

**PRESS RELEASE**

**ITALIAN STOCK EXCHANGE - STAR SEGMENT**

**PRIMA INDUSTRIE**

**THE SHAREHOLDERS' MEETING**

**ORDINARY SESSION**

- **Approved 2007 Annual Report of Prima Industrie S.p.A. and the Consolidated Annual report, with the best results ever** (in brackets comparison data as at 12/31/06):
  - **SALES at 176,391 thousand euros (+19,5% as against 147,569);**
  - **EBITDA at 25,108 thousand euros (+27% as against 19,797) after having expensed R&D costs for 10,085 thousand euros (+25% as against 8,077);**
  - **EBIT at 23,584 thousand euros (+28% as against 18,467);**
  - **EBT at 22,901 thousand euros (+30% as against 17,577);**
  - **NET PROFIT at 13,747 thousand euros (+0,2% as against 13,720);**
  - **NET FINANCIAL POSITION at +1.073 thousand euros (-5,417 thousand euros at 30/09/07 and +3.076 thousand euros at 31/12/06)**
  - **ORDERS' BACKLOG at 63,789 thousand euros (+15% as against 55,568).**
- **Approved a dividend payment equal to 0,65 euros per share**
- **Approved *stock option* plan in favour of Executive Directors and strategic managers of Prima Industrie S.p.A and Executive Directors of the main European subsidiaries.**
- **Appointment of the new Board of Directors of Prima Industrie S.p.A.: Gianfranco Carbonato confirmed Chairman**
- **Approved a new buy-back resolution**
- **Appointment of the Auditing Firm Ernst & Young for the period 2008-2016**

**EXTRAORDINARY SESSION:**

- **Resolved a Capital Increase at the service of the *stock option* plan**
- **Proxy to the BoD for the capital increase up to a maximum amount of 1,800.000 shares, equal to 4,5 million euros, with right of option of the company shareholders**
- **Approved the increase of the maximum number of BoD members from 9 to 11**

*Collegno, April 29, 2008* – The Shareholders' Meeting of Prima Industrie S.p.A., a leading company in the high technology sector of laser systems for industrial applications, approved today the Annual Report as at 31/12/07 and also acknowledged the Group consolidated accounts with a turnover of 176,391 thousand euros, up 19,5% against 2006, and a net profit of 13,747 thousand euros (it was 13,720 thousand euros in 2006).

The Shareholders' Meeting also approved the payment of a dividend of 0.65 euros per share (n°4) paid from 05/29/2008 and with ex-dividend date on 05/26/2008.

The Shareholders' Meeting has also approved a stock option plan, destined to Executive Directors of Prima Industrie S.p.A., Prima Electronics S.p.A. and Finn-Power Oy, as well as to the Corporate Financial Officer and to the General Manager of Prima Industrie S.p.A., as managers empowered to take strategic decisions.

The main elements of the plan are:

- It is made through the free distribution of maximum 150.000 rights for the underwriting of the same number of newly issued shares of Prima Industrie S.p.A.;
- the Board of Directors will make up the designation of those Directors of Prima Industrie S.p.A., Prima Electronics S.p.A. and Finn Power OY who will benefit from it, and will decide the number of options assigned to each of them. The BoD will have the power to substitute the old beneficiaries with new ones having the same role as the former ones.
- The time horizon of the plan is medium-long period, with a maturity period (“*vesting period*”) of three years since the date of the options assignment. This takes into account the time required to check a good performance of the integration process between Prima Industrie Group and Finn-Power Group;
- The options assignment will be made directly in a single solution by the first Board of Directors, following the Shareholders’ meeting resolutions and, however, within May 31<sup>st</sup>, 2008;
- The Options assigned to each Beneficiary, as decided by the BoD, shall be exercised only after three years from their assignment, since June 1<sup>st</sup>, 2011 and within June 30, 2014 (Plan expiring date), in the following two periods of each year until the Plan expiration:
  - June 1<sup>st</sup> – June 30;
  - October 1<sup>st</sup> - October 30.
- Each Beneficiary shall exercise, within each of the two monthly periods foreseen for each year, up to a maximum of one third of the total amount of options received.

The Plan means to further develop in the top management of Prima Industrie Group a culture highly oriented to the value creation for the Company, the Group and its shareholders.

