



INTERIM FINANCIAL REPORT AS OF JUNE 30th, 2012

Board of Directors on August 29th, 2012

PRIMA INDUSTRIE S.p.A.

Share capital 21.605.852,50 euro (fully paid)

Turin Companies' Register No. 03736080015 - Financial and Administrative Index (R.E.A.) No. 582421

Registered office in Collegno (Turin) Via Antonelli, 32

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MANAGEMENT AND CONTROL

Board of Directors

Chairman and C.E.O.	Gianfranco Carbonato
Managing Directors	Ezio G. Basso ⁽¹⁾ Domenico Peiretti
Independent Directors	Sandro D'Isidoro Enrico Marchetti Mario Mauri
Other Directors	Rafic Y. Mansour Michael R. Mansour Yunfeng Gao
Secretary of the Board of Directors	Massimo Ratti

Internal Control Committee

Chairman	Sandro d'Isidoro
Members	Enrico Marchetti Mario Mauri

Remuneration Committee

Chairman	Mario Mauri
Members	Sandro D'Isidoro Rafic Y. Mansour

Board of Auditors

Chairman	Franco Nada
Regular Auditors	Andrea Mosca Roberto Petrignani
Alternate Auditors	Roberto Coda Alessandro Sabolo

Auditing Company	Reconta Ernst & Young SpA
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Expiry of Mandates and Appointments

The Board of Directors was appointed by Stockholders' Meeting held on April 29th, 2011 and shall remain in office until the approval of 2013 Financial Statements.

The Board of Statutory Auditors shall remain in office until the approval of 2012 Financial Statements.

The Auditing company was appointed by the Stockholders' Meeting held on April 29th, 2008 for the period 2008 -2016.

⁽¹⁾ Ezio G.Basso is also the General Manager of PRIMA INDUSTRIE SpA

INDEX

CHAPTER 1. STRUCTURE AND PROFILE OF PRIMA INDUSTRIE AS OF JUNE 30, 2012	5
PRIMA INDUSTRIE GROUP STRUCTURE	5
PRIMA INDUSTRIE GROUP PROFILE	6
CHAPTER 2. INTRODUCTION	8
FOREWORD	8
ALTERNATIVE PERFORMANCE INDICATORS	8
EXCHANGE RATES	9
CONSOLIDATION AREAS	9
CHAPTER 3. GROUP INTERIM MANAGEMENT REPORT	13
SIGNIFICANT EVENTS OF THE PERIOD	13
MACROECONOMIC CONTEXT	13
REVENUES AND PROFITABILITY	14
ASSETS AND LIABILITIES STATEMENT	17
NET FINANCIAL POSITION	18
TRADE ASSETS AND ORDER PORTFOLIO	19
RESEARCH AND DEVELOPMENT	20
PERSONNEL	21
OPERATIONS WITH RELATED PARTIES	21
STOCK TREND AND TREASURY STOCK	21
SHAREHOLDING STRUCTURE	22
STOCK OPTION PLANS	23
FORESEENABLE DEVELOPMENTS OF MANAGEMENT	23
EVENTS AFTER SEMESTER CLOSING	24
ATYPICAL AND UNUSUAL TRANSACTIONS	24
CHAPTER 4. ECONOMIC PERFORMANCE BY SEGMENT	26
PRIMA POWER	26
PRIMA ELECTRO	27
CHAPTER 5. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF PRIMA INDUSTRIE GROUP AS OF JUNE 30, 2012	29
CONSOLIDATED FINANCIAL BALANCE SHEET	29
CONSOLIDATED INCOME STATEMENT	30
TOTAL CONSOLIDATED INCOME STATEMENT	31
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY	32
CONSOLIDATED FINANCIAL STATEMENT	33
CONSOLIDATED BALANCE SHEET IN ACCORDANCE WITH CONSOB RESOLUTION NO.15519 OF JULY 27 th , 2006	34
CONSOLIDATED INCOME STATEMENT IN ACORDANCE WITH CONSOB RESOLUTION N.15519 OF JULY 27 th , 2006	35

CONSOLIDATED FINANCIAL STATEMENT IN ACCORDANCE WITH CONSOB RESOLUTION NO.15519 OF JULY 27 th , 2006	36
CHAPTER 6. EXPLANATORY NOTES	38
FORM AND CONTENT	38
ACCOUNTING PRINCIPLES	38
FINANCIAL STATEMENTS FORMAT	40
EXPLANATORY NOTES	41
CONDENSED INTERIM FINANCIAL STATEMENT AS OF JUNE 30 th , 2012 CERTIFICATION	58

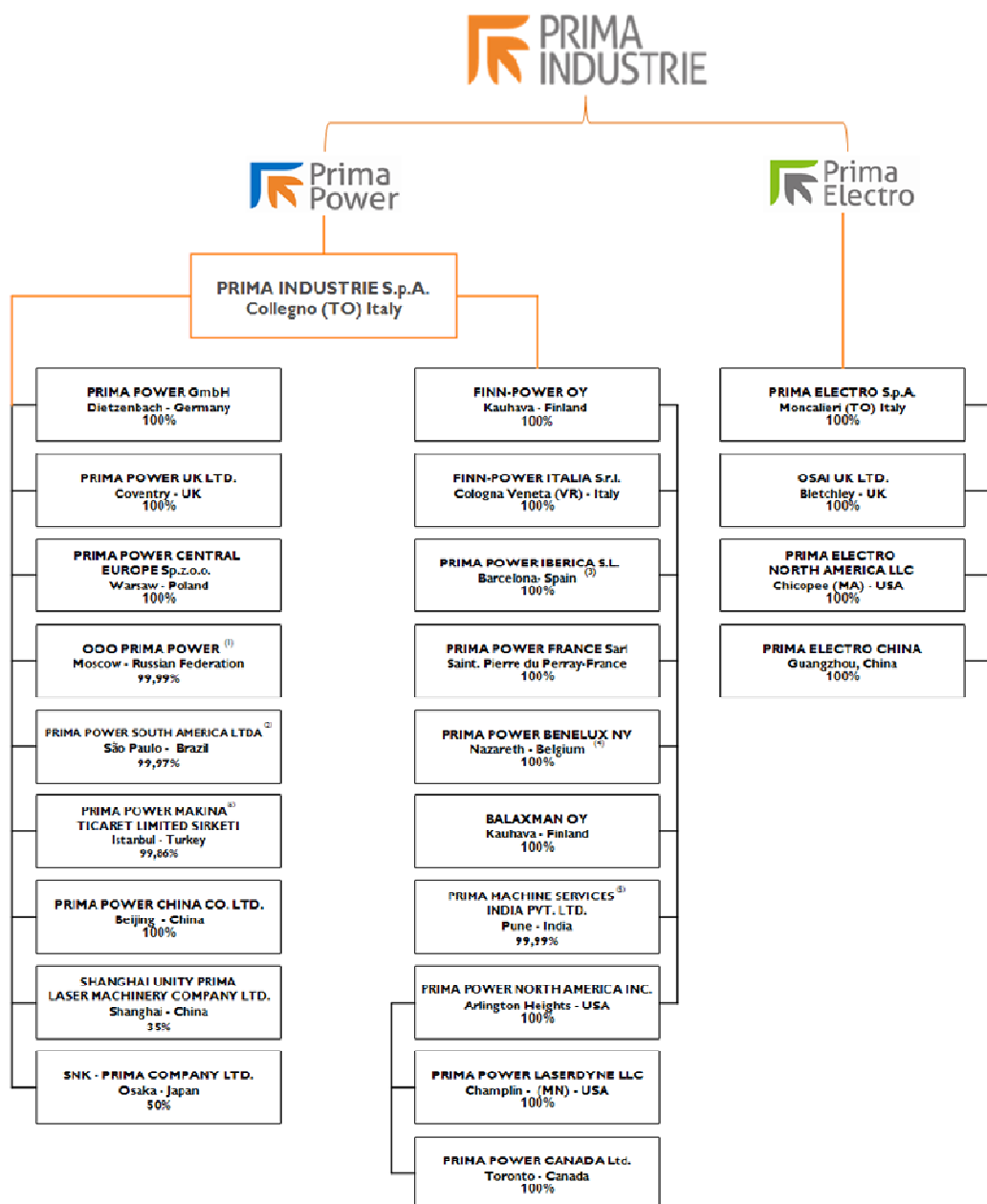


CHAPTER 1.

STRUCTURE AND PROFILE OF PRIMA INDUSTRIE GROUP AS OF JUNE 30th, 2012

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PRIMA INDUSTRIE GROUP STRUCTURE



The statement in these pages represent the organizational structure of the PRIMA INDUSTRIE Group on June 30th, 2012.

- 1) PRIMA INDUSTRIE SpA holds 99.99% of the OOO PRIMA POWER company; the remaining 0.01% is held by another partner.
- 2) PRIMA INDUSTRIE SpA holds 99.97% of PRIMA POWER SOUTH AMERICA LTDA, the remaining 0.03% is held by a local partner.
- 3) FINN POWER OY holds 78% of PRIMA POWER IBERICA SL (the remaining 22% is held by PRIMA INDUSTRIE SpA).
- 4) FINN POWER OY holds 94% of PRIMA POWER BENELUX NV (the remaining 6% is held by BALAXMAN OY).
- 5) FINN POWER OY holds 99.99% of PRIMA MACHINE SERVICES INDIA PVT. LTD, the remaining 0.01% is held by another partner.
- 6) PRIMA INDUSTRIE SpA holds 99.86% of the PRIMA POWER MAKINA TICARET LIMITED SİRKETİ company; the remaining 0.14% is held by another partner.

PROFILE OF PRIMA INDUSTRIE GROUP

PRIMA INDUSTRIE Group is leader in developing, manufacturing and marketing laser systems for industrial applications and machinery for sheet metal processing, as well as in the fields of industrial electronics and laser sources.

The parent company PRIMA INDUSTRIE SpA, founded in 1977 and listed on the Italian Stock Exchange since October 1999 (currently MTA - STAR segment), designs, manufactures and markets high-power laser systems for cutting, welding and surface treatment of three-dimensional (3D) and flat (2D) components.

The Group with 35 years experience boasts over 10,000 machines installed in more than 70 countries and is among the first manufacturers in the world in its target market.

Following the acquisition of FINN POWER Group, in February 2008, PRIMA INDUSTRIE Group is firmly placed at the forefront worldwide in the field of applications for sheet metal processing. In recent years the Group was reorganized to create a single and integrated entity. This process has materialized in 2011 with the division of business and the creation of a new corporate identity that reflects the new organizational structure and business:

- the PRIMA POWER division for laser machines and for sheet metal processing;
- the PRIMA ELECTRO division for industrial electronics and laser technology.

PRIMA POWER division includes design, manufacture and marketing of:

- machines for cutting, welding and drilling three-dimensional (3D) and two-dimensional (2D) metallic components;
- machines for processing sheet metal using mechanical tools (punches, integrated punching and shearing systems, integrated punching and laser cutting systems, panel shapers, bending machines and automation systems).

This division has production facilities in Italy (PRIMA INDUSTRIE SpA and FINN POWER ITALIA Srl), Finland (FINN POWER OY), United States of America (PRIMA POWER LASERDYNE LLC.) and China (Shanghai Unity Prima Ltd.) and a direct presence of sales and technical support in France, Spain, Germany, United Kingdom, Belgium, Poland, Czech Republic, Lithuania, Hungary, Russia, Turkey, USA, Canada, Brazil, China, India, Korea and Arab Emirates.

PRIMA ELECTRO division includes the development, production and sale of electronic power and control components and high power laser sources for industrial applications, for installation on the Group's own machines and those of its clients. The division has production sites in Italy (PRIMA ELECTRO SpA) and United States of America (PRIMA ELECTRO NORTH AMERICA LLC.) as well as sales offices in the United Kingdom and in China.

Over thirty years after its foundation, the PRIMA INDUSTRIE Group's mission continues to be that of systematically expanding the range of its products and services, and continuously growing as a global supplier of laser systems, sheet metal processing systems and electronics for industrial applications, all high-tech markets where growth rates are good, despite cyclic pressure.



CHAPTER 2.

INTRODUCTION

CHAPTER 2. INTRODUCTION

FOREWORD

The interim financial report as of 30 June 2012 of PRIMA INDUSTRIE has been drawn up pursuant to article 154 of Legislative Decree 58/1998 and following amendments, and to the Issuing Companies regulations by CONSOB .

This Financial Report has been prepared in accordance with International Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB) and approved by the European Union, and has been prepared according to the IAS 34 - interim Financial Statements applying the same accounting principles adopted in drawing up the consolidated Balance Sheet on 31 December 2011.

This Six Monthly Financial Report has been approved by the Board of Directors on 29 August 2012. The six monthly abbreviated consolidated balance sheet, including the Six Monthly Financial Report, has been subjected to a limited scope audit.

ALTERNATIVE PERFORMANCE INDICATORS

In addition to the other conventional financial indicators provided by the IFRS, this Report contains other alternative performance indicators, in order to allow a better assessment of the economic and financial management performance.

These indicators, which are also presented in the Report on management 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 these alternative performance indicators:

- the EBIT (which corresponds to the "Operating Profit"),
- the EBITDA ("Profits before interest, taxes and depreciation"), which is calculated by adding to the "Operating Profit" in the financial statements "Depreciation", "Impairment and Write-downs".

Also mentioned furthermore:

- The "Value of Production" representing by the sum of the items "Net revenues from sales and services", "Other operating revenues", "Variations in inventories of unfinished and finished products" and "Increases for internal works";
- The "Circulating Working Capital" represented the algebraic sum of the "Inventories", "Accounts Receivable", "Accounts payable" and "Advances".

EXCHANGE RATES

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

CURRENCY	AVERAGE EXCHANGE RATE		SPOT EXCHANGE RATE	
	June 30, 2012	June 30, 2011	June 30, 2012	Dec 31, 2011
US DOLLAR	1,2968	1,4031	1,2590	1,2939
POUND STERLING	0,8225	0,8680	0,8068	0,8353
CHINESE RENMINBI	8,1918	9,1755	8,0011	8,1588
JAPANESE YEN	103,3669	115,0298	100,1300	100,2000
POLISH ZLOTY	4,2443	3,9518	4,2488	4,4580
CANADIAN DOLLAR	1,3041	1,3703	1,2871	1,3215
RUSSIAN RUBLE	39,6978	40,1449	41,3700	41,7650
BRAZILIAN REAL	2,4151	2,2871	2,5788	2,4159
INDIAN RUPEE	67,6101	63,1315	70,1200	68,7130
TURKISH LIRA	2,3360	2,2064	2,2834	2,4432

CONSOLIDATION AREA

The only variation which occurred during the six months in the area of consolidation has been the entry of the newly incorporated Turkish branch PRIMA POWER MAKINA TICARET LIMITED SIRTEKI (99.86% owned by PRIMA INDUSTRIE SpA).

