

INTERIM FINANCIAL REPORT AT 30/06/2015

**STRONG GROWTH IN REVENUES AND ORDER BACKLOG (+14%)
SIGNIFICANT ACCELERATION OF PROFITABILITY
IN THE SECOND QUARTER OF THE YEAR**

	<u>30/06/2015</u>	<u>30/06/2014</u>	<u>change</u>
1st HALF			
• REVENUES	175.9 M€	154.2 M€	+14%
• EBITDA	14.7M€	14.8 M€	-0.7%
• NET RESULT	1.3 M€ (*)	3.5 M€	-63%
2nd QUARTER			
• REVENUES	105.1 M€	89.7 M€	+17%
• EBITDA	11.7 M€	10.0 M€	+17%
• NET RESULT	4.8 M€	4.2 M€	+14%

(*) = net result at 30/6/2015 is penalized by 2.1 million euro of anticipated financial charges.

Collegno (TO), August 27th 2015 - The Board of Directors of Prima Industrie S.p.A., a leader in high technology laser systems, sheet metal working systems and electronic components for industrial applications, met today to approve the Interim Financial Report as at 30/06/2015.

Consolidated revenues at 30/06/2015 amount to 175,940 thousand euro, a significant increase (+14%) compared to the same period of the year 2014 (they were equal to 154,210 thousand euro). The increase in sales was caused, among the rest, by the investments carried out by the Group for the strengthening of the product range and the sales and after sales network.

In particular, the Group's performance in the second quarter of the year was very positive, with consolidated revenues equal to 105.1 million euro, increasing by 17% compared to the year 2014.

Following is the breakdown of the consolidated revenues by geography at 30/06/2015, compared with the same period in the previous year:

Revenues	30/06/15		30/06/14	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
EMEA	111.282	63,2	90.631	58,8
AMERICAS	35.663	20,3	34.934	22,7
APAC	28.995	16,5	28.645	18,5
TOTAL	175.940	100,0	154.210	100,0

The Group continues to generate a significant portion of revenues in the EMEA area; the weight of this area increased from 58.8% at 30/06/2014 to 63.2% at 30/06/2015. In particular the Group achieved significant revenues in Italy (15% of consolidated revenues, influenced, in the first half, by good results of the division PRIMA ELECTRO), in Northern Europe (9.3% of consolidated revenues), in Spain (7.4% of consolidated revenues), in Germany (5.9% of consolidated revenues) and in Eastern Europe (5.5% of consolidated revenues). It should be noted, finally, that in Russia, where the complex political situation keeps causing a decrease (5.2% of consolidated revenues at 30/06/2015 against 8.2% of consolidated revenues at 30/06/2014), the PRIMA ELECTRO division achieved significant revenues thanks to the acquisition of an important order in Kazakhstan.

The portion generated by AMERICAS is mainly related to North America where, nonetheless, revenues slightly decreased compared to the same period of the previous year (19.4% of consolidated revenues at 30/06/2015 against 21% at 30/06/2014).

As for the APAC countries, there was a slight drop in sales in China (from 22.4 million euro at 30/06/2014, to 20.0 million euro at 30/06/2015). The decline both in North America and in China is in line with the trend of the reference market as confirmed by economic indicators in the first half of 2015.

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

Revenues	30/06/15		30/06/14	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
PRIMA POWER	151.115	85,9	136.120	88,3
PRIMA ELECTRO	32.457	18,4	25.415	16,5
Inter-sector revenues	(7.632)	(4,3)	(7.325)	(4,8)
TOTAL	175.940	100,0	154.210	100,0

Revenues of both divisions are growing: in particular, PRIMA POWER division sales are growing by 11% while PRIMA ELECTRO division sales increase by 37% compared to the same period of the previous year.

The **Value of production** at 30/06/2015 amounted to 199,390 thousand euro, an increase of 9.5% compared to the same period of 2014 (an increase of 17,315 thousand euro).