In this way the goal of the Plan can be summarised as follows:

- to provide a variable incentive mechanism in line with the Corporate Governance Code issued by Borsa Italiana S.p.A.:
- to line up the interests of the addressees’ with those of the shareholders in view of the value creation;
- to ensure the addressees motivations towards medium term factors of strategic success;
- to favour the addressees trust towards the Group

In the following extraordinary session the Shareholders’ Meeting has resolved the Capital increase as per the stock option Plan, of maximum 375,000 euros (face value) through the issuing of maximum n°. 150,000 new ordinary shares of Prima Industrie S.p.A., of nominal 2,50 euros each (face value), excluding the option right (ex art. 2441, IV par, II period c.c.) by reserving the underwriting to the Plan Beneficiaries. This capital increase, in order to take into consideration the periods for the options to be exercised, can be split ex art. 2439 c.c.

The price of shares issued is established in a value per unit equal to the arithmetic average of official prices (as defined by the Italian Stock Exchange) registered by the Shares in MTA Market (or in the market where the Shares will be *pro tempore* listed) since the Rights assignment to the same day of the previous solar month, increased by 20%. According to the Report of the Auditing Firm ex art. 2441, IV par., II period c.c. the increase on the prices arithmetic average, takes into account, on one side the recent trend in the share prices, which, since January 2007, went through strong fluttering, from a minimum slightly higher than 20 euros to a maximum of over 40 euros, on the other side it represents a guarantee for the shareholders diluted by the possible capital increase destined to the Top Management.

For further details, please, see Directors reports already published on the Company internet site [www.primaindustrie.com](http://www.primaindustrie.com).

Today the Ordinary Shareholders’ Meeting also appointed, through a list vote, the new Board of Directors, after establishing its members number in 7 and its total fees in 140,000 euros (equal to 20,000 euros each).

The new Board includes the following members:

- Gianfranco Carbonato (confirmed as Chairman by the Shareholders’ Meeting)
- Sandro D’Isidoro (independent director)
- Michael Mansour
- Rafic Mansour
- Mario Mauri (independent director)
- Domenico Peiretti

- Marco Pincioli

The new Board will stay in charge until the approval of the Annual Report at 12/31/2010.

The Shareholders' Meeting also revoked the former buy back resolution (dating back to 05/14/07) and, in order to having a wider time horizon (since the former resolution should expire on 11/14/08), approved a new one for a maximum of 80,000 shares (1.74% of the share capital). The minimum price for buying and selling is established in 2.50 euros (face value) and the maximum price in 60 euros (so the maximum counter value should be 4,800,000 euros), considering that the selling price could be established from time to time having regard to the market conditions of that moment.

The target of the powers required by the BoD is to provide the Company with a possible instruments of liquidity investment, or to allow it to possibly use treasury stocks for possible shares exchanges at the moment of extraordinary transactions.

The Shareholders' Meeting also appointed the auditing firm Ernst & Young for the auditing of the Parent Company Annual Reports and Consolidated Annual Reports for the period 2008-2016, as per the motivated proposal by the Statutory Auditors, which took into account the auditing firm standing, the auditing plan presented, the organization and technical qualification with regard to the task to be accomplished, besides the annual fees which was deemed suitable for the task (about 360,000 euros per year, including fees due to the statutory auditors different from such firm).

The Meeting in its Extraordinary session authorized the BoD to increase with fee, pursuant to articles 2441 and 2443 c.c., the company share capital, in one or more times, for a maximum period of 5 years as from today and for a maximum face value amount of 4,500,000 euros, besides a possible premium. The increase or the increases will be carried out through the issuing of new maximum 1,800,000 shares with 2.5 euros face value each.

Such proposal and, in particular, the authorization to the BoD to resolve the capital increase to offer in option to the actual shareholders is connected with need of the company to carry out within February 4<sup>th</sup>, 2009 a capital increase of at least 25,000,000 euros (including both face value and premium), as requested by the agreements with the banks which financed the acquisition of Finn-Power.

It is however requested a wider authorization in order to allow, if deemed convenient, and having regard to the stock markets conditions, a higher capital increase or subsequent capital increases destined to the improvement of the debt to equity ratio. The authorization for a capital increase will allow to benefit of possible stock markets favourable situations to find financial resources that can be characterized by particular dynamism and could be non-recurring and such not to allow the technical timing for calling a shareholders' meeting, with its resolutions and their execution.

Finally the Shareholders' Meeting favourably voted the proposal to increase the maximum number of Board members from 9 to 11.

The motive of such resolution is that, with the acquisition of Finn-Power Group, Prima Industrie achieved a double size in respect to its former size. And, even though now it is not necessary the immediate widening, the increase of the maximum number of Directors is, anyhow, useful so that it makes it possible in the future, if necessary, a possible integration of the Board, without the previous calling of an extraordinary shareholders' meeting.