On 30/06/2012, the subsidiary companies indicated in the tables below have been subject to line-by-line consolidation. The SNK PRIMA Company Ltd joint venture was consolidated with the equity method, while the joint venture Shanghai Unity PRIMA Laser Machinery Co. Ltd was classified amongst non-current assets, destined for divestment, and consequently valued at *fair value*.

SUBSIDIARIES				
PRIMA POWER	REGISTERED OFFICE	SHARE CAPITAL	OWNERSHIP	CONSOLIDATION METHOD
PRIMA POWER GmbH	Lise-Meitner Strasse 5, Dietzenbach, GERMANY	€ 500.000	100%	Line-by-line method
PRIMA POWER UK LTD	Unit 1, Phoenix Park, Bayton Road, Coventry CV7 9QN, UNITED KINGDOM	GBP 1	100%	Line-by-line method
PRIMA POWER CENTRAL EUROPE Sp.z.o.o.	ul. Fabryczna 24 - 05 - 092 Łomianki Warsaw, POLSKA	PLN 350.000	100%	Line-by-line method
OOO PRIMA POWER	Ordzhonikidze str., 11/A - 115419, Moscow - RUSSIAN FEDERATION	RUB 4.800.000	99,99%	Line-by-line method
PRIMA POWER SOUTH AMERICA Ltda	Av Fuad Lutfalla, 1,182 - Freguesia do O - 02968-00, Sao Paulo BRASIL	R\$ 350.000	99,97%	Line-by-line method
PRIMA POWER MAKINA TICARET LIMITED SIRKETI ⁽¹⁾	Camlik Mahallesi Ikbal Caddesi Dinc Sokak No:31 Niyazibey Plaza, Istanbul - TURKEY	TRY 1.470.000	99,86%	Line-by-line method
PRIMA POWER CHINA Company Ltd.	Rm.1 M, no. 1 Zuo Jiazhuang. Guomen Building, Chaoyang District, Beijing, P.R. CHINA	RMB 2.038.778	100%	Line-by-line method
FINN POWER Oy	Metallite 4, FI - 62200 Kauhava, FINLAND	€ 23.417.108	100%	Line-by-line method
FINN-POWER Italia S.r.l.	Viale Artigianato 9, 37044, Cologna Veneta (VR), ITALY	€ 1.500.000	100%	Line-by-line method
PRIMA 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
PRIMA POWER FRANCE Sarl	Espace Green Parc , Route de Villepècle, 91280 St. Pierre du Perray, FRANCE	€ 792.000	100%	Line-by-line method
PRIMA POWER BENELUX NV	Leenstraat 5, B-9810 Nazareth, BELGIUM	€ 500.000	100%	Line-by-line method
BALAXMAN Oy	Metallite 4, FI-62200 Kauhava, FINLAND	€ 2.522	100%	Line-by-line method
PRIMA MACHINE SERVICES INDIA PVT. LTD.	Mezzanine Floor, Poonam Plaza G94/2B Market Yard Road, Pune INDIA	Rs. 7.000.000	99,99%	Line-by-line method
PRIMA POWER NORTH AMERICA Inc.	555W Algonquin Rd., Arlington Heights, IL 60005, U.S.A.	USD 10.000	100%	Line-by-line method
PRIMA POWER LASERDYNE LLC	8600, 109th Av. North, Champlin, MN 55316, U.S.A.	USD 200.000	100%	Line-by-line method
PRIMA POWER CANADA Ltd.	1040 Martingrove Rd, U.11, Toronto, Ontario M9W 4W4, CANADA	CAD 200	100%	Line-by-line method

(1) Please note that at the date of reference of this balance sheet, the share capital of the PRIMA POWER MAKINA TICARET LIMITED SIRTEKI has not yet been fully paid up.

SUBSIDIARIES				
PRIMA ELECTRO	REGISTERED OFFICE	SHARE CAPITAL	OWNERSHIP	CONSOLIDATION METHOD
PRIMA ELECTRO S.p.A.	Strada Carignano 48/2, 10024 Moncalieri, (TO) ITALY	€ 6.000.000	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
PRIMA ELECTRO NORTH AMERICA LLC.	711 East Main Street, Chicopee, MA 01020, U.S.A.	USD 24.119.985	100%	Line-by-line method
PRIMA ELECTRO (CHINA) Co.Ltd.	23G East Tower, Fuxing Shangmao n.163, Huangpu Avenue Tianhe District 510620 Guangzhou P.R. CHINA	RMB 852.817	100%	Line-by-line method
JOINT VENTURES				
	REGISTERED OFFICE	SHARE CAPITAL	OWNERSHIP	CONSOLIDATION METHOD
Shanghai Unity PRIMA Laser Machinery Co. Ltd.	2019, Kunyang Rd., Shanghai 201111 - P.R. CHINA	RMB 16.000.000	35%	Not Consolidated - Classified as AHFS
SNK PRIMA Company Ltd	Misaki Works 3513-1, Fuke Misaki-Cho, Sennan-Gun, Osaka, JAPAN	YEN 90.000.000	50%	



CHAPTER 3.

GROUP MANAGEMENT REPORT

CHAPTER 3. GROUP MANAGEMENT REPORT

SIGNIFICANT EVENTS OF THE PERIOD

INTEGRATION OF BOARD OF AUDITORS

The ordinary shareholders' general meeting of 20/04/2012 decided on the integration of the Board of Auditors with the nomination of its president as Mr Franco Nada and of an alternate auditor as Mr Alessandro Sabolo.

This integration was made necessary after the death in December 2011 of Mr Ricardo Formica and his substitution by Mr Franco Nada (alternate auditor in the same short list from which the President was drawn), in office until approval of the balance sheet on 31/12/2012.

MACROECONOMIC CONTEXT

The crisis in the Eurozone is near to completing its third year with the spread in Italy and Spain at very high levels and, more generally, with strong doubts on the safety of the Euro.

Greece continues with problems of sustainability of the public account with the risk, not yet over, of its exit from the Euro. The weakness of the European banking system persists, in the grip of *deleveraging* and requirements for asset reinforcement.

In Italy, even in the second half year, a very difficult scenario still persists; the economic recovery in Italy, according to the IMF, will only start in 2013 after a deeper recession compared with the overall Euro area, for which in any case a contraction of the GNP in the first half of 2012 is forecast.

Over the last few weeks, public authorities and the central European bank have sent strong signals to the market with regards to their willingness to avoid the breakdown of the euro, but the path to be taken in order to implement effective measures still seems to be paved with difficulties

In the first six months of 2012, the International recovery has lost momentum: the backward thrusts in the Eurozone and the slower growth in the United States risk slowing down the global economic activity.

With regards to emerging nations, the situation is clearly better: these contribute 70% to the global GNP in 2012, during which the International monetary fund (IMF) forecast that overtaking the economies which are already developed. Overall, the IMF estimates have nevertheless been improved for 2012 and 2013: the GNP this year will grow by 3.5% and by 4.1% next year; respectively 0.2 and 0.1 percentage points more with respect to the January forecast. The recovery will start first in the United States and only afterwards will it apply to the Eurozone. This year, the American economy will grow by 2.1% then to accelerate in 2013 at +2.4%, while this year the Old Continent will recede by 0.3%, before growing by 0.9% in 2013. The German economy will grow this year by 0.6% and in 2013 by 1.5%; the French by 0.5% and 1%.

With regard to investment goods, the progress of the sector remains positive: the European Association of machines and tools manufacturers (CECIMO) forecast that production, already grown during 2011 x 26%, will register a further moderate increase.

In the United States the AMT (the Association for Manufacturing Technology) notes that the acquisition of orders in the sector during the first five months of 2012 has grown by 12.1% compared with the same period in 2011, confirming the health of the sector and continued expansion in the production of durable goods.

In Germany, VDW (the Association of Manufacturers of machine tools) registers in the first six months of 2012, a reduction of 13% in the orders received compared with the first six months of 2011, as a consequence of the fact that its progress in the sector cannot be considered completely detached from the general macro-economic context with its more recent developments.

In Italy, the UCIMU (the Association of manufacturers of machine tools) notes that in the second quarter of the year, the index of orders for machine tools has undergone a fall of 20.6% compared with the corresponding period of 2011. The result is due to the negative comparisons collected by manufacturers, both on the internal market as well as the market abroad, with greater concern for the reduction, by this time structural, of internal demand.

REVENUES AND PROFITABILITY

The consolidated revenues at 30/06/2012 amount to 163.525 thousand Euro, a growth of 28% (equal to 35.846 thousand Euro) compared with the corresponding period of the 2011 financial year (127,679 thousand Euro).

The consolidated turnover is shown below on a geographic basis at 30/06/2012 compared with the corresponding period for the previous financial year.

Revenues	June 30, 2012		June 30, 2011	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
Italy	21.407	13,1	18.440	14,4
Europe	65.621	40,1	48.517	38,0
North America	38.231	23,4	27.597	21,6
Asia and rest of the world	38.266	23,4	33.125	26,0
TOTAL	163.525	100,0	127.679	100,0

The sales per geographic area show a growing turnover in all destination markets. Of particular significance is the growth in Europe, aimed at the mid-Eastern countries, which shows an increase of 17,104 thousand Euro; North Africa also, with proceeds increased by 10,634 thousand Euro, passes from 21.6% to 23.4% of total sales.

Sales in Italy, which for the whole financial year of 2011 suffered a downturn, show a moderate increase of 2,967 thousand Euro.

Below, a subdivision of the proceeds by segments of the gross inter-sector transactions is shown (for more detailed indications on the matter of operational segments of the Group, see Note 6.31 - SECTOR INFORMATION).

Revenues	June 30, 2012		June 30, 2011	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
PRIMA POWER	143.887	88,0	109.100	85,5
PRIMA ELECTRO	29.425	18,0	25.950	20,3
Inter-sector revenues	(9.787)	(6,0)	(7.371)	(5,8)
TOTALE	163.525	100,0	127.679	100,0

To complete the information on the proceeds, the sub-division of the same is shown below (net of the inter-sector transactions) per segment and per geographical area, both for the first half of 2012 and for the first half of 2011.

Revenues segment/area - 1st half of 2012	Italy	Europe	North America	Asia and rest of the world	TOTAL
€/000					
PRIMA POWER	15.094	55.629	36.839	36.294	143.856
PRIMA ELECTRO	6.313	9.992	1.392	1.972	19.669
TOTAL	21.407	65.621	38.231	38.266	163.525

Revenues segment/area - 1st half of 2011	Italy	Europe	North America	Asia and rest of the world	TOTAL
€/000					
PRIMA POWER	11.634	40.894	26.542	29.995	109.065
PRIMA ELECTRO	6.806	7.623	1.055	3.130	18.614
TOTAL	18.440	48.517	27.597	33.125	127.679

Thanks to the strong international presence and the commercial expansion to the BRIC countries as well as the other emerging countries, the PRIMA POWER division has shown a significant increase of sales in all the areas for the first six months of 2012. The division has achieved sales in Europe of 38.7%, in North America of 25.6% and in Asia and the rest of the world of 25.2% (in particular Russia, Korea, China, Brazil and Turkey) and in Italy of 10.5%

The PRIMA ELECTRO division is present in Italy for 32.1%, in Europe for 50.8% (primarily in Spain and the Benelux countries), in Asia and the rest of the world (primarily China) for 10% and in North America for 7.1%. The said values do not take into account the turnover achieved by PRIMA ELECTRO towards the PRIMA POWER Division.

The Group turnover does not include 20.7 million Euro achieved in the half year by JV Chinese Shanghai Unity PRIMA, valued at *fair value* in that it is classified in the non-current Activities destined for phasing out.

The **Value of production** at 30/06/2012 is equal to 177,592 thousand Euros, an increase of 24% with respect to the corresponding period for 2011 (increase of 33,856 thousand Euros). In the value of the production of the period, increases for internal work are present, equal to 3,020 thousand Euro (3,075 thousand Euro at 30/06/2011); these costs principally refer to investment in development activities.

Performance indicators	June 30, 2012		June 30, 2011	
	Euro thousand	% on sales	Euro thousand	% on sales
EBITDA	11.219	6,9	7.302	5,7
EBIT	5.685	3,5	2.459	1,9
EBT	1.986	1,2	(2.421)	(1,9)
NET RESULT	310	0,2	(3.421)	(2,7)

The **EBITDA** of the Group is equal to 11,219 thousand Euro (6.9% of the turnover); with respect to the first six months of 2011 a net improvement is noted both in absolute terms (growth of 3,917 thousand Euro) and in percentage terms (from 5.7% of the turnover at 6.9%). The EBITDA of the group is shown below at 30/06/2012 and 30/06/2011 subdivided by segment (gross of the inter-sector transactions).

EBITDA	June 30, 2012		June 30, 2011	
	Euro thousand	%	Euro thousand	%
PRIMA POWER	7.580	67,6	4.212	57,7
PRIMA ELECTRO	4.017	35,8	3.099	42,4
Inter sector items and eliminations	(378)	(3,4)	(9)	(0,1)
TOTAL	11.219	100,0	7.302	100,0

The **EBIT** consolidated on 30/06/2012 is equal to 5,685 thousand Euro and is improved by 3,226 thousand Euro with respect to the first half year for 2011. The amortization of the tangible assets influence this result to the amount of 1,410 thousand Euro, of the tangible assets of 3,931 thousand Euro and of the *impairment* of some non-current activities destined for phasing out, amounting to 192 thousand Euro. With regards to amortization of the tangible assets, 1,403 thousand Euro are referred to the amortization relating to the useful life activity written in the sphere of the company merger of the FINN POWER Group (trade mark and relationship with the client base - "*customer list*") and 1,984 thousand Euro are referred to the amortization of the development costs. This positive result discounts non-recurring burdens of 725 thousand Euros, of which 432 thousand Euro relate to the cost of reorganization.

The EBITDA of the group is shown below at 30/06/2012 and 30/06/2011, subdivided by segment gross of the inter-sector transactions.

EBIT	June 30, 2012		June 30, 2011	
	€/000	%	€/000	%
PRIMA POWER	2.972	52,3	71	2,9
PRIMA ELECTRO	3.085	54,3	2.393	97,3
Inter sector items and eliminations	(372)	(6,6)	(5)	(0,2)
TOTAL	5.685	100,0	2.459	100,0

The **EBT** consolidated on 30/06/2012 is equal to 1,986 thousand Euro with an improvement equal to 4,407 thousand Euro compared with the corresponding period of the previous financial year (-2,421 thousand Euro); it is recalled that this sum discounts net burdens deriving from the financial management (including profits and losses on exchanges) for 4,544 thousand Euro (on 30/06/2011 equal to 4,980 thousand Euro).