The value of production for the period includes increases for internal work for 6,209 thousand euro (5,821 thousand euro at 30/06/2014); these costs relate mainly to investments in development activities.

* * * * *

Performance indicators	30/06/15		30/06/14	
	<i>Euro thousand</i>	<i>% on sales</i>	<i>Euro thousand</i>	<i>% on sales</i>
EBITDA	14.686	8,3	14.828	9,6
EBIT	8.219	4,7	9.291	6,0
EBT	3.074	1,7	5.741	3,7
NET RESULT	1.257	0,7	3.514	2,3
NET RESULT ATTRIBUTABLE TO GROUP SHAREHOLDERS	1.506	0,9	3.701	2,4

The Group's **EBITDA** amounted to 14,686 thousand euro (8.3% of sales) substantially in line with the first half of 2014.

We highlight, in particular, the contribution to profitability given by the second quarter, where EBITDA amounted to 11.7 million euro (compared to 10 million euro of the second quarter of 2014).

Below is the EBITDA of the Group as at 30/06/2015 and 30/06/2014 broken down by division (before inter sector items):

EBITDA	30/06/15		30/06/14	
	<i>Euro thousand</i>	<i>%</i>	<i>Euro thousand</i>	<i>%</i>
PRIMA POWER	9.454	64,4	12.446	83,9
PRIMA ELECTRO	5.362	36,5	2.375	16,0
Inter sector items and eliminations	(130)	(0,9)	7	0,1
TOTAL	14.686	100,0	14.828	100,0

Consolidated **EBIT** at 30/06/2015 is equal to 8,219 thousand euro (compared to 9,291 thousand euro of the same period of the previous year).

This result is affected by depreciation of intangible assets for 4,840 thousand euro, and tangible fixed assets of 1,626 thousand euro. Regarding the depreciation of the intangible assets, the main depreciation relates to amortization of the development costs (3,053 thousand euro) and to the amortization of assets with a defined useful life recognized in the FINN-POWER business combination (brand and "customer list") for 1,547 thousand euro.

Consolidated **EBT** at 30/06/2015 is equal to 3,074 thousand euro (compared to 5,741 thousand euro of the same period of the previous year). This amount reflects net charges arising from financial management (including profits and losses in exchange rates) for 5,046 thousand euro (at 30/06/2014 they amounted to 3,550 thousand euro).

It should be noted that net charges of the first half of 2015 are affected by the costs related to the full anticipated repayment of the FINPOLAR loan for about 2,123 thousand euro; if this loan had reached its original term, such costs (mainly relating to the hedging derivative then undersigned), would have been accounted for pro-quota in several quarters until February 2016.

The **NET INCOME** at 30/06/2015 amounts to 1,257 thousand euro (3,514 thousand euro at 30/06/2014). Income taxes for the first six months of 2015 show a negative balance of 1,817 thousand euro, of which IRAP for 612 thousand euro.

* * * * *

At 30/06/2015 the **net financial position** of the Group shows a net debt of 106,672 thousand euro compared to 92,089 thousand euro at 31/12/2014 and to 102,209 thousand euro at 30/06/2014.

The change compared to the yearend amount is mainly due to the increased financial resources absorbed by the net working capital (increased by 14,158 thousand euro) in order to face the higher production volumes of the second part of the year.

It should be noted, furthermore, that the net financial position during the second quarter of 2015 improved by 6,222 thousand euro, compared with the first quarter of 2015.