**PRIMA INDUSTRIE**, established in 1977 and listed at the Italian Stock Exchange since 1999, currently present on the STAR segment, develops, manufactures and markets high-power laser systems for cutting, welding and drilling of three-dimensional (3D) and bi-dimensional (2D) parts.

PRIMA INDUSTRIE leads a Group with nearly 1,700 employees, with manufacturing facilities in Italy (PRIMA INDUSTRIE S.p.A., PRIMA ELECTRONICS S.p.A, OSAI S.p.A. and Finn-Power Italia Srl), Finland (Finn-Power Oy), USA (PRIMA North America Inc.) and China (Shanghai Unity Prima Ltd. and Shenyang Prima Laser Machine Company Ltd.), and with a wide sales network in about 50 countries.

At present the Group, in the sector of laser machines, has over 2500 systems installed worldwide with more than 1000 customers in the automotive, aerospace and in a wide range of other industries.

After 30 years from its incorporation, PRIMA INDUSTRIE's mission is still the same of its origin: innovation, excellence, growth.

The Group recently widened its borders acquiring the Finnish company Finn-Power, leading a group with great experience and know-how in the sector of sheet metal fabrication, and so becoming a worldwide lead role player in the sector of laser systems and sheet metal processing .

For further information:

**PRIMA INDUSTRIE S.p.A.**

Massimo Ratti  
C.F.O.

phone 011 4103208

[m.ratti@primaindustrie.com](mailto:m.ratti@primaindustrie.com) [ir@primaindustrie.com](mailto:ir@primaindustrie.com)

Chiara Roncolini  
Investor Relator

phone 011 4103204

**Ad Hoc Communication Advisors**

Sara Balzarotti  
Press Office

phone 02 7606741 - 335/1415584

[sara.balzarotti@adhoccommunication.it](mailto:sara.balzarotti@adhoccommunication.it)



# **PRIMA INDUSTRIE GROUP**

**CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31<sup>ST</sup>,  
2007 ≈  
ACCOUNTING STATEMENTS**

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**CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31<sup>ST</sup>, 2007**  
**CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2007 & 31 DECEMBER 2006**

VALUES IN EURO	NOTE	31/12/2007	31/12/2006
Tangible fixed assets	9.1	10.165.878	6.427.108
Intangible fixed assets	9.2	6.713.046	2.511.075
Stakes valued using the equity method	9.3	2.234.917	1.787.906
Other Stakes	9.4	801.885	801.885
Other financial assets	9.5	1.133.223	267.999
Tax assets for prepaid taxes	9.6	5.073.208	7.525.805
Other receivables	9.7	30.126	38.791
Derivative financial instruments	9.12	25.902	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>26.178.185</b>	<b>19.360.569</b>
Stock	9.8	41.967.051	33.870.201
Accounts receivable	9.9	51.703.785	38.960.582
Other receivables	9.10	2.564.642	2.802.967
Other tax assets	9.11	5.373.666	1.643.701
Derivative financial instruments	9.12	-	-
Trading securities valued at fair value		-	-
Cash and cash equivalents	9.13	21.551.369	20.702.707
<b>TOTAL CURRENT ASSETS</b>		<b>123.160.513</b>	<b>97.980.158</b>
<b>TOTAL ASSETS</b>		<b>149.338.698</b>	<b>117.340.727</b>
Share capital	9.14	11.500.000	11.500.000
Treasury shares	9.14	(87.880)	(109.034)
Treasury shares owned by subsidiaries	9.14	-	-
Legal reserve	9.14	2.300.000	2.300.000
Other reserves	9.14	17.018.984	16.849.034
Conversion reserve	9.14	(2.559.891)	(639.537)
Earnings (losses) carried forward	9.14	9.303.872	(1.307.575)
Earnings (losses) for current period	9.14	13.728.496	13.705.921
Total Group shareholders' equity	9.14	<b>51.203.581</b>	<b>42.298.809</b>
Minority interests	9.14	237.134	60.266
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>51.440.715</b>	<b>42.359.075</b>
Loans	9.15	15.205.862	12.657.033
Employee benefits	9.16	7.561.363	5.544.236
Deferred tax liabilities	9.17	1.905.744	2.384.507
Provisions for liabilities and charges	9.18	44.235	33.500
Derivative financial instruments	9.12	-	6.071
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>24.717.204</b>	<b>20.625.347</b>
Trade accounts payable	9.19	33.727.779	26.054.651
Advance payments	9.19	10.545.432	7.387.989
Other	9.19	9.883.075	5.905.438
Amounts due to banks and in respect of loans	9.15	5.577.448	5.231.281
Deferred tax liabilities for current taxes	9.20	7.976.815	5.066.445
Provisions for risks and charges	9.18	5.470.230	4.709.897
Derivative financial instruments	9.12	-	604
<b>TOTAL CURRENT LIABILITIES</b>		<b>73.180.779</b>	<b>54.356.305</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>149.338.698</b>	<b>117.340.727</b>

# CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31<sup>ST</sup>, 2007

## CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER 2007 & 31 DECEMBER 2006

VALUES IN EURO	NOTE	31/12/2007	31/12/2006
Net revenues from sales and services		176.391.205	147.569.053
Other operating income	9.21	2.560.047	1.644.672
Changes in inventories of semi-finished and finished products		3.856.509	(3.480.276)
Increases for internal work	9.22	239.052	138.510
Consumption of raw materials, supplies and merchandise		(79.461.918)	(64.817.871)
Personnel costs	9.23	(37.196.704)	(30.075.984)
Depreciation	9.24	(1.524.142)	(1.330.386)
Impairment and Writedowns		-	-
Other operating costs	9.25	(41.279.721)	(31.181.168)
<b>EBIT</b>		<b>23.584.328</b>	<b>18.466.550</b>
Financial income	9.26	720.970	667.089
Financial expenses	9.26	(1.518.119)	(1.580.007)
Net result of transactions in foreign currencies	9.26	(358.755)	12.628
Net earnings from associated companies and joint ventures	9.27	472.586	10.384
<b>EARNINGS BEFORE TAX</b>		<b>22.901.010</b>	<b>17.576.644</b>
Current tax liabilities and deferred taxes	9.28	(9.154.309)	(3.856.779)
<b>NET PROFIT</b>		<b>13.746.701</b>	<b>13.719.865</b>
<b>NET PROFIT</b>		<b>13.746.701</b>	<b>13.719.865</b>
- attributable to shareholders of the parent company		13.728.496	13.705.921
- attributable to minority shareholders		18.205	13.944
<b>EARNINGS PER SHARE (in Euro)</b>		<b>2,99</b>	<b>2,98</b>

# CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31<sup>ST</sup>, 2007

## CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY AT 31 DECEMBER 2006 AND 31 DECEMBER 2007

from January 1st, 2006 to December 31, 2006

VALUES IN EURO	01/01/06	Variation of consolidation area	Purchase/ Sale of treasury stock	Gains on disposal of treasury stock	Losses on disposal of treasury stock	Allocation of Previous Financial Year's income	Dividends Distribution	Profit of the period	Other	Conversion Reserve	31/12/06
Share capital	11.500.000										11.500.000
Treasury shares	(92.872)		(16.162)								(109.034)
Treasury shares owned by subsidiaries	-										0
Share premium reserve	15.664.893										15.664.893
Legal reserve	770.910					1.529.090					2.300.000
Other reserves	220.624					963.517					1.184.141
Conversion reserve	329.937									(969.474)	(639.537)
Earnings (losses) carried forward	(2.661.910)	(28.370)		71.273	(16.339)	1.327.771					(1.307.575)
Income for the year	5.107.631					(3.820.378)	(1.287.253)	13.705.921			13.705.921
<b>Net Equity</b>	<b>30.839.213</b>	<b>(28.370)</b>	<b>(16.162)</b>	<b>71.273</b>	<b>(16.339)</b>	<b>-</b>	<b>(1.287.253)</b>	<b>13.705.921</b>		<b>(969.474)</b>	<b>42.298.809</b>
<b>Minorities' interest</b>	<b>-</b>	<b>60.266</b>									<b>60.266</b>
<b>Total Net Equity</b>	<b>30.839.213</b>	<b>31.896</b>	<b>(16.162)</b>	<b>71.273</b>	<b>(16.339)</b>	<b>-</b>	<b>(1.287.253)</b>	<b>13.705.921</b>	<b>-</b>	<b>(969.474)</b>	<b>42.359.075</b>

from January 1st , 2007 to December 31, 2007

VALUES IN EURO	01/01/07	Variation of consolidation area	Purchase/ Sale of treasury stock	Gains on disposal of treasury stock	Losses on disposal of treasury stock	Allocation of Previous Financial Year's income	Dividends Distribution	Profit of the period	Other	Conversion Reserve	31/12/07
Share capital	11.500.000										11.500.000
Treasury shares	(109.034)		21.154								(87.880)
Treasury shares owned by subsidiaries	-		-								-
Share premium reserve	15.664.893										15.664.893
Legal reserve	2.300.000										2.300.000
Other reserves	1.184.141					169.950					1.354.091
Conversion reserve	(639.537)									(1.920.354)	(2.559.891)
Earnings (losses) carried forward