Financial results (€/000)	June 30, 2012	June 30, 2011
Financial Income	53	88
Finpolar loan expenses	(2.394)	(2.470)
Derivates expenses (IRS)	(1.033)	(835)
Derivate expenses (CRS)	(186)	-
Net exchange differences	(160)	(728)
Other financial expenses	(824)	(1.035)
TOTAL	(4.544)	(4.980)

Burdens are shown for the financing stipulated in 2008 for the acquisition of the FINN POWER Group (hereafter for brevity "FINPOLAR financing") equal to 2,394 thousand Euro and net financial burdens for derivative instruments (primarily connected to FINPOLAR financing) for 1,219 thousand Euro.

The exchange management results of the first six months of 2012 are negative to the tune of 160 thousand Euros (negative to the tune of 728 thousand Euros on 30/06/2012).

The net result of the joint ventures, responsibility of the Group, for the first six months of 2012 is positive by 844 thousand Euro (positive by 99 thousand Euro on 30/06/2011),

substantially through the effect of reclassification of the JV Shanghai Unity Prima amongst the non-current activities destined for wind up and the consequent valuation at *fair value*; In particular, the positive effect relating to JV Chinese is due to the acceptance of the six months results for 106 thousand Euro, to the adjustment at fair value for -745 thousand Euro and to the risk classification of the conversion reserve for 1,484 thousand Euro.

In confirmation of the sound rectified balance of the Group, the **NET RESULT** on 30/06/2012 is positive by 310 thousand Euro, a significant increase with respect to the corresponding period of the previous financial year (negative by 3,421 thousand Euro on 30/06/2011). The taxes on income in the first six months of 2012 show a net negative balance of 1,676 thousand Euro (of which IRAP [Regional income tax] is equal to 735 thousand Euro). The increased tax burden of the Group is primarily attributable to the greater taxable income of some companies.

ASSETS AND LIABILITIES STATEMENT

Shown below is the reclassified statement of assets and liabilities for the PRIMA INDUSTRIE Group.

<i>Values in Thousands Euros</i>	<i>June 30, 2012</i>	<i>December 31, 2011</i>
Tangible and intangible fixed assets	74.470	74.352
Goodwill	102.813	102.751
Equity investments and other non-current assets	1.182	10.064
Deferred tax assets	7.085	6.570
NON-CURRENT ASSETS	185.550	193.737
Inventories	100.089	84.250
Trade receivables	66.254	88.283
Trade payables	(78.445)	(79.797)
Advances	(28.614)	(32.355)
OPERATING WORKING CAPITAL	59.284	60.381
Other current assets and liabilities	(10.517)	(11.134)
Current tax assets and liabilities	(2.493)	(812)
Provisions for risks and employees benefits liabilities	(17.191)	(16.940)
Deferred tax liabilities	(9.764)	(9.738)
Non- current assets held for sales	9.219	1.012
NET INVESTED CAPITAL	214.088	216.506
NET INDEBTEDNESS	134.407	136.385
SHAREHOLDER'S EQUITY	79.681	80.121
LOAN SOURCES	214.088	216.506

The tangible and intangible assets (different from the launch) of the PRIMA INDUSTRIE Group remain substantially unvaried with respect to the end of the previous financial year. The only variation of the six-month period from launching is attributable to currency adjustments. During the half year PRIMA INDUSTRIE SpA has signed a preliminary agreement with the majority partner of the JV Chinese Shanghai Unity PRIMA Laser Machinery Co Ltd (SUP). On the basis of this agreement it is forecast that PRIMA INDUSTRIE SpA (Which holds 35% of JV) hands over to that majority partner a notable part of its own shareholding at a pre-established price. The above-mentioned agreement incurs the loss of joint control over JV and the consequent classification of the business value under the heading of "Non-current activity destined for wind up". Classified under this heading non-current activity destined for

wind up, other than the participation of JV Chinese (equal to 8,399 thousand Euro), some FINN-POWER Italia Srl real estate property has been classified.

With respect to the previous financial year, the operating working capital has reduced by 1,097 thousand Euro, as a consequence of the first results of actions undertaken by the Group to reduce this exposure. In particular, an increase in the warehouse stocks attached to the need to maintain sales volumes expected for the second half year emerge, as well as a decrease in the trade receivables due to seasonal sales factors and the improved management of income.

On 30/06/2012, the group's net debt was equal to 134,407 thousand Euros; compared with the end of the last financial year, an improvement is shown of 1,978 thousand Euro (for further comment on the net debt, reference is made to the following paragraph "Net financial position").

The net assets are reduced in comparison with the previous financial year by 440 thousand Euros. This reduction is due to a number of opposing effects; on the positive side, deriving from the consolidated earnings before tax recorded for the six months (310 thousand Euro) and of the increase in capital due to the conversion of warrants (14 thousand Euros), are counted by the negative effects deriving from the adjustment at fair value of the cover derivatives (261 thousand Euro) and the adjustment of the exchange conversion reserve (503 thousand Euro).

NET FINANCIAL POSITION

The net debt for the group is undergoing continuous improvement (reduction by 6,363 thousand Euros compared with 30/06/2011 and 1,978 thousand Euros compared with 31/12/2011) thanks to good economic performance and of the activities undertaken to reduce the incidence of working capital.

The net financial position is shown as follows.

<i>Value expressed in Euro thousand</i>	30/06/2012	31/12/2011	30/06/2011
CASH & CASH EQUIVALENTS	(18.294)	(25.179)	(16.737)
CURRENT FINANCIAL RECEIVABLES	-	(529)	(3)
CURRENT FINANCIAL LIABILITIES	47.829	52.131	52.751
NON CURRENT FINANCIAL LIABILITIES	104.872	109.962	104.759
NET FINANCIAL LIABILITIES	134.407	136.385	140.770

With the aim of supplying better information relating to the net consolidated financial position on 30/06/2012, the following should be remembered:

- That the FINPOLAR Financing amounts to a comprehensive 128,872 thousand Euro and is subject to compliance with regards to a number of *covenants* measured on an annual and six monthly basis;
- the debits due to leasing companies (almost exclusively of a property nature) amount to 2,794 thousand Euro;
- bank debits include the negative *fair value* of some IRS for 8,047 thousand Euro; the main IRS have been contracted by the Parent Company in partial cover of the risk of interest rates on FINPOLAR Financing (the underwriting of these derivatives was foreseen by the financing contract below).

It is recalled that on 06/02/2012, the company has properly paid the debit due to the Finance bank pool, relating to the FINPOLAR Financing and comprehensively equal to 3,292 thousand Euro (which includes capital sum, interest and differentials on the derivative) and which on 21/06/2012 carried out an obligatory anticipated refund (*excess cash*) of 166 thousand Euro. Furthermore, on 06/08/2012, the company has correctly refunded the expiring instalment equal to 7,712 thousand Euros, divided thus:

- Capital sum quotas A to C1 for 5,123 thousand Euro;
- Capital sum quotas A to B for 1,677 thousand Euro;
- Differential on the derivative for 912 thousand Euro

The *covenants* measured on the consolidated six monthly balance at 30/06/2012 had been complied with.

For greater detail on the subject of the net financial position to see the Illustrative Note 6.11.

TRADE ASSETS AND ORDER PORTFOLIO

In addition to the fairs at which the Group has taken part during the first three months of the year (already mentioned in the management interim report on 31/03/2012), in the course of the second three months the Group has also participated in the following fairs:

- FINNTEC at Helsinki (Finland)
- SIMTOS at Goyang (Korea)
- HANNOVER MESSE at Hannover (Germany)
- PROJECT QATAR at Doha (Qatar)
- AUSTECH at Sidney (Australia)
- XYLEXPO at Rho - Milano (Italy)
- LAMIERA at Bologna (Italy)
- MMTS at Montreal (Canada)
- METAL TECH at Kuala Lumpur (Malaysia)
- SHEET METAL THAILAND at Bangkok (Thailand)
- ERBIL MACHINEX at Erbil (Iraq)
- SPS/IPC/DRIVES at Parma (Italy)
- MECANICA at San Paolo (Brazil)
- METALWORKING at Moscow (Russia)
- BIEMH at Bilbao (Spain)
- MACH-TOOL at Poznan (Poland)
- MANUFACTURING INDONESIA at Surabaya (Indonesia)

In the first six months of 2012 the order book has once more confirmed the very positive progress over the last three months. The **acquisition of orders** of the Group (including *after sales service*) on 30/06/2012 had indeed been equal to 175.1 million Euro, with a growth of 5.3% compared with the first six months of 2011.

The acquisition of orders with the PRIMA POWER Section was equal to 153.9 million Euros; that relating to the PRIMA ELECTRO sector, only from clients external to the Group, has been equal to 21.2 million Euros.

The geographic division of the collection of orders for the first six months confirms the sound progress of the North American market, of the Asiatic one and of Eastern Europe.

The consolidated **order book** (not including the *after sales service*) on 30/06/2012 amounts to 116.5 million Euros substantially established compared with the 115.9 million Euros on 30/06/2011.

This sum includes 103.8 million Euros relating to the PRIMA POWER sector and 12.7 million Euros relating to the PRIMA ELECTRO sector.

On 31/07/2012, the order book is equal to 124.3 million Euros (of which 111.0 million Euros relating to the PRIMA POWER sector and 13.3 million Euros relating to the PRIMA ELECTRO sector).

RESEARCH AND DEVELOPMENT

The research and development activity carried out by the group during the first six months of 2012 has been comprehensively equal to 9,183 thousand Euro (of which 6,473 thousand Euro in the PRIMA POWER sector and 2,710 thousand Euro in the PRIMA ELECTRO sector) equal to 5.6% of turnover.

The capitalized share was equal to 2,815 thousand Euro (of which 1,884 thousand Euro in the PRIMA POWER sector and 931 thousand Euro in the PRIMA ELECTRO sector).

The costs levels sustained by the group in research and development activities the new products is testimony to its willingness to continue investing for the future and to improve, through the presence of products always in the technological forefront, its competitiveness on the international markets.

For all the capitalized development activities, the technical feasibility has been verified as well as the generation of probable future economic benefits.

Over the first six months of 2012, the main activities of interest to the PRIMA POWER sector have been the following:

- Consignment to clients of the first PLATINO FIBER machines in the *single lens* version (configuration which allows savings in time for changing lenses);
- Presentation of a new generation of E series punching machines in sizes 5 and 6 with high level of performance and extended range of automation;
- Introduction onto the market, on the occasion of the Metal plate fair (Bologna) of the new entry-level LPe6x combined machines (puncher and laser), completely electric, which uses the most recent control technologies and is equipped with the emerging CX2500/3000 laser, with optimal price/performance relationship
- Introduction of a series of updates, functions and options for the new line of electric servo press folding machines (eP_Brake);
- Introduction of optimising hardware and software on the servo electric panel machine line (FBe/EBe/Bce);
- Introduction of an innovative system of automatic configuration (*Configuration Builder*) of the software parameters extended to all the models and marks of servo electric panelling machines (FBe/EBe/Bce);
- Qualification of rotation axes for the LASERDYNE 795 and 430, respectively produced and destined for aerospace sector drilling applications and for precision drill and weld cutting in a variety of sectors including electronics, precision mechanics, filters, medical and aerospace machinery.

The research and development activity relating to the PRIMA ELECTRO division during the first six months of the year regarded:

- Completion of the test phase of a 4 kW CO2 laser version (CVE family) characterised by reduced requirements for maintenance thanks to the adoption of a magnetic turbine and various clever devices for extending the life of the optics. Completion of the development and testing of the basic version of OPEN30 which has already been adopted by a number of the OSAI brand clients;
- Completion of the development of the OPEN application, with motors and Yaskawa action, for the automatic panelling machines;
- Continuance of the project to create a new generation laser, with the contribution of the PPPLab (conjoined laboratory at the Torino Polytechnic) to which a long-term development contract has been entrusted.

PERSONNEL

On 30/06/2012, the Group personnel amounted to 1,494, an increase of 52 units compared with 31/12/2011; this increase is both attributable to increased production volumes, as well as the increased requirements due to the launching of new commercial initiatives and new lines of production.

The personnel divided per sector on 30/06/2012 compared with that of 31/03/2012 and 31/12/2011 are shown below.

	June 30, 2012	March 31, 2012	December 31, 2011
PRIMA POWER	1.226	1.225	1.175
PRIMA ELECTRO	268	264	267
TOTAL GROUP PERSONNEL	1.494	1.489	1.442

OPERATIONS WITH RELATED PARTIES

In the reference period, no operations with co-related parties relevant within the meaning of article 5, paragraph 8 of the regulation regarding dispositions on the subject of co-related parties No 17221 issued by Consob on 12/03/2010 have been undertaken.

For further details of the subject and of other operations carried out by the group with co-related parties, refer to "Note 6.29 -INFORMATION ON CO-RELATED PARTIES".

STOCK TREND AND TREASURY STOCK

During the first six months of 2012, the title PRIMA INDUSTRIE has passed from a unit value of 6,885 Euro on 02/01/2012 to a value of 7,778 Euro in shares on 29/06/2012, with the increase of 13%, even though the title has shown an excellent performance during the period which has taken it to reaching a maximum of 10.55 Euro per share. Furthermore, during the period, the progress of the title has been improved with respect to the reference indices.

The graphic below illustrates the recorded trends.



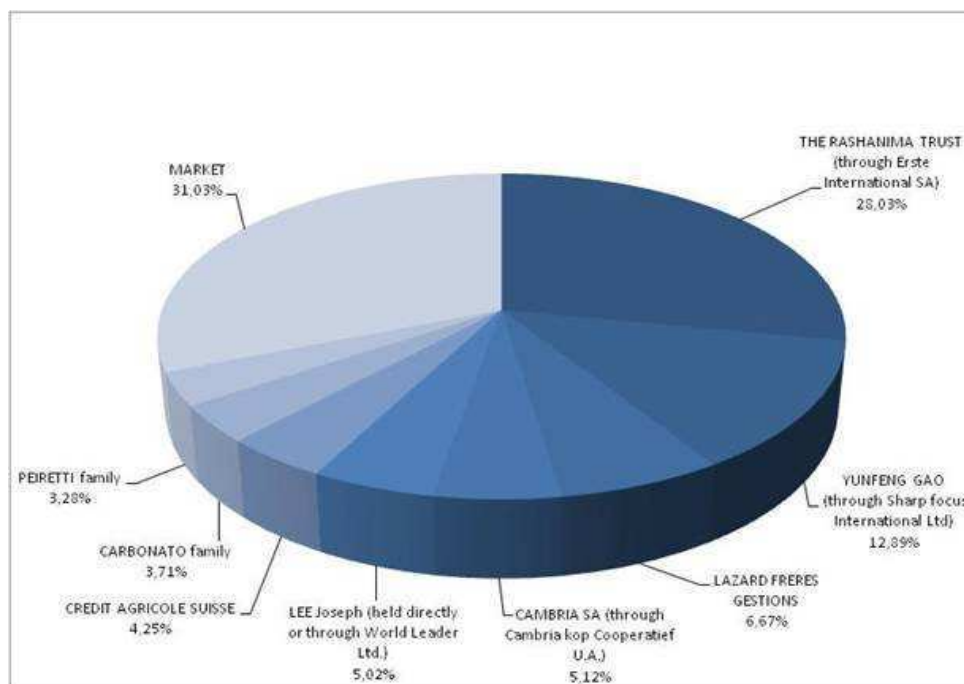
Following the closure of the six-month period, after an initial phase of contraction during the month of July, the progress of the stock started to climb, taking itself above 8 Euro and the last part of the month of August.