Below is a breakdown of the net financial position:

Value expressed in Euro thousand	30/06/15	31/12/14	30/06/14
CASH & CASH EQUIVALENTS	(28.024)	(35.867)	(22.283)
CURRENT FINANCIAL RECEIVABLES	(674)	(442)	-
CURRENT FINANCIAL LIABILITIES	54.834	56.663	52.574
NON CURRENT FINANCIAL LIABILITIES	80.536	71.735	71.918
NET FINANCIAL POSITION	106.672	92.089	102.209

Following the issue of a seven-year Bond of 40 million euro and the signing of a new loan agreement structured as a Club Deal amounting to 60 million euro, both completed in February 2015, the remaining principal of the FINPOLAR loan has been early repaid in full. Thanks to this refinancing of medium-long term debt, the Group has financial resources available for an average term of over 5 years. Both new forms of financing must comply with financial covenants, measured on an annual and half-year base.

At the end of June, furthermore, the Finnish subsidiary of the Group, Finn-Power Oy, signed a medium long term loan agreement with two Finnish banks (Nordea Bank Finland Plc and Danske Bank Plc). This contract, of the total duration of five years, consists of two tranches amounting to 12.5 million euro each, of which one of *amortizing* type and one totally expiring at the end of the period, and of a further tranche of 11 million euro made up of commercial credit lines.

Considering that such financial resources were granted on July 1st 2015, they are not included in the mentioned net financial position at 30/06/2015.

* * * * *

During the first six months of 2015 the **order intake** of the Group (inclusive of *after-sale service*) amounted to 189.8 million euro an increase of 7.6% compared to 176.4 million euro at 30/06/2014. Orders received by PRIMA POWER segment amounted to 173.1 million euro, the ones relating to PRIMA ELECTRO, exclusively from customers outside the Group, amounted to 16.7 million euro.

The consolidated **order backlog** (not including *after-sale service*) at 30/06/2015 rose to 107.1 million euro (+14.3% compared to 93.7 million euro at 30/06/2014). The backlog includes 99 million euro relating to PRIMA POWER segment and 8.1 million euro relating to PRIMA ELECTRO segment.

At 31/07/2015 the order backlog increased to 122.4 million euro.

Research and development activities carried out by the Group during the first six months of 2015 were a total of 11,755 thousand euro, equal to 6.7% of sales.

The capitalized portion amounted to 5,802 thousand euro (of which 4,026 thousand euro in the PRIMA POWER segment and 1,776 thousand euro in the PRIMA ELECTRO segment).

Gianfranco Carbonato, Chairman of the Group, declared: *"We are satisfied with the results achieved during the six first months of the year, in spite of the international economic scenario and markets remaining highly unstable. For the second half of 2015, on the basis of the good performance of order acquisition and of the backlog mix, we expect to confirm the increase in revenues compared to the*

previous year and to achieve a further improvement in profitability compared to the first half of the year".

"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 of Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records".

The document with the Financial Interim Report as at 30/06/2015 shall be filed and made available at the Company registered offices and on the internet site www.primaindustrie.com as well as on the authorized storage mechanism 1info, www.1info.it, within the prescribed time.

PRIMA INDUSTRIE heads a leading Group in developing, manufacturing and marketing of laser systems for industrial applications, sheet metal processing machinery, as well as industrial electronics and laser technologies.

The parent company Prima Industrie S.p.A. is listed on the Italian Stock Exchange since 1999 (MTA- STAR segment).

With over 35 years of experience the Group can count on about 12,000 machines installed in more than 70 countries worldwide and is among the main worldwide manufacturers in its own reference market.

The Group has over 1,500 employees and manufacturing sites in **Italy** (PRIMA INDUSTRIE S.p.A, PRIMA ELECTRO S.p.A, FINN-POWER Italia Srl), **Finland** (FINN-POWER Oy), **USA** (PRIMA ELECTRO North America Llc, PRIMA POWER LASERDYNE Llc.) and **China** (PRIMA POWER SUZHOU Co. Ltd.). Remarkable is as well its direct commercial and after-sales presence in BRIC, NAFTA, European Union and other emerging Asian countries, serving more than 70 countries worldwide.

