	<b>101.867.024</b>		<b>102.873.125</b>	
Interest-bearing loans and borrowings	83.857.011	4.000.000	83.429.200	2.500.000
Employee benefit liabilities	3.778.483	-	3.738.078	-
Deferred tax liabilities	806.191	-	816.000	-
Provisions	1.008.735	-	1.140.534	-
Derivatives	82.687	-	-	-
<b>NON CURRENT LIABILITIES</b>	<b>89.533.107</b>		<b>89.123.812</b>	
Trade payables	47.895.027	11.534.326	34.405.904	6.100.042
Advance payments	2.110.241	-	2.990.067	58.285
Other payables	6.773.985	690.222	6.254.049	579.190
Interest-bearing loans and borrowings	19.236.238	85.160	12.357.303	-
Current tax payables	2.275.053	-	4.080.670	-
Provisions	4.585.900	-	4.642.300	-
<b>CURRENT LIABILITIES</b>	<b>83.772.218</b>		<b>64.730.293</b>	
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<b>275.172.349</b>		<b>256.727.230</b>	

**PRIMA INDUSTRIE S.p.A. - INCOME STATEMENT**

Values in Euro	31/12/2016	<i>of which related parties</i>	31/12/2015	<i>of which related parties</i>
Net revenues	124.694.119	53.678.595	109.781.243	49.854.708
Other income	3.947.153	2.394.286	4.531.445	1.626.864
Change in inventories of finished goods and WIP	962.122	-	4.147.894	-
Increases in fixed assets for internal work	2.338.950	-	3.002.678	-
Use of raw materials, consumables, supplies and goods	(71.238.035)	(14.721.227)	(61.549.655)	(12.644.599)
Personnel cost	(24.997.605)	(367.503)	(23.075.526)	(338.368)
Depreciation	(2.712.717)	-	(1.679.938)	-
Impairment	-	-	-	-
Other operating expenses	(27.575.390)	(6.589.247)	(26.915.791)	(2.427.124)
<b>OPERATING PROFIT</b>	<b>5.418.597</b>		<b>8.242.350</b>	
<i>of which: non recurring items</i>	<i>(251.427)</i>		<i>1.038.142</i>	
Financial income	3.507.775	3.066.806	2.176.719	2.437.881
Financial expenses	(6.378.796)	(209.784)	(8.092.411)	(751.373)
Net exchange differences	(237.608)	-	(144.063)	-
<b>RESULT BEFORE TAXES</b>	<b>2.309.968</b>		<b>2.182.595</b>	
<i>of which: non recurring items</i>	<i>(360.238)</i>		<i>(2.014.470)</i>	
Taxes	(552.439)	-	(775.861)	-
<b>NET RESULT</b>	<b>1.757.529</b>		<b>1.406.734</b>	

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

VALUES IN EURO	31/12/2016	of which related parties	31/12/2015	of which related parties
Net result	1.757.529	-	1.406.734	-
<i>Adjustments (sub-total)</i>	7.994.979	-	(20.204.277)	-
Depreciation	2.712.717	-	1.679.938	-
Net change in deferred tax assets and liabilities	80.136	-	758.836	-
Change in employee benefits liabilities	40.405	-	(362.838)	-
Change in inventories	(2.929.829)	-	(2.748.253)	-
Change in trade receivables	(4.005.972)	(1.282.326)	621.631	(1.936.883)
Change in trade payables and advances	12.609.297	5.434.284	(4.373.512)	(3.092.224)
Net change in other receivables/payables and other assets/liabilities	(511.775)	111.032	(15.780.079)	(23.739)
<b>Cash Flows from (used in) operating activities (A)</b>	<b>9.752.508</b>		<b>(18.797.543)</b>	
<b>Cash flow from investments</b>				
Acquisition of tangible fixed assets (*)	(728.277)	-	(750.116)	-
Acquisition of intangible fixed assets	(414.445)	-	(764.939)	-
Capitalization of development costs	(2.141.945)	-	(2.670.393)	-
Net disposal of fixed assets and investment in subsidiaries	22.938	-	94.952	-
Capital Increase FINN-POWER OY	(18.228.867)	(18.228.867)	(5.000.000)	(5.000.000)
Capital Increase PRIMA POWER GMBH	-	-	(1.039.712)	(1.039.712)
Reversal of devaluation provision of PRIMA POWER GMBH	-	-	6.960.288	-
Capital Increase PRIMA POWER SUZHOU	-	-	(474.053)	(474.053)
Devaluation PRIMA POWER SOUTH AMERICA Ltda	82.656	82.656	650.948	650.948
Devaluation PRIMA POWER AUSTRALASIA	26.155	26.155	43.037	43.037
<b>Cash Flows from (used in) investing activities (B)</b>	<b>(21.381.785)</b>		<b>(2.949.988)</b>	
<b>Cash flow from financing activities</b>				
Change in financial receivables and other financial assets	15.093.094	15.093.094	37.883.150	38.232.768
Change in other non current financial liabilities and other minor items	937.515	-	(1.082.282)	-
Increases in loans and borrowings (including bank overdrafts)	10.613.958	1.585.160	94.324.602	2.500.000
Repayment of loans and borrowings (including bank overdrafts)	(10.372.313)	-	(108.695.046)	-
Dividends paid	(2.620.818)	-	(2.096.654)	-
Other variations	(79.971)	-	108.217	-
<b>Cash Flows from (used in) financing activities (C)</b>	<b>13.571.465</b>		<b>20.441.987</b>	
<b>Net change in cash and equivalents (D=A+B+C)</b>	<b>1.942.188</b>		<b>(1.305.544)</b>	
<b>Cash and equivalents beginning of period (E)</b>	<b>5.514.785</b>		<b>6.820.329</b>	
<b>Cash and equivalents end of period (F=D+E)</b>	<b>7.456.973</b>		<b>5.514.785</b>	

(\*) not included the acquisition of real estate assets by means of a financial lease