On 30/06/2012, also being the date of approval of this financial report PRIMA INDUSTRIE SpA did not hold nor holds any of its own shares, as there is no current resolution authorising the purchase of its own chest.

SHAREHOLDING STRUCTURE

On 30/06/2012, the share capital of PRIMA INDUSTRIE SpA amounts to Euro 21,605,852.50 divided into No. 8,642,341 Ordinary shares at the nominal value of 2.50 Euro each No different categories from the ordinary shares, or bonds, have been issued. On the other hand, from 30/06/2012, also being the date of approval of this report, there are in circulation No. 2,237,659 "PRIMA INDUSTRIE Warrants 2009-2013".

In the light of the results of the shareholders diary and from subsequent communications carried out between the company or the overseeing authority, the most up-to-date share structure is as follows:



STOCK OPTION PLANS

In the month of May 2011, the *vesting period* of the *stock option plan*, approved by the PRIMA INDUSTRIE SpA of 29/04/2008 ended, originally destined for the Executive Directors of the Parent Company, of PRIMA ELECTRO SpA and of FINN POWER OY, as well as the Chief Executive of the PRIMA INDUSTRIE SpA and the Group Financial Director.

The beneficiaries have, furthermore, the facility to exercise the assigned options today established at 28.68 Euro per share, from 1 June 2011 and within and not beyond 30 June 2014 (date of expiry of the plan), in the following two periods of each year until the expiry of the plan:

- June 1st - June 30th
- October 1st - October 30th

The beneficiaries of the plan at the date of reference of this interim Management Report are the following:

LAST NAME AND FIRST NAME	POSITION
CARBONATO Gianfranco	PRIMA INDUSTRIE SpA President & CEO
BASSO Ezio	PRIMA INDUSTRIE SpA General Manager and Managing Director
PEIRETTI Domenico	PRIMA ELECTRO SpA Managing Director and PRIMA INDUSTRIE SpA Managing Director
RATTI Massimo	PRIMA INDUSTRIE Group CFO

For further information on the subject of the *stock option* plan, attention is drawn to the publication on the company web-site: www.primaindustrie.com.

FORESEENABLE DEVELOPMENTS OF MANAGEMENT

Notwithstanding an unfavourable general economic situation in a large part of the Euro zone, the contribution from the positive progress of some markets in America, Eastern Europe and Asia has permitted the achievement of a sound growth in the first six months. On the back of which, other than sound progress in the accumulation of orders and the larger direct commercial presence with which the Group is endowed, the expectations are for the achievement of income and profit growth during the second half of the financial year.

EVENTS AFTER SEMESTER CLOSING

Within the meaning of IAS10 no interventions following the closure of the six month period to be reported in this report have come to light.

ATYPICAL AND UNUSUAL TRANSACTIONS

Within the meaning of the Consob Communication of 28/07/2006 No. DEM/6064296, it is specified that, in the reference period, the Group has not undertaken untypical and unusual operations, as defined in the Communication itself.



CHAPTER 4.

ECONOMIC PERFORMANCE BY SECTOR

CHAPTER 4. ECONOMIC PERFORMANCE BY SECTOR

The Group operates with an organisational structure based on the concentration of its own activities into two divisions: the PRIMA POWER division and the PRIMA ELECTRO division.

The PRIMA POWER division includes designing, manufacturing and marketing of:

- cutting, welding and drilling machines for three dimensional (3D) and two dimensional (2D) metal components and
- the machines for processing plate through the use of mechanical tools (punching machines, integrated systems for punching and shearing, integrated systems for punching and laser cutting, panelling machines and automation systems).

The PRIMA ELECTRO division includes the development, manufacturing and marketing of electronic power and control components as well as high power laser sources for industrial applications, destined for the Group's machines and third party clients.

Shown here below, is a summary table of the economic progress for the two sectors in which the Group currently operates.

	June 30, 2012				
<i>Value in thousand of Euro</i>	REVENUES	EBITDA	% on Revenues	EBIT	% on Revenues
PRIMA POWER	143.887	7.580	5,3%	2.972	2,1%
PRIMA ELECTRO	29.425	4.017	13,7%	3.085	10,5%
CONSOLIDATION	(9.787)	(378)	3,9%	(372)	3,8%
GROUP	163.525	11.219	6,9%	5.685	3,5%

	June 30, 2011				
<i>Values in thousand of Euro</i>	REVENUES	EBITDA	% on Revenues	EBIT	% on Revenues
PRIMA POWER	109.100	4.212	3,9%	71	0,1%
PRIMA ELECTRO	25.950	3.099	11,9%	2.393	9,2%
CONSOLIDATION	(7.371)	(9)	0,1%	(5)	0,1%
GROUP	127.679	7.302	5,7%	2.459	1,9%

The EBIT and EBITDA values represented here are not directly reconcilable with those shown at chapter 6 - note 6.31 Information by Sector.

PRIMA POWER

The revenues for the first six months of 2012 of the PRIMA POWER sector are greater by the 32% compared with the first six month period of the previous financial year. All the main companies of the sector, in the period under examination, have finalised results better than the corresponding period for the financial year 2011.

In the face of a greater level of revenues, the EDIBTA for the sector was equal to 7,580 thousand Euros; as recorded in the previous chapter. Notwithstanding the crisis in some European markets, the division during the six months in question has better finalised results compared with 2011, above all thanks to its presence in the BRIC countries and in many other of the emerging markets. This half year result discounts the incidence of non-recurring costs of 532 thousand Euros, of which 432 thousand Euros relate to the cost of reorganisation.

PRIMA ELECTRO

The revenues for the first six months of 2012 of the PRIMA ELECTRO sector are greater than 13% compared with the previous financial year. The business of the PRIMA ELECTRO sector continues to show a solid growth capacity, above all thanks to the optimal performance of the PRIMA ELECTRO SpA Company. With an EBITDA of 4,017 thousand Euro, the level of revenue of the PRIMA ELECTRO sector equals 13.7%, confirming the sound level of income of this business.



CHAPTER 5.

**Condensed Consolidated Interim Financial Statements
of PRIMA INDUSTRIE Group as of June 30, 2012**

Accounting Tables

CHAPTER 5. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF PRIMA INDUSTRIE GROUP AS OF JUNE 30, 2012

CONSOLIDATED FINANCIAL BALANCE SHEET

Values in Euro	Notes	30/06/2012	31/12/2011
Property, plant and equipment	6.1	24.881.662	24.472.946
Intangible assets	6.2	152.401.558	152.629.950
Investments accounted for using the equity method	6.3	95.972	8.961.044
Other investments	6.4	992.521	1.076.998
Non current financial assets	6.5	61.380	-
Deferred tax assets	6.6	7.085.149	6.570.203
Other non current assets	6.9	32.378	25.518
NON CURRENT ASSETS		185.550.620	193.736.659
Inventories	6.7	100.088.734	84.249.605
Trade receivables	6.8	66.254.118	88.282.812
Other receivables	6.9	8.537.862	6.406.214
Current tax receivables	6.10	4.567.421	5.592.470
Financial assets	6.10	-	528.637
Cash and cash equivalents	6.11	18.293.803	25.179.041
CURRENT ASSETS		197.741.938	210.238.779
ASSETS HELD FOR SALE	6.12	9.218.847	1.012.201
TOTAL ASSETS		392.511.405	404.987.639
Capital stock	6.13	21.605.852	21.601.740
Legal reserve	6.13	4.320.069	4.320.069
Other capital reserves	6.13	52.592.492	54.326.182
Currency translation reserve	6.13	828.006	1.331.310
Retained earnings	6.13	24.662	(3.390.665)
Net result	6.13	309.861	1.932.659
Stockholders' equity of the Group		79.680.942	80.121.295
<i>Minority interest</i>		-	-
STOCKHOLDERS' EQUITY		79.680.942	80.121.295
Interest-bearing loans and borrowings	6.11	96.975.776	102.350.641
Employee benefit liabilities	6.14	6.764.192	6.792.852
Deferred tax liabilities	6.15	9.764.233	9.737.709
Provisions	6.16	122.227	124.009
Derivatives	6.11	7.896.044	7.611.171
NON CURRENT LIABILITIES		121.522.472	126.616.382
Trade payables	6.17	78.444.962	79.797.117
Advance payments	6.17	28.613.581	32.355.143
Other payables	6.17	19.055.201	17.539.790
Interest-bearing loans and borrowings	6.11	47.677.701	52.031.067
Current tax payables	6.18	7.061.039	6.404.295
Provisions	6.16	10.304.659	10.022.786
Derivatives	6.11	150.848	99.764
CURRENT LIABILITIES		191.307.991	198.249.962
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES		392.511.405	404.987.639

CONSOLIDATED INCOME STATEMENT

Values in Euro	Notes	30/06/2012	30/06/2011
Net revenues	6.19	163.524.879	127.679.419
Other income	6.20	1.897.115	861.851
Change in inventories of finished goods and WIP		9.149.450	12.119.004
Increases in fixed assets for internal work	6.21	3.020.226	3.075.304
Use of raw materials, consumables, supplies and goods		(80.785.597)	(66.266.208)
Personnel cost	6.22	(45.827.889)	(39.890.265)
Depreciation	6.23	(5.341.217)	(4.842.676)
Impairment	6.23	(192.199)	-
Other operating expenses	6.24	(39.759.414)	(30.277.168)
OPERATING PROFIT		5.685.354	2.459.261
	6.25		
Financial income	6.25	53.094	88.010
Financial expenses	6.25	(4.437.305)	(4.340.072)
Net exchange differences	6.26	(159.537)	(728.148)
Net result of investments accounted for using the equity method		844.403	99.483
RESULT BEFORE TAXES		1.986.009	(2.421.466)
Taxes		(1.676.148)	(999.110)
NET RESULT		309.861	(3.420.576)
- Attributable to Group shareholders	6.28	309.861	(3.420.576)
- Attributable to minority shareholders	6.28	-	-
RESULT PER SHARE - BASIC (in euro)		0,04	(0,40)
RESULT PER SHARE - DILUTED (in euro)		0,03	(0,40)

TOTAL CONSOLIDATED INCOME STATEMENT

Values in Euro	Notes	June 30, 2012	June 30, 2011
NET RESULT (A)		309.861	(3.420.576)
Gains/ (Losses) on cash flowhedges	6.13	(260.891)	1.082.000
Gains/ (Losses) on exchange differences on traslating foreign operations	6.13	(503.304)	(1.837.562)
TOTAL OTHER GAIN/(LOSSES) (B)		(764.195)	(755.562)
NET RESULT OF THE PERIOD (A) + (B)		(454.334)	(4.176.138)
<i>of which attributable to Group shareholders</i>		<i>(454.334)</i>	<i>(4.176.138)</i>
<i>of which attributable to the minority shareholders</i>		<i>-</i>	<i>-</i>

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

from January 1st to June 30th, 2011

Values in Euro	01/01/2011	Change of consolidation area	Capital increase	Allocation of prior year profits	Distribution of dividends to stockholders	Net result	Other movements	30/06/2011
Capital stock	21.600.337	-	878	-	-	-	-	21.601.215
Additional paid-in capital	46.447.703	-	2.106	-	-	-	-	46.449.809
Legal reserve	2.733.635	-	-	1.586.433	-	-	-	4.320.068
Capital increase - expenses	(1.284.466)	-	-	-	-	-	-	(1.284.466)
Stock option reserve	1.138.624	-	-	-	-	-	156.881	1.295.505
Change in the FV of hedging derivatives	(5.641.858)	-	-	-	-	1.082.000	-	(4.559.858)
Other reserves	11.565.999	-	-	1.850.096	-	-	-	13.416.095
Currency translation reserve	(347.660)	-	-	-	-	(1.837.562)	-	(2.185.222)
Retained earnings	5.997.695	-	-	(9.401.801)	-	-	-	(3.404.106)
Net result	(5.965.272)	-	-	5.965.272	-	(3.420.576)	-	(3.420.576)
Stockholders' equity of the Group	76.244.737	-	2.984	-	-	(4.176.138)	156.881	72.228.464
Minority interest	-	-	-	-	-	-	-	-
STOCKHOLDERS' EQUITY	76.244.737	-	2.984	-	-	(4.176.138)	156.881	72.228.464

from January 1st to June 30th, 2012

Values in Euro	01/01/2012	Change of consolidation area	Capital increase	Allocation of prior year profits	Distribution of dividends to stockholders	Net result	Other movements	30/06/2012
Capital stock	21.601.740	-	4.112	-	-	-	-	21.605.852
Additional paid-in capital	46.451.069	-	9.869	-	-	-	-	46.460.938
Legal reserve	4.320.069	-	-	-	-	-	-	4.320.069
Capital increase - expenses	(1.286.154)	-	-	-	-	-	-	(1.286.154)
Stock option reserve	1.295.506	-	-	-	-	-	-	1.295.506
Change in the FV of hedging derivatives	(5.550.334)	-	-	-	-	(260.891)	-	(5.811.225)
Other reserves	13.416.095	-	-	(1.482.668)	-	-	-	11.933.427
Currency translation reserve	1.331.310	-	-	-	-	(503.304)	-	828.006
Retained earnings	(3.390.665)	-	-	3.415.327	-	-	-	24.662
Net result	1.932.659	-	-	(1.932.659)	-	309.861	-	309.861
Stockholders' equity of the Group	80.121.295	-	13.981	-	-	(454.334)	-	79.680.942
Minority interest	-	-	-	-	-	-	-	-
STOCKHOLDERS' EQUITY	80.121.295	-	13.981	-	-	(454.334)	-	79.680.942