The Prima Industrie Group is structured on 2 Business Units:

Laser and sheet metal processing machines (Prima Power): including design, manufacturing and marketing of:

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

Industrial electronics and laser technologies (Prima Electro): including development, manufacturing and marketing of power and control electronics, and of high-power laser sources for industrial applications, destined both to the Group machines and to third parties.

For further information:

PRIMA INDUSTRIE S.p.A.	Studio Mailander
Chiara Roncolini	Press Office
Investor Relator	tel. 011 5527311
tel. 011 4103204	Bruno Caprioli
ir@primaindustrie.com	335 5901402 - caprioli@mailander.it
	Carlo Dotta
	333 2306748 - c.dotta@mailander.it

CONSOLIDATED BALANCE SHEET

Values in Euro	30/06/2015	of which related parties	31/12/2014	of which related parties
Property, plant and equipment	27.733.869	-	26.912.167	-
Intangible assets	158.065.588	-	155.552.322	-
Investments accounted for using the equity method	1.118.555	1.118.555	759.072	759.072
Other investments	171.358	-	171.358	-
Non current financial assets	585.000	-	35.000	-
Deferred tax assets	10.493.400	-	9.957.302	-
Other non current assets	19.670	-	19.867	-
NON CURRENT ASSETS	198.187.440		193.407.088	
Inventories	98.666.511	-	77.503.950	-
Trade receivables	87.323.838	91.537	85.663.907	5.287
Other receivables	7.968.541	-	6.943.043	-
Current tax receivables	5.336.525	-	5.951.830	-
Derivatives	226.133	-	-	-
Financial assets	447.591	-	441.891	-
Cash and cash equivalents	28.024.430	-	35.866.508	-
CURRENT ASSETS	227.993.569		212.371.129	
Assets held for sale	284.000	-	284.000	-
TOTAL ASSETS	426.465.009		406.062.217	
Capital stock	26.208.185	-	26.208.185	-
Legal reserve	4.494.745	-	4.455.497	-
Other reserves	72.259.338	-	71.967.701	-
Currency translation reserve	5.245.905	-	1.639.850	-
Retained earnings	14.501.156	-	5.523.165	-
Net result	1.505.813	-	9.762.948	-
<i>Stockholders' equity of the Group</i>	<i>124.215.142</i>	<i>-</i>	<i>119.557.346</i>	<i>-</i>
<i>Minority interest</i>	<i>1.381.989</i>	<i>-</i>	<i>1.150.354</i>	<i>-</i>
STOCKHOLDERS' EQUITY	125.597.131		120.707.700	
Interest-bearing loans and borrowings	79.981.218	-	68.678.974	-
Employee benefit liabilities	8.635.751	-	8.682.372	-
Deferred tax liabilities	11.038.605	-	10.822.071	-
Provisions	143.603	-	144.551	-
Derivatives	554.937	-	3.055.597	-
NON CURRENT LIABILITIES	100.354.114		91.383.565	
Trade payables	84.696.031	10.887	77.593.622	5.527
Advance payments	18.496.828	-	16.933.871	-
Other payables	20.364.438	250.281	19.926.668	591.410
Interest-bearing loans and borrowings	54.834.332	-	56.534.173	-
Current tax payables	6.365.016	-	8.027.279	-
Provisions	15.757.119	-	14.826.479	-
Derivatives	-	-	128.860	-
CURRENT LIABILITIES	200.513.764		193.970.952	
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	426.465.009		406.062.217	