CONSOLIDATED FINANCIAL REPORT

VALUES IN EURO	June 30, 2012	June 30, 2011
Net result	309.861	(3.420.576)
Adjustments (sub-total)	6.606.566	8.932.921
Depreciation and impairment	5.533.416	4.842.676
Net change in deferred tax assets and liabilities	(488.422)	(691.547)
Net result of investments accounted for using the equity method	(844.403)	(99.483)
Change in employee benefits	(28.660)	(14.776)
Change in inventories	(15.839.129)	(18.730.193)
Change in trade receivables	22.028.694	1.055.062
Change in trade payables	(5.093.717)	21.271.093
Net change in other receivables/payables and other assets/liabilities	1.338.787	1.300.089
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)	6.916.427	5.512.345
Cash flow from investments		
Acquisition of tangible fixed assets (*)	(1.767.844)	(2.495.442)
Acquisition of intangible fixed assets	(724.113)	(139.094)
Capitalization of development costs	(2.814.855)	(2.939.986)
Net disposal of fixed assets and investment properties (*)	21.772	236.905
Change in other investments	84.477	(32.889)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	(5.200.563)	(5.370.506)
Cash flow from financing activities		
Change in other non current financial liabilities and other minor items	552.657	(695.584)
Increases in loans and borrowings (including bank overdrafts)	666.953	12.438.834
Repayment of loans and borrowings (including bank overdrafts)	(10.594.850)	(9.641.090)
Increases/(repayments) in financial lease liabilities	40.768	250.739
Capital increase	13.981	2.984
Other changes	719.389	(598.681)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)	(8.601.102)	1.757.202
Net change in cash and equivalents (D=A+B+C)	(6.885.238)	1.899.041
Cash and equivalents beginning of period (E)	25.179.041	14.837.872
Cash and equivalents end of period (F=D+E)	18.293.803	16.736.913
Additional information to the Consolidated cash -flow statement	June 30, 2012	June 30, 2011
<i>Values in Euro</i>		
Income Taxes	(1.676.148)	(999.110)
Financial Income	53.094	88.010
Financial costs	(4.437.305)	(4.340.072)

(*) included assets held for sale

CONSOLIDATED BALANCE SHEET IN ACCORDANCE WITH CONSOB RESOLUTION NO. 15519 OF 27/07/2006

Values in Euro	Notes	30/06/2012	of which related parties	31/12/2011	of which related parties
Property, plant and equipment	6.1	24.881.662	-	24.472.946	-
Intangible assets	6.2	152.401.558	-	152.629.950	-
Investments accounted for using the equity method	6.3	95.972	95.972	8.961.044	8.961.044
Other investments	6.4	992.521	-	1.076.998	99.860
Non current financial assets	6.5	61.380	-	-	-
Deferred tax assets	6.6	7.085.149	-	6.570.203	-
Other non current assets	6.9	32.378	-	25.518	-
TOTAL NON CURRENT ASSETS		185.550.620		193.736.659	
Inventories	6.7	100.088.734	-	84.249.605	-
Trade receivables	6.8	66.254.118	890.344	88.282.812	1.197.512
Other receivables	6.9	8.537.862	-	6.406.214	-
Current tax receivables	6.10	4.567.421	-	5.592.470	-
Financial Assets	6.10	-	-	528.637	-
Cash and cash equivalents	6.11	18.293.803	-	25.179.041	-
TOTAL CURRENT ASSETS		197.741.938		210.238.779	
ASSETS HELD FOR SALE	6.12	9.218.847	-	1.012.201	-
TOTAL ASSETS		392.511.405		404.987.639	
Capital stock	6.13	21.605.852	-	21.601.740	-
Legal reserve	6.13	4.320.069	-	4.320.069	-
Other capital reserve	6.13	52.592.492	-	54.326.182	-
Currency translation reserve	6.13	828.006	-	1.331.310	-
Retained earnings	6.13	24.662	-	(3.390.665)	-
Net result	6.13	309.861	-	1.932.659	-
Stockholders' equity of the Group		79.680.942		80.121.295	
<i>Minority interest</i>		-		-	
STOCKHOLDERS' EQUITY		79.680.942		80.121.295	
Interest-bearing loans and borrowings	6.11	96.975.776	-	102.350.641	-
Employee benefit liabilities	6.14	6.764.192	-	6.792.852	-
Deferred tax liabilities	6.15	9.764.233	-	9.737.709	-
Provisions	6.16	122.227	-	124.009	-
Derivatives	6.11	7.896.044	-	7.611.171	-
NON-CURRENT LIABILITIES		121.522.472		126.616.382	
Trade Payables	6.17	78.444.962	-	79.797.117	-
Advance payments	6.17	28.613.581	-	32.355.143	-
Other payables	6.17	19.055.201	309.691	17.539.790	468.074
Interest-bearing loans and borrowings	6.11	47.677.701	-	52.031.067	-
Current tax payables	6.18	7.061.039	-	6.404.295	-
Provisions	6.16	10.304.659	-	10.022.786	-
Derivatives	6.11	150.848	-	99.764	-
CURRENT LIABILITIES		191.307.991		198.249.962	
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES		392.511.405		404.987.639	

CONSOLIDATED INCOME STATEMENT PURSUANT TO CONSOB RESOLUTION NO. 15519 OF 27/07/2006

Values in Euro	Notes	June 30, 2012	of which related parties	June 30, 2011	of which related parties
Net Revenues	6.19	163.524.879	903.075	127.679.419	1.461.040
Other income	6.20	1.897.115	-	861.851	-
Change in inventories of finished goods and WIP		9.149.450	-	12.119.004	-
Increases in fixed assets for internal work	6.21	3.020.226	-	3.075.304	-
Use of raw materials, consumables, supplies and goods		(80.785.597)	-	(66.266.208)	-
Personnel cost	6.22	(45.827.889)	(272.946)	(39.890.265)	(293.139)
Depreciation	6.23	(5.341.217)	-	(4.842.676)	-
Amortization and Impairment	6.23	(192.199)	-	-	-
Other operating expenses	6.24	(39.759.414)	(523.729)	(30.277.168)	(447.917)
OPERATING PROFIT		5.685.354		2.459.261	
Financial income	6.25	53.094	-	88.010	-
Financial expenses	6.25	(4.437.305)	-	(4.340.072)	-
Net exchanges differences	6.25	(159.537)	-	(728.148)	-
Net result of investments accounted for using the equity method	6.26	844.403	844.403	99.483	99.483
RESULT BEFORE TAXES		1.986.009		(2.421.466)	
Taxes	6.27	(1.676.148)		(999.110)	
NET RESULT		309.861		(3.420.576)	
Attributable to Group shareholders		309.861		(3.420.576)	
Attributable to minority shareholders		-		-	
RESULT PER SHARE - BASIC (in Euro)	6.28	0,04		(0,40)	
RESULT PER SHARE - DILUTED (in Euro)	6.28	0,03		(0,40)	

CONSOLIDATED CASH-FLOW STATEMENT IN ACCORDANCE WITH CONSOB RESOLUTION NO. 15519 OF 27/07/2006

VALUES IN EURO	June 30, 2012	of which related parties	June 30, 2011	of which related parties
Net result	309.861	-	(3.420.576)	-
Adjustments (sub-total)	6.606.566	-	8.932.921	-
Depreciation and impairment	5.533.416	-	4.842.676	-
Net change in deferred tax assets and liabilities	(488.422)	-	(691.547)	-
Net result of investments accounted for using the equity method	(844.403)	(844.403)	(99.483)	(99.483)
Change in employee benefits	(28.660)	-	(14.776)	-
Change in inventories	(15.839.129)	-	(18.730.193)	-
Change in trade receivables	22.028.694	307.168	1.055.062	(60.171)
Change in trade payables	(5.093.717)	-	21.271.093	-
Net change in other receivables/payables and other assets/liabilities	1.338.787	(158.383)	1.300.089	9.811
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)	6.916.427		5.512.345	
Cash flow from investments				
Acquisition of tangible fixed assets (*)	(1.767.844)	-	(2.495.442)	-
Acquisition of intangible fixed assets	(724.113)	-	(139.094)	-
Capitalization of development costs	(2.814.855)	-	(2.939.986)	-
Net disposal of fixed assets and investment properties (*)	21.772	-	236.905	-
Change in other investments	84.477	99.860	(32.889)	-
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	(5.200.563)		(5.370.506)	
Cash flow from financing activities				
Change in other non current financial liabilities and other minor items	552.657	-	(695.584)	-
Increases in loans and borrowings (including bank overdrafts)	666.953	-	12.438.834	-
Repayment of loans and borrowings (including bank overdrafts)	(10.594.850)	-	(9.641.090)	-
Increases/(repayments) in financial lease liabilities	40.768	-	250.739	-
Capital increase	13.981	-	2.984	-
Other changes	719.389	-	(598.681)	156.881
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)	(8.601.102)		1.757.202	
Net change in cash and equivalents (D=A+B+C)	(6.885.238)		1.899.041	
Cash and equivalents beginning of period (E)	25.179.041		14.837.872	
Cash and equivalents end of period (F=D+E)	18.293.803		16.736.913	

Additional information to the Consolidated cash -flow statment	June 30, 2012	June 30, 2011
<i>Values in Euro</i>		
Income Taxes	(1.676.148)	(999.110)
Financial Income	53.094	88.010
Financial costs	(4.437.305)	(4.340.072)

(*) included assets held for sale



CHAPTER 6.

Illustrative notes

CHAPTER 6. EXPLANATORY NOTES

FORM AND CONTENT

The abbreviated consolidated balance sheet of the PRIME INDUSTRIE Group on 30/06/2012 has been drawn up on the assumption of the company continuing trading (for greater detail see the note "accounting principles") and in regard to the International Financial Reporting Standards issued by the International Accounting Standards Board and recognised by the European Union (defined as "IFRS"), as well as the legislative and regulatory directions in force in Italy (with particular reference to legislative decree 58/1998 and subsequent amendments, as well as the issuer's Regulation issued by CONSOB). "IFRS" is also meant as the International Accounting Standard (IAS) still in force, as well as all the interpretive documents issued by the International Financial Reporting Interpretations Committee ("IFRIC") previously called the Standing Interpretations Committee ("SIC").

The abbreviated consolidated balance sheet on 30/06/2012 has been laid out in abbreviated form, in conformity with IAS 34 "Interim balances", and does not include therefore all the information required in the annual balance sheet and must be read together with the annual balance sheet prepared for the closed financial year at 31/12/2011, to which attention is drawn for greater detail.

The abbreviated consolidated balance on 30/06/2012 of the PRIMA INDUSTRIE Group is presented in a Euro which is also the currency of the economies in which the Group mainly operates.

The foreign subsidiaries are included in the abbreviated consolidated balance sheet on 30/06/2012 according to the principles described in the "accounting principle" Note of the consolidated balance on 31/12/2012, to which attention is drawn. For purposes of comparison, the balance sheet data on 31/12/2011 have been presented as well as the data of the profit and loss account and the financial statement relating to 30/06/2011 with the movements of net assets of the first six months of 2012 as well, as required by IAS 1 (presentation of the balance sheet).

ACCOUNTING PRINCIPLES

On-going concern

The abbreviated consolidated balance sheet at 30/06/2012 has been set out on the assumption of the company continuing trading in that it is reasonably expected that PRIMA INDUSTRIE will continue with its operational activities in the foreseeable future.

Accounting criteria and principles of consolidation

The accounting criteria and principles of consolidation adopted for setting out the abbreviated consolidated balance sheet at 30/06/2012 are compatible with those used for the consolidated annual balance sheet at 31/12/2011, to which attention is drawn.

Variations on the accounting principles

Starting from 1 January 2012 the IASB has issued new accounting principles and interpretations; these variations are discussed as follows.

- IFRS 7 - Financial instruments - consolidating information. The modifications introduced by IASB has the aim of optimising the understanding of the *de-recognition* of the financial activities.
- IAS 1 - Presentation of the balance sheet. This amendment should be applied starting from the financial years starting after 1 July 2012 and later, and requires a concentration on all the components presented by the Other comprehensive incomes/(losses) according to which they may or may not be reclassified subsequently to the profit and loss account.

- IAS 19 - Benefits to employees. This amendment should be applied in retrospective manner starting from the financial year beginning 1 January 2013 and foresees the elimination of the option to defer recognition of the actuarial profits and losses with the corridor method.
- IAS 12 - Taxes on income. This amendment should have been applied in retrospective manner from 1 January 2012, yet, on the date of this report the European union appropriate authorities have not yet concluded the process of approval. The amendment foresees that the deferred taxes relating to real estate investments valued at fair value according to the IAS 40 must be calculated taking into account the accounting value which will be recovered from the sale.
- IFRS 7 - Financial instruments - consolidating information. This amendment will be applied to financial years starting from 1 January 2013 and later, and require information on the effects or potential effects of compensation contracts for the financial assets and liabilities on the assets/financial situation.
- IFRS 9 - Financial Instruments. The IASB has introduced this new principal which will be applied retrospectively starting from 1 January 2015 which foresees new criteria for the classification and valuation of the financial assets and liabilities.
- IFRS 10 - Consolidated Balance. This new principle would need to be applied in retrospective manner from 1 January 2013 and deals with the accounting treatment of shares in the separate Balance Sheet.
- IFRS 11 - Agreements for shares. This new principle will have to be applied retrospectively from 1 January 2013 and establishes that the participation in companies under joint control will have to be evaluated with the method of the equity method.
- IFRS 12 - Additional information on shares in other companies. This new principle will have to be applied retrospectively from 1 in January 2013 and foresees additional information to be supplied on every type of share participation.
- IFRS 13 - Measuring of fair value. This new principle will have to be applied retrospectively from one January 2013 and establishes how the fair value should be treated with regards to the balance sheet.
- IAS 32 - Exposure of financial instruments in the balance sheet. This amendment will be applied retrospectively for financial years starting from 1 January 2014 and later, and clarifies the application of a number of criteria for compensating for financial assets and liabilities.
- The IASB has issued a collection of modifications to the IFRS ("improvement 2012") which will be applicable retrospectively from 1 January 2013. Such modifications apply to:
 - IAS 1 - Presentation of the balance sheet.
 - IAS 16 - Buildings, plant and machinery;
 - IAS 32 - Financial Instruments. Presentation;
 - IAS 34 - Interim Balance sheets.

Use of accounting estimates

The drawing up of an interim balance sheet requires the carrying out of estimates and assumptions which have effect on the values of revenues, costs, assets and liabilities of the balance sheet and on the information report relating to the potential assets and liabilities on the date of the interim balance sheet. If in the future, such estimates and assumptions which are based on the best evaluation by management, should differ through effective circumstances,

they will be modified in an appropriate manner in the period in which the circumstance themselves vary. In particular, with regard to the abbreviated consolidated balance sheet of 30/06/2012, the taxes on income for the period of the individual consolidated companies are determined on the basis of the best estimate possible in relation to the available information, and on a reasonable forecast of the progress of the financial year up to the end of the tax period.

FINANCIAL STATEMENTS

With regard to the financial statements, the group has adopted the choice of using the statements described below:

- With regard to the Consolidated assets - financial situation, the scheme which presents the assets and liabilities distinguishing them between "current" (or in other words able to be liquidated/payable within 12 months) and "non-current" (or in other words able to be liquidated/payable beyond 12 months);
- With regard to the consolidated profit and loss account, the scheme adopted foresees the distribution of costs in kind; the comprehensive consolidated profit and loss account includes, in addition to the profit for the period, as a consolidated profit and loss account, the other variations of the movement of net assets different from those with the shareholders;
- With regards to the statement of the variation of net assets, the scheme adopted to reconcile the opening and closure of each assets item whether for the current period or for the preceding one;
- With regard to the financial statement the "indirect" c.d. method has been chosen "indirect", in which the net financial flow from the operational activity rectifying the profit and loss by effect of;
 - non-monetary elements such as amortizing, devaluations, unrealized profits and losses on associate companies;
 - of the variation of the stock in hand, the credits and debits generated by the operational activity;
 - of the other elements whose financial fluctuations are generated by the activities of investment and financing.

The first half-year Financial Report has been authorized for publication by the Board of Directors of 29/08/2012.

EXPLANATORY NOTES

The data shown in the explanatory notes, if not shown otherwise, are expressed in Euro.

NOTE 6.1 - TANGIBLE ASSETS

The tangible assets on 30/06/2012 are equal to 24,882 thousand Euro, an increase of 409 thousand Euro compared with 31/12/2011.

For details, see the table below.

Tangible fixed assets	Land and buildings	Plants and Machinery	Equipment industrial and trade	Other goods	Fixed assets under construction	TOTAL
Net value as of December 31, 2011	17.723.679	2.277.975	1.723.223	2.202.881	545.187	24.472.946
<i>Movements of 1st Half 2012</i>						
Increases	108.312	226.793	549.771	800.804	82.164	1.767.844
Disinvestments	-	(30.000)	(21.135)	(112.643)	-	(163.778)
Use of depreciation fund	-	30.000	17.684	94.322	-	142.006
Depreciation	(278.568)	(313.675)	(351.416)	(466.740)	-	(1.410.399)
Tangible fixed assets Reclassifications	9.400	(7.499)	(6.952)	14.451	(9.400)	-
Reclassification with non-current assets for disinvestment	-	-	-	(4.829)	-	(4.829)
Difference on exchange rates	44.956	1.891	21.972	8.279	774	77.872
Net value as of June 30, 2012	17.607.779	2.185.485	1.933.147	2.536.525	618.725	24.881.662

The reduction in net accountable value of the tangible assets principally reflects the amortisements for the period, compared with net investments for the period of 1,768 thousand Euro and a positive variation of 78 thousand Euro due to the exchange differences.

NOTE 6.2 - INTANGIBLE ASSETS

The intangible assets on 30/06/2012 are equal to 152,402 thousand Euro, a reduction of 228 thousand Euro compared with 31/12/2011. For greater detail on the subject of movement of intangible assets during the first six months of 2012, see the table shown below.

Intangible fixed assets	Goodwill	Development cost	Other goods	TOTAL
Net value as of December 31, 2011	102.751.160	20.360.910	29.517.880	152.629.950
<i>Movements of 1st Half 2012</i>				
Increases/(decreases)	-	2.814.855	724.113	3.538.967
Tangible fixed assets reclassifications	-	-	4.829	4.829
Depreciation	-	(1.983.572)	(1.947.246)	(3.930.818)
Difference on exchange rates	61.992	78.786	17.851	158.629
Net value as of June 30, 2012	102.813.152	21.270.979	28.317.427	152.401.558

The most significant item is represented by Goodwill, which on 30/06/2012 is equal to 102.813 thousand Euros. All goodwill written into the balance sheet refers to the larger value paid with respect to the fair value of the assets acquired.

The table below shows the book value of the goodwill allocated to each of the units generating financial flow.

UNIT GENERATOR OF CASH FLOW	BOOK VALUE	
	GOODWILL June 30, 2012	GOODWILL Dec. 31, 2011
PRIMA POWER	97.580	97.543
OSAI (Service)	4.125	4.125
PRIMA ELECTRO NORTH AMERICA	917	892
MLTA	154	154
OSAI UK	37	37
TOTAL	102.813	102.751

Goodwill (being an asset with an undefined life) is not subject to amortization and is subjected at least annually to a verification of reduced value *impairment test*. The Group has on 31/12/2011 carried out the *impairment test* on the value of the main elements of good will (PRIMA POWER, OSAI-Service and PRIMA ELECTRO NORTH AMERICA), for which attention is drawn to the Consolidated Balance file of 31/12/2011. With regards to the abovementioned elements of good will, indicators of loss in value compared with the balance sheet closed on 31/12/2011 not having been manifested, it was not considered necessary to update the related *impairment tests*.

NOTE 6.3 - SHARES VALUED WITH THE NET EQUITY METHOD

The value of the shares included under this heading is reduced compared with the previous financial year by 8,865 thousand Euro.

Equity investments valued with PN method	SUP ⁽¹⁾	SNK	TOTAL
Values on December 31, 2011	8.864.572	96.472	8.961.044
Portion of result	106.142	(551)	105.591
Increases	-	-	-
Currency adjustment	172.903	51	172.954
Reclassification of non-current assets held for sale	(9.143.617)	-	(9.143.617)
Values on June 30, 2012	-	95.972	95.972

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

During the month of June, PRIMA INDUSTRIE SpA has signed a preliminary agreement with the majority partner of the JV Chinese Shanghai Unity PRIMA Laser Machinery Co Ltd (SUP). On the basis of this agreement it is forecast that PRIMA INDUSTRIE SpA (which holds 35% of JV) hands over to this majority partner a notable part of its own shareholding at a pre-established price, with the consequent loss of joint control.

The value of the share has nevertheless been adjusted to the value of the net asset, subsequently reclassified under the heading "Non-current asset destined for wind-up" and adjusted to the *fair value* resulting from the mentioned agreement, less than the net asset value. The effects related to the mentioned transaction (positive by 844 thousand Euros) are the following:

- receipt of the part of the half year profit (positive by 106 thousand Euro);
- adjustment of the share value at fair value (negative by 745 thousand Euro);
- reclassification to profit and loss account of the conversion reserve (positive by 1,484 thousand Euro).

On 30/06/2012, PRIMA INDUSTRIE SpA furthermore held 50% of PRIMA Company Ltd.

NOTE 6.4 - OTHER SHAREHOLDINGS

The value of other Shareholdings on 30/06/2012 amounted to 993 thousand Euro.

Compared with 31/12/2011, the variations concerned:

- the decrease of 99 thousand Euro of the shareholding held by the Parent Company on PRIMA POWER MAKINA TICARET LIMITED SIRTEKI, in that it was the Turkish company having become operational during the first six months of 2012, this investment has been integrally consolidated;
- The net increase in value of the shareholding in Caretek of 2 thousand Euro 100% held by PRIMA ELECTRO SpA;
- An increase of 25 thousand Euro for a new shareholding held by FINN-POWER OY in the Härmämedi Oy company which distributes medical services to the employees of the same FINN-POWER OY;
- The devaluation in the shareholding of the Consorzio Sintesi for 12 thousand Euros.

This heading on 30/06/2012 is composed of:

- Electro Power Systems (784 thousand Euro);
- Caretek (64 thousand Euro);
- Consorzio Sintesi (40 thousand Euro);
- Fimecc OY (50 thousand Euro);
- Härmämedi Oy (25 thousand Euro)
- Other minor shareholdings (30 thousand Euros).

The shareholding in Electro Power Systems and in Caretek are held by PRIMA ELECTRO SpA and are respectively equal to 2.48% and 15.5%, the shareholding in Consorzio Sintesi is held by the Parent Company and is equal to 10%, while the shareholding in Fimecc OY and Härmämedi Oy are held by FINN POWER OY respectively at 2.4% and 8.33%.

NOTE 6.5 - NON CURRENT FINANCIAL ACTIVITIES

This heading at 30/06/2012 is equal to 61 thousand Euros and is composed as follows:

- A financing arrangement issued by PRIMA ELECTRO SpA to the Caretek company equal to 46 thousand Euro;
- a convertible bond underwritten by PRIMA ELECTRO SpA issued by the affiliated company Electro Power Systems for 15 thousand Euro; this loan will end on 31/12/2016.

NOTE 6.6 - FISCAL ACTIVITY FOR ANTICIPATED TAXES

The fiscal activity for anticipated taxes is equal to 7,085 thousand Euro, an increase compared with the preceding financial year of 515 thousand Euro. This activity has mainly been generated by the temporary difference on the stock in hand, on the provisions for liabilities and charges and on trade receivables.

The accounting statement of the anticipated taxes has been carried out, only where suppositions of recoverability exist. With reference to the recoverability of these taxes, it is highlighted that the main companies who have written such postings, have historically achieved positive taxable incomes and expect to earn positive taxable incomes in the following financial years also. The valuation on the recoverability of anticipated taxes take into account the expected profits in

future financial years and furthermore, is supported by the fact that the anticipated taxes mainly refer to adjusted asset funds and to provisions for risks and charges, for which there is no expiry. The anticipated taxes on the accumulated claimable losses have been recognised in the measure at which it is probable that a future taxable income against which they might be recovered.

In the light of what has been illustrated, elements such as to modify the preceding valuations regarding the recoverability of the anticipated taxes have not been experienced.

NOTE 6.7 - STOCK IN HAND

The following table shows the composition of the stock in hand at 30/06/2012 and at 31/12/2011.

INVENTORIES	June 30, 2012	December 31, 2011
Raw materials	31.158.005	25.131.373
Unfinished goods	29.337.501	25.843.256
Finished products	45.606.634	39.474.988
(Inventories devaluation fund)	(6.013.406)	(6.200.012)
TOTAL	100.088.734	84.249.605

The stock in hand at 30/06/2012 amounts to 100,089 thousand Euro, net of the warehouse devaluation fund for totals of 6,013 thousand Euro. The net value of the warehouse stock in hand on 30/06/2012 shows an increase equal to 15,839 thousand Euro compared with 31/12/2011.

NOTE 6.8 - TRADE RECEIVABLES

The trade receivables on 30/06/2012 amounted to 66,254 thousand Euro and compared to the previous financial year a decrease was experienced of 22,029 thousand Euro.

TRADE RECEIVABLES	June 30, 2012	December 31, 2011
Receivables from clients	69.815.393	91.364.305
Receivable write-down fund	(4.451.619)	(4.279.005)
Net receivables from clients	65.363.774	87.085.300
Receivables from related parts	890.344	1.197.512
TOTAL	66.254.118	88.282.812

The credits due to related parties are equal to 890 thousand Euros and are shown at note 6.29 INFORMATION SHEET ON RELATED PARTIES. The reduction in trade receivables between 31/12/2011 and 30/06/2012 with a growing turnover illustrates the completed activity to reduce the working capital as well as mirroring the seasonal nature of the business. With reference to the bad debt provision no significant variations are noted in that it was considered that the credit risk was adequately covered by the assigned fund.

NOTE 6.9 - OTHER CREDITS

The other current credits on 30/06/2012 are equal to 8,538 thousand Euro and are increased in comparison with 31/12/2011 by 2,132 thousand Euro. The value of the other credits chiefly refer to accrued income and deferred charges, advances paid to suppliers, advances on travel costs issued to employees, contributions for research and development to be received. The other non-current credits are equal to 32 thousand Euros.

NOTE 6.10 - OTHER TAX ACTIVITIES

The heading amounts to 4,567 thousand Euro as against 5,592 thousand Euro on 31/12/2011 (reduction of 1,025 thousand Euro). The tax activity is chiefly represented by VAT credits of 4,167 thousand Euro.

NOTE 6.11 - NET FINANCIAL POSITION

On 30/06/2012, the net financial position of the Group was negative at 134,407 thousand Euro, an improvement of 1,978 thousand Euro compared with 31/12/2011 (negative at 136,385 thousand Euro) For a better understanding of the variation in the net financial position achieved during the first six months of 2012, refer to the financial report for the period.

As required by the Consob communication No. DEM/6064293 of 28/07/2006, the net financial debt at 30/06/2012 and 31/12/2011 is shown in the following table, determined with the indicated criteria in the CESR (Committee of European Securities Regulators) Recommendations of 10/02/2005 "Recommendations for the uniform activation of the European Commission Regulation on Information Sheets" and quoted by Consob itself.

<i>Values in Euro thousands</i>			
	June 30, 2012	Dec. 31, 2011	Variations
A CASH	18.294	25.179	(6.885)
B OTHER VALUABLES ON HAND	-	-	-
C SECURITIES HELD FOR NEGOTIATION	-	-	-
D CASH ON HAND (A+B+C)	18.294	25.179	(6.885)
E CURRENT FINANCIAL RECEIVABLES	-	529	(529)
F CURRENT BANK PAYABLES	11.205	14.004	(2.799)
G CURRENT PART OF NON-CURRENT INDEBTEDNESS	35.782	35.896	(114)
H OTHER CURRENT FINANCIAL PAYABLES	842	2.231	(1.389)
I CURRENT FINANCIAL INDEBTEDNESS (F+G+H)	47.829	52.131	(4.302)
J NET CURRENT FINANCIAL INDEBTEDNESS (I-D-E)	29.535	26.423	3.112
K NON-CURRENT BANK PAYABLES	102.141	107.200	(5.059)
L BONDS ISSUED	-	-	-
M OTHER NON-CURRENT FIANCIAL PAYABLES	2.731	2.762	(31)
N NON-CURRENT FINANCIAL INDEBTEDNESS (K+L+M)	104.872	109.962	(5.090)
O NET FINANCIAL INDEBTEDNESS (J+N)	134.407	136.385	(1.978)

LIQUIDITY

For more detail on the related increase of liquid availability, see the Consolidated Financial Report.

BANK DEBT

The main debt included in this heading is the FINPOLAR bank Financing. This financing, which at 30/06/2012 amounts comprehensively to 128,872 thousand Euros, is divided thus:

- Quota A: medium/long term financing of 27,902 thousand Euro (expiring in February 2015 with a six monthly payment at a constant percentage of capital);
- Quota B: medium/long term financing of 63,251 thousand Euro (expiring in February 2016 with a "bullet" repayment on expiry);

- Quota C: medium/long term financing of 12,230 thousand Euro (expiring in February 2015 with a six monthly payment at a constant percentage of capital);
- Quota C2: Credit line for anticipated invoices (revolving) used on 30 June 2012 for 6,252 thousand Euro (the credit line is usable for a maximum comprehensive sum of 12,200 thousand Euro for the Group working capital requirements);
- Quota D: credit line for cash of 17,806 thousand Euro (of a maximum capital sum of 20 million euro);
- on 30/06/2012 matured interest was recorded and not yet liquidated on all the quotas of the FINPOLAR financing for a comprehensive sum on 1,431 thousand Euro.