CONSOLIDATED INCOME STATEMENT

Values in Euro	30/06/2015	of which related parties	30/06/2014	of which related parties
Net revenues	175.939.693	126.630	154.209.605	-
Other income	2.520.943	1.492	4.373.203	-
Change in inventories of finished goods and WIP	14.720.254	-	17.671.728	-
Increases in fixed assets for internal work	6.209.363	-	5.820.732	-
Use of raw materials, consumables, supplies and goods	(88.852.470)	-	(81.233.952)	-
Personnel cost	(51.861.623)	(145.667)	(46.694.749)	(147.645)
Depreciation	(6.466.200)	-	(5.536.763)	-
Other operating expenses	(43.990.624)	(506.285)	(39.318.413)	(492.737)
OPERATING PROFIT	8.219.336		9.291.391	
<i>of which: non recurring items</i>	<i>455.371</i>		<i>2.556.029</i>	
Financial income	262.305	-	66.880	-
Financial expenses	(5.023.080)	-	(3.539.362)	-
Net exchange differences	(285.137)	-	(77.883)	-
Net result of investments accounted for using the equity method	(105.000)	(105.000)	-	-
Net result of other investments	5.700	-	-	-
RESULT BEFORE TAXES	3.074.124		5.741.026	
<i>of which: non recurring items</i>	<i>455.371</i>		<i>2.556.029</i>	
Taxes	(1.817.014)	-	(2.226.615)	-
NET RESULT	1.257.110		3.514.411	
- Attributable to Group shareholders	1.505.813	-	3.701.013	-
- Attributable to minority shareholders	(248.703)	-	(186.602)	-
RESULT PER SHARE - BASIC (in euro)	0,14		0,35	
RESULT PER SHARE - DILUTED (in euro)	0,14		0,35	

CONSOLIDATED STATEMENT OF CASH FLOWS

VALUES IN EURO	30/06/2015	of which related parties	30/06/2014 (**)	of which related parties
Net result	1.257.110	-	3.514.411	-
<i>Adjustments (sub-total)</i>	<i>(8.761.908)</i>	<i>-</i>	<i>2.081.141</i>	<i>-</i>
Depreciation and impairment	6.466.200	-	5.536.763	-
Net change in deferred tax assets and liabilities	(319.564)	-	229.083	-
Change in employee benefits	(46.621)	-	44.576	-
Change in inventories	(21.162.561)	-	(23.075.370)	-
Change in trade receivables	(1.659.931)	86.250	10.377.288	-
Change in trade payables and advances	8.665.366	5.360	13.766.466	-
Net change in other receivables/payables and other assets/liabilities	(704.797)	(341.129)	(4.797.665)	(258.215)
Cash Flows from (used in) operating activities (A)	(7.504.798)		5.595.552	
Cash flow from investments				
Acquisition of tangible fixed assets (*)	(2.019.327)	-	(2.534.062)	-
Acquisition of intangible fixed assets	(797.104)	-	(243.238)	-
Capitalization of development costs	(5.801.608)	-	(5.616.708)	-
Net disposal of fixed assets (*)	131.217	-	45.748	-
Changes in capital of investments accounted for using the equity method	(464.483)	(464.483)	-	-
Net result of investments accounted for using the equity method	105.000	105.000	-	-
Purchase/Capital increases in Other investments			(743.669)	
Cash Flows from (used in) investing activities (B)	(8.846.305)		(9.091.929)	
Cash flow from financing activities				
Change in other financial assets/liabilities and other minor items	(3.054.142)	-	(108.805)	-
Increases in loans and borrowings (including bank overdrafts)	105.855.283	-	2.004.811	-
Repayment of loans and borrowings (including bank overdrafts)	(96.513.867)	-	(5.885.965)	-
Dividends paid	(2.096.655)	-	-	-
Currency translation differences	3.606.055	-	333.305	-
Other variations	232.013	-	(138.641)	-
Cash Flows from (used in) financing activities (C)	8.028.687		(3.795.295)	
Cash Flows from (used in) change of minority shareholders (D)	480.338		380.979	
Net change in cash and equivalents (E=A+B+C+D)	(7.842.078)		(6.910.693)	
Cash and equivalents beginning of period (F)	35.866.508		29.194.149	
Cash and equivalents end of period (G=E+F)	28.024.430		22.283.456	

(*) Included tangible fixed assets classified in the assets held for sale

(**) for a better comparability, the 2014 figures have been reclassified