The FINPOLAR financing is for 93,307 thousand Euro expiring beyond 12 months.

It is recalled that in 04/02/2012 the company has correctly paid the instalment on the due date relating to the capital percentage of Quota C1 for 400 thousand Euro, the interest rate of Quota A, B, C2 and D for 2,012 thousand Euro and the differential on the derivatives for 871 thousand Euro and which on 21/06/2012 had carried out an obligatory advance refund *excess cash* of 166 thousand Euro. Furthermore, on the date of publishing this balance sheet, the instalment expiring on 06/08/2012 was correctly repaid, equal to 7,712 thousand Euro divided thus:

- Capital sum quotas A to C1 for 5,123 thousand Euro;
- Capital sum quotas A to B for 1,677 thousand Euro;
- Differential on the derivative for 912 thousand Euro

The *Covenants* measured on the consolidated balance at 30 June 2012 had been complied with.

Included in the non-current bank debits are also other bank financing for 938 thousand Euro and the negative *fair value* of some derivative financial instruments (IRS - Interest Rate Swap) which amount comprehensively to 7,896 thousand Euro. The main contracts are those stipulated by PRIMA INDUSTRIE SpA, in partial cover for the risk of interest rates on the above mentioned FINPOLAR Financing. The effectiveness test carried out on the covering derivative contracts highlighted, on 30/06/2012, a report of substantial effectiveness and therefore, as even the other requirements required by IAS 39 were complied with, they are accounted for using the "hedge accounting" criterion. The financial instruments, for which the effectiveness test was not carried out, considering their characteristics, were accounted for through the allocation of the related *fair value* variations allocation in the profit and loss account.

Encompassed into the current bank debt (also considering the current part of the non-current debt) are the FINPOLAR Financing for 35,565 thousand Euro, bank overdrafts for 9,461 thousand Euro, other bank financing for 1,810 thousand Euro and financial derivative instruments covering the exchange risk (Currency Rate Swap) for 151 thousand Euro.

OTHER FINANCIAL DEBITS

The other financial debits amount comprehensively to 3,573 thousand Euro (of which 2,731 thousand are not current).

The other financial debits encompass:

- Debits for financial leasing for a sum equal to 2,794 thousand Euro (of which 412 thousand Euro are current);
- Other financial debits for 779 thousand Euro (of which 430 thousand Euro are current); such debits refer principally to subsidized ministerial loans.

FINANCIAL INDICATORS ("COVENANTS")

The FINPOLAR Financing contract requires compliance with a series of economic-financial parameters *covenants* for its whole duration (up to 2016) and with variable values over the different periods of measurement.

The table below indicates some *covenants* currently in force for 30/06/2012 and the following periods of measurement.

EBITDA/Consolidated Net Financial costs ratio not less than:	2,0x at 30 June 2012 2,5x at 31 December 2012 and 30 June 2013 3,0x at 31 December 2013 and 30 June 2014 4,0x at 31 December 2014 and 30 June 2015 4,5x at 31 December 2015
Net Financial Borrowings/consolidated EBITDA ratio not more than:	7,9x at 30 June 2012 5,5x at 31 December 2012 and 30 June 2013 4,1x at 31 December 2013 and 30 June 2014 3,0x at 31 December 2014 and 30 June 2015 2,75x at 31 December 2015
Net Financial Borrowings/ consolidated Shareholders's Equity ratio not more than :	2,0x at 30 June 2012 1,8x at 31 December 2012 and 30 June 2013 1,6x at 31 December 2013 and 30 June 2014 1,4x at 31 December 2014 and 30 June 2015 1,2x at 31 December 2015

MOVEMENT OF DEBITS DUE TO BANKS AND FINANCING

The debits due to banks and the financing of the PRIMA INDUSTRIE Group on 30/06/2012 (not including the derivatives *fair value*) are equal to 144,654 thousand Euro and during the first six months of 2012, they have moved as shown in the table here below.

PAYABLES TO BANKS AND LOANS	Euro/000
Payables to banks and loans - current portion (Dec. 31, 2011)	52.031
Payables to banks and loans -non-current portion (Dec. 31, 2011)	102.351
TOTAL PAYABLES TO BANKS AND LOANS AS OF DEC 31, 2011	154.382
Variation in the consolidation area	-
Stipulation of loans and borrowings (<i>including bank overdrafts</i>)	667
Repayment of loans and borrowings (<i>including bank overdrafts</i>)	(10.595)
Loans/(repayments) of financial leases	41
Exchange rate effect	159
TOTAL PAYABLES TO BANKS AND LOANS AS OF JUNE 30, 2012	144.654
of which:	
Payables to banks and loans - current portion (June 30, 2012)	47.678
Payables to banks and loans - non-current portion (June 30, 2012)	96.976
TOTAL PAYABLES AND LOANS AS OF JUNE 30, 2012	144.654

NOTE 6.12 - NON CURRENT ASSETS HELD FOR SALE

On 30/06/2012, the value of the non-current assets held for sale is equal to 9,219 thousand Euro.

Non-current assets held for disinvestment	Shares SUP ⁽¹⁾	Real Property Rivalta sul Mincio	Real Property Asola (MN)	TOTAL
Value at December 31, 2011	-	805.000	207.201	1.012.201
Reclassification of investments valued with PN	9.143.617	-	-	9.143.617
Adjustment to <i>fair value</i>	(744.772)	(160.000)	(32.199)	(936.971)
Value at June 30, 2012	8.398.845	645.000	175.002	9.218.847

The share in JV Shanghai Unity PRIMA Laser Machinery Co. Ltd held by PRIMA INDUSTRIE SpA is equal to 8.399 thousand Euros. This share has been valued at the lower of the accounting value and the *fair value*. Its *fair value* has been determined using the price set at the preliminary sales agreement for JV (for greater detail see the paragraph on Statement of Assets and Liabilities and Note 6.3); this price is lower than its accounting value, for which an adjustment of the investment at this lower value was carried out.

Both the real estate units situated in Mantua refer to properties owned by FINN-POWER Italia Srl; one part of these properties refers to some real estate units being built at Rivalta sul Mincio-MN (for 645 thousand Euro) and relates to some apartments situated at Asola-MN (for 175 thousand Euro). Both have been devalued during the half year to adjust them to their respective *fair values*.

NOTE 6.13 - NET ASSETS

The net assets of the PRIMA INDUSTRIE Group are reduced in comparison to the previous financial year by 440 thousand Euro. This reduction is attributable to various offsetting movements. The positive variations concern the profit for the period (310 thousand Euros) and the increase of capital due to the conversion of warrants (14 thousand Euros). The negative variations concern the adjustment reserve for the *fair value* (261 thousand Euros) and the conversion reserve (503 thousand Euros). For more detail on the subject, see the movement of net assets statement.

NOTE 6.14 - BENEFITS TO EMPLOYEES

The heading Benefits to employees includes:

- the Severance Indemnity (TFR) recognized by Italian companies for employees;
- a loyalty premium recognized by the Parent Company and by PRIMA ELECTRO for their own employees;
- a pension fund recognized by PRIMA POWER GMBH and PRIMA POWER FRANCE Sarl for their employees.

Below is a comparison of these items.

EMPLOYEE BENEFITS	June 30, 2012	Dec. 31, 2011
Severance indemnity fund	5.613.148	5.706.828
Fidelity premium	1.151.044	1.086.024
TOTAL	6.764.192	6.792.852

NOTE 6.15 - FISCAL LIABILITIES FOR DEFERRED TAXES

The fiscal liabilities for deferred taxes are equal to 9,764 thousand Euro, an increase compared with the preceding financial year of 27 thousand Euro.

It is noted that this heading includes also fiscal liabilities for deferred taxes on the trademark, on relationships with clients and the Cologne Veneta real estate deriving from the company merger of the FINN-POWER Group equal to 6,935 thousand Euro.

NOTE 6.16 - PROVISIONS FOR LIABILITIES AND CHARGES

The provisions for liabilities and charges are equal to 10,427 thousand Euro and are increased compared with 31/12/2011 by 280 thousand Euro.

The most significant type is that relating to the Product Guarantee Fund. The guarantee fund relates to the provisions for technical guarantee interventions on the group's products and is considered appropriate in comparison to the guarantee costs which have to be provided for.

The non-current risks funds refer exclusively to the agent client indemnity fund and amount comprehensively to 122 thousand Euro; while the current risks funds chiefly refer to, as already said, product guarantees.

The other funds referred to legal procedures and other disputes; these funds represent the best estimate by management of the liabilities which have to be accounted for with reference to legal proceedings occasioned during normal operational activity with regard to resellers, clients, suppliers or public authorities and also legal proceedings relating to disputes with former employees.

NOTE 6.17 - TRADE RECOVERABLES, ACCOUNTS AND OTHER DEBITS

The value of these debits has reduced compared with 31/12/2011 by 3,578 thousand Euro. It is recalled that the client accounts heading contains both the accounts on orders relating to machines which have not yet been consigned, as well as those generated by the application of the IAS 18 accounting principle relating to machines already consigned, but not yet accepted by the end client and therefore not written into revenue.

The other debits heading encompasses social security and welfare debits, debits due to employees, accruals and deferrals and other minor debits.

For details, see the table below.

TRADE AND OTHER PAYABLES	June 30, 20122	Dec. 31, 2011
Payables to suppliers	78.444.962	79.797.117
Advances from clients	28.613.581	32.355.143
Other payables	19.055.201	17.539.790
TOTAL	126.113.744	129.692.050

NOTE 6.18 - FISCAL LIABILITIES FOR CURRENT TAXES

The liabilities for current taxes on 30/06/2012 are equal to 7,061 thousand Euro, an increase compared with 657 thousand Euro on 31/12/2011.

NOTE 6.19 - NET INCOME FROM SALE OF SERVICES

The income from the sale of services have been increased and commented on at chapter 3 of this document "Report on Management" in the paragraph "Income and Profitability".

NOTE 6.20 - OTHER OPERATIONAL INCOME

The other operational income amounts to 1,897 Thousand Euro and refers principally to contributions for research and development activity received by public bodies or following cooperation with other industrial companies.

NOTE 6.21 - INCREASES DUE TO INTERNAL WORK

The increase is due to internal work on 30/06/2012 amount to 3,020 thousand Euro and refer mainly to the capitalisation of new project development activity (2,815 thousand euro), of which the technical feasibility has been verified and the generation of probable future economic benefits. The capitalised development activity has been carried out by the Parent Company, by PRIMA ELECTRO, by FINN-POWER OY, by FINN-POWER ITALIA, by PRIMA POWER LASERDYNE and by PRIMA ELECTRO NORTH AMERICA.

NOTE 6.22 - PERSONNEL COSTS

The personnel costs at 30/06/2012 is equal to 45,828 thousand Euro and shows an increase compared with the corresponding period of the previous financial year of 5,938 thousand Euro. This amount is a consequence of the increase in personnel required to handle the growing operational requirements of the Group due to the launching of new commercial initiatives and the new production lines.

NOTE 6.23 - AMMORTIZATION-IMPAIRMENT

The amortisation for the period is equal to 5,341 thousand Euro (of which 3,931 thousand Euro are related to intangible fixed assets). It is opportune to highlight that the amortisation relating to the trademark and relationships with clients ("customers list") amount to a comprehensive 1,403 thousand Euro, while those relating to development costs are equal to 1,984 thousand Euro.

During the first six months the Group has shown a loss of value equal to 192 thousand Euros on some items of real estate classified amongst the "Non-current activity destined for wind up".

NOTE 6.24 - OTHER OPERATIONAL COSTS

The other operational costs for the first six months of 2012 are equal to 39,759 thousand Euro as against the 30,277 thousand Euro of 30/06/2011. The increasing cost is a direct consequence of the growth in business turnover.

NOTE 6.25 - FINANCIAL INCOME AND CHARGES

The financial management of the first six months of 2012 shows a negative result of 4,544 thousand Euro.

FINANCIAL MANAGEMENT	June 30 , 2012	June 30, 2011
Financial income	53.094	88.010
Financial expenses	(4.437.305)	(4.340.072)
Net result deriving from transactions in foreign currency	(159.537)	(728.148)
TOTAL	(4.543.748)	(4.980.210)

The financial burdens relating to the FINPOLAR Financing sustained by PRIMA INDUSTRIE are equal to 2,394 thousand Euro, while the financial burdens on the derivatives stipulated by the group are equal to 1,219 thousand Euro.

NOTE 6.26 - NET RESULT OF ASSOCIATED AND JOINT VENTURE COMPANIES

This heading, on 30/06/2012 is positive by 844 thousand Euro (on 30/06/2011, it was positive at 99 thousand Euro).

This heading has been profoundly influenced by the preliminary transfer agreement, by PRIMA INDUSTRIE SpA, of a significant portion of shares in JV Chines Shanghai Unity PRIMA Laser Machinery Co Ltd (SUP); for greater detail, see the Net Assets paragraph and note 6.3.

The accounted for revenue in the profit and loss account refers to the following effects:

- receipt of the part of the profit for the half year from JV SUP under the responsibility of the Group (positive by 106 thousand Euro);
- Adjustment of the value of shareholding in JV SUP at *fair value* (negative by 745 thousand Euro);
- reclassification to profit and loss account of the conversion reserve (positive by 1,484 thousand Euro);
- receipt of the part of the profit for the half year from JV SNK under the responsibility of the Group (negative by 1 thousand Euro);

NOTE 6.27 - CURRENT AND DEFERRED TAXES

The taxes on income in the first six months of 2012 show a net negative balance of 1,676 thousand Euro (of which IRAP (Regional income tax) is equal to 735 thousand Euro). The increased fiscal burden is primarily due to the taxable income of a number of companies in the Group.

NOTE 6.28 - EARNINGS PER SHARE

(a) Earnings per share

The earnings per share is determined by dividing the profits attributable to the shareholders from the Parent Company by the average number of shares in circulation during the period, excluding ordinary shares bought by the Parent Company, held as own shares in portfolio.

During the first six months of 2012, the average shares in circulation is equal to No. 8,640,967; therefore the earnings per share in the first six months of 2012 amounted to a profit of 0.04 Euro Per share (as against a loss of 0.40 Euro per share compared with the first six months of 2011).

BASIC RESULT PER SHARE	June 30, 2012	June 30, 2011
Result due to shareholders (Euro/000)	310	(3.421)
Weighted average - number of ordinary shares	8.640.967	8.640.322
Basic result per share (Euro)	0,04	(0,40)

(b) Diluted profits per share

The diluted profits per share is calculated by dividing the profits attributable to the shareholders of the Parent Company by the considered average of shares in circulation, adjusted to take into account the effects of all potential ordinary shares with dilutive effect.

DILUTED RESULT PER SHARE	June 30, 2012	June 30, 2011
Result due to shareholders (Euro/000)	310	(3.421)
Weighted average - number of ordinary shares	8.640.967	8.640.322
Corrected average number of ordinary shares	10.980.626	10.981.836
Diluted result per share (Euro)	0,03	(0,31)

Those shares attached to stock option plans and to warrants which might be taken up before 16 December 2013 were considered as potential ordinary shares with dilutive effect,
In relation to the stock option plan, see the paragraph in this document specifically dedicated to this topic.

NOTE 6.29 - INFORMATION SHEET ON RELATED PARTIES

Other than relationships with the strategic management and the Board of Directors, operations with co-related parties have primarily regarded supply of components to the Shanghai Unity PRIMA Laser Machinery and SNK PRIMA Company Ltd joint venture. These supplies were carried out at market value.

The following table sums up the asset and economic effects of operations with co-related parties.

OPERATIONS WITH RELATED PARTIES	SHANGHAI UNITY PRIMA LASER MACHINERY	SNK - PRIMA COMPANY Ltd.	STRATEGIC MANAGEMENT	BOARD OF STATUTORY AUDITORS	TOTAL
RECEIVABLES AS OF 01/01/2012	1.192.982	4.530	-	-	1.197.512
RECEIVABLES AS OF 30/06/2012	873.709	16.635	-	-	890.344
PAYABLES AS OF 01/01/2012	-	-	363.074	105.000	468.074
PAYABLES AS OF 30/06/2012	-	-	257.191	52.500	309.691
REVENUES 01/01/2012 - 30/06/2012	888.551	14.524	-	-	903.075
COSTS 01/01/2012 - 30/06/2012	-	-	744.175	52.500	796.675
CHANGES IN RECEIVABLES					
01/01/2012 - 30/06/2012	(319.273)	12.105	-	-	(307.168)
CHANGES IN PAYABLES					
01/01/2012 - 30/06/2012	-	-	(105.883)	(52.500)	(158.383)

NOTE 6.30 - NON-RECURRENT SIGNIFICANT EVENTS AND OPERATIONS

During the first half of 2012, the company has initiated a number of operations to be considered as non-recurrent.

NON RE-CURRENT SIGNIFICANT EVENTS AND OPERATIONS	Personnel costs	Other operative costs	Impairment	Net result of affiliates and JV's	Total
Activities of reorganization and restructuring	(432.404)	-	-	-	(432.404)
Transaction with a customer	-	(100.000)	-	-	(100.000)
EBITDA	(432.404)	(100.000)	-	-	(532.404)
Impairment non-current assets for disinvestments	-	-	(192.199)	-	(192.199)
EBIT	(432.404)	(100.000)	(192.199)	-	(724.603)
Preliminary agreement of J/V SUP sale	-	-	-	738.712	738.712
NET RESULT BEFORE TAXES	(432.404)	(100.000)	(192.199)	738.712	14.109

There follows a brief comment on the events shown in the table:

- Reorganisation and restructuring actions of the group (burdens equal to 432 Thousand Euro) carried out in Finland and in France.
- Transaction with a client (burdens equal to 100 thousand Euros) for a machine sold in 2009.
- *Impairment* of non-current activity destined for wind-up (burdens of 192 thousand Euro); for greater detail see Note 6.23.
- Preliminary agreement for sale of JV SUP (proceeds equal to 739 thousand Euro); for further details, see Note 6.12 and Note 6.26.

NOTE 6.31 - SECTOR INFORMATION SHEET

Attention is drawn to the fact that not all the data shown below are directly comparable with those presented in chapters "3 - Report on the Management of the Group" and "4 - Economical Progress by Sector", Given that these last are expressed as gross of the inter-sector parties.

Information sheet by sector of activity

The inter-sector returns have been determined on the basis of market prices.

The operational sectors of the group are the following two:

- PRIMA POWER
- PRIMA ELECTRO

The principal sector details show in the table below.

Sector profit as of June 30, 2012	PRIMA POWER	PRIMA ELECTRO	Items not allocated	TOTAL
Total sector revenues	143.887	29.425	-	173.312
(Inter-sector revenues)	(31)	(9.756)	-	(9.787)
Revenues	143.856	19.669	-	163.525
EBITDA	7.286	3.933	-	11.219
EBIT	2.684	3.001	-	5.685
Net financial costs/income	(3.947)	(596)	-	(4.543)
Income/costs from affiliates and joint ventures	844	-	-	844
Profit before taxes	-	-	-	1.986
Taxes	-	-	(1.676)	(1.676)
Net result	-	-	-	310

Sector assets and liabilities as of June 30, 2012	PRIMA POWER	PRIMA ELECTRO	Items not allocated	TOTAL
Assets	293.060	59.956	30.007	383.023
Affiliates, J/V and other equity investments	8.640	848	-	9.488
Total assets	301.700	60.804	30.007	392.511
Liabilities	123.539	19.766	169.525	312.830

¹⁾ Including the profit share classified on non-current assets for disinvestment

Sector profit as of June 30, 2011	PRIMA POWER	PRIMA ELECTRO	Items not allocated	TOTAL
Total sector revenues	109.100	25.950	-	135.050
(Inter-sector revenues)	(34)	(7.337)	-	(7.371)
Revenues	109.066	18.613	-	127.679
EBITDA	4.337	2.965	-	7.302
EBIT	200	2.259	-	2.459
Net financial costs/income	(4.614)	(366)	-	(4.980)
Income/costs from affiliates and Joint Ventures	99	-	-	99
Profit before taxes	-	-	-	(2.422)
Taxes	-	-	(999)	(999)
Net results	-	-	-	(3.421)

Sector assets and liabilities as of June 30, 2011	PRIMA POWER	PRIMA ELECTRO	Items not allocated	TOTAL
Assets	279.808	58.190	29.048	367.046
Affiliates, J/V and other equity investments	6.916	840	-	7.756
Total assets	286.724	59.030	29.048	374.802
Liabilities	110.171	20.422	171.980	302.573

Information sheet by geographic area

For details regarding the information on returns divided by geographical area, see the information shown in chapter 3 "Report on Management of the Group", at paragraph "Income and Profitability".

NOTE 6.32 - MANAGEMENT OF THE FINANCIAL RISKS

The financial instruments of the Group, aimed at financing the operational activity, include the bank financing, the financial leasing contracts and factoring, the cash and short term bank deposits. There are then other financial instruments, such as commercial debits and credits, deriving from the operational activity.

The group has also carried out operations in derivatives, primarily "interest rate swap - IRS" contracts. The aim of these instruments is to manage the interest rate risks generated by the Group operations and from their sources of financing.

The PRIMA INDUSTRIE Group is mainly exposed to the following categories of risk:

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

The Group has adopted a specific policy with the aims of correctly managing the risks mentioned, in order to safeguard its own activity and capacity to create value for shareholders and for all the stakeholders. The objectives and politics of the Group for the management of risks described above is detailed below.

Interest rate risk

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

Variations of interest rate in the market generate the following categories of risk:

- An increase in market interest rates exposes to the risk of greater financial burdens to be paid on the quota of variable interest rate debits;

- A decrease in market interest rates exposes to the risk of excessive financial burdens to be paid on the quota of fixed interest rate debits.

In particular, the strategies adopted by the Group to confront these risks are as follows:

- Interest rate \longrightarrow Management/Hedging

Exposure to interest rates is by nature structural, in that the net financial position generates net financial burdens subject to the volatility of interest rates, according to the contractual conditions established with the financing party.

Consequently, the identified strategy is of Management/Hedging and is confirmed by:

- Continuous monitoring to the exposure to interest rate risks;
- Hedging activity through derivative financial instruments.

Exchange rate risk

The debit position towards the banking system and the capital market, as well as towards other creditors, can be expressed in one's own account currency (Euro), or in other currencies on account.

In this case, the financial burden of the debit in currency is subject to the interest rate risks, not of the European market, but of the market of the chosen currency.

The attitude and strategy to follow with regards to risk factors are determined by the plurality of elements which concerned both the characteristics of the reference market and their impact on the company balance sheet results.

Indeed, four possible strategic and distinctive areas for the operational management of individual risk factors can be identified:

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

In particular, the strategies primarily adopted by the Group to confront these risks are as follows:

- Exchange rate \longrightarrow Management/Hedging

Exposure to exchange rate risks deriving from financial factors is currently contained, in that the company does not take on financing in currency different from the Euro, with the exception of some financing in the USA by the subsidiary PRIMA ELECTRO NORTH AMERICA, for which the United States dollar is the reference currency.

In relation to the commercial transactions on the other hand, at Group level there exists a certain exposure to exchange rate risk, in that the fluctuations of purchase in United States dollars (substantially the only relevant accounting currency different from the Euro) of the Parent Company PRIMA INDUSTRIE SpA, of FINN-POWER OY and of PRIMA ELECTRO SpA are not sufficient to balance the fluctuations of sales carried out in United States dollars.

Nevertheless, the Group carries out monitoring to reduce such exchange risks even through the use of covering instruments.

With regard to account currencies different from the United States dollar, which concern almost exclusively some of the subsidiary companies which carry out sales and after sales service activities, the risk management strategy is rather one of acceptance, both because they normally deal with sums of modest value, and because of the difficulty of finding suitable covering instruments.

Credit risk

The group only deals with noted and trustworthy clients; furthermore, the amount of credit is monitored during the financial year so that the sum exposed to losses is not significant.

To this end, with regards to PRIMA INDUSTRIE, a function of Group of credit management has recently been put in place.

It is noted that part of the credit towards clients are transferred through factoring operations.

There are no significant concentrations of credit risk within the Group.

The financial activities are shown in the balance sheet net of the devaluation calculated on the basis of risk of non-fulfilment by the counter party, determined in consideration of the information available on the solvency of the client and eventually considering historical data.

In compliance with the CONSOB DEM/RM 11070007 communication of 5 August 2011, we inform that the PRIMA INDUSTRIE Group Holds no bonds issued by central and local governments nor by government bodies, and has certainly not granted loans to these institutions.

Liquidity risk

The liquidity risk represents the risk that the financial resources are not sufficient to fund the financial and commercial obligations within the pre-established periods and due dates.

The risk of liquidity to which the group is subject may emerge from late payments on its sales and more generally from the difficulty of obtaining financing to support operational activities in the time necessary. The cash flows, the financing needs and the liquidity of the group companies are monitored or managed centrally under the control of the Group Treasury, with the aims of guaranteeing effective and efficient management of financial resources.

The Group operates with the aims of carrying out collection operations on the various financial markets and with varied techniques, with the aims of guaranteeing a correct level of liquidity whether current or prospective. The strategic aim is to ensure that at any moment of the group has sufficient credit lines to service financial due dates over the following twelve months.

The current difficult market environment whether operational or financial requires particular attention to the management of liquidity risks and, in this sense, particular attention is given to those actions aimed at generating financial resources through operational management and the maintenance of an adequate level of available liquidity.

Therefore, the group has arranged to confront the requirements emerging from financial debit due dates and from the investments, through the fluctuations caused by operational management, available liquidity, use of credit lines, the renewing of bank loans and eventual recourse to other forms of provision of a non-ordinary nature.

NOTE 6.33 - SUBSEQUENT EVENTS TO THE PERIOD

Factors subsequent to the reference date of the first half year Financial Report which, if not previously noted, would have incurred an adjustment to the relevant values, have not been noticed.

on behalf of the Board of Directors
The Chairman

A handwritten signature in black ink, consisting of a stylized 'P' followed by several loops and a long horizontal stroke.

CERTIFICATION OF THE INTERIM SIX-MONTHLY BALANCE SHEET

PURSUANT TO ARTICLE 81-ter OF THE CONSOB REGULATION No. 11971 OF MAY 14th, 1999
AND SUBSEQUENT AMENDMENTS AND SUPPLEMENTS

1. The undersigned Gianfranco Carbonato (chief executive officer) and Massimo Ratti (manager for publishing company accounting documents) of PRIMA INDUSTRIE SpA certify, also taking into account the provisions of article 154-bis, paragraphs 3 e 4, of Legislative Decree 24 February 1998, No. 58:

- the suitability with regard to the characteristics of the company and
- the effective application of the administrative and accounting procedures for creating the abbreviated six monthly balance sheet, during the period 1 January 2012 - 30 June 2012;

2. In this regard, no notable aspects have emerged

3. Furthermore, it is certified that:

3.1 The abbreviated six monthly balance sheet:

a) Is drawn up conforming to the applicable international accounting principles recognised in the European community pursuant to (CE) regulation No. 1606/2002 of the European Parliament and of the Council, of 19 July 2002;

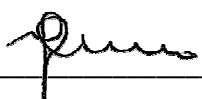
b) Complies with the accounting books and notes;

c) Is suitable for giving a truthful and correct representation of the assets and liabilities, economic and financial, of the issuer and of the whole of the companies included in the consolidation.

3.2 The interim report on management includes a trustworthy analysis of reference to important events experienced during the first six months of the financial year and of their effect on the abbreviated six monthly balance sheet, complete with the description of the main risks and uncertainties for the remaining six months of the financial year. The interim management report includes furthermore, a trustworthy analysis of the information on relevant operations with co-related parties.

Date: 29/08/2012

Signature of the authorized governing body



Signature of the manager for publishing company accounting documents



Auditors' review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

To the Shareholders of
Prima Industrie S.p.A.

1. We have reviewed the interim condensed consolidated financial statements, comprising the consolidated balance sheet, the consolidated income statement, the total consolidated income statement, the statement of changes in consolidated stockholders' equity, the consolidated cash flow statement and the related explanatory notes of Prima Industrie S.p.A. and its subsidiaries (the "Prima Industrie Group") as of June 30, 2012. Management of Prima Industrie S.p.A. is responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to issue this review report based on our review.
2. We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July 31, 1997. Our review consisted mainly of obtaining information on the accounts included in the interim condensed consolidated financial statements and the consistency of the accounting principles applied, through discussions with management, and of applying analytical procedures to the financial data presented in these consolidated financial statements. Our review did not include the application of audit procedures such as tests of compliance and substantive procedures on assets and liabilities and was substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements as we expressed on the annual consolidated financial statements.

With respect to the consolidated financial statements of the prior year and the interim condensed consolidated financial statements of the corresponding period of the prior year, presented for comparative purposes, reference should be made to our reports issued on March 23, 2012 and on August 29, 2011 respectively.

3. Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Prima Industrie Group as of June 30, 2012 are not prepared, in all material respects, in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Turin, August 29 2012

Reconta Ernst & Young S.p.A.
Signed by: Stefania Boschetti, Partner

This report has been translated into the English language solely for the convenience of international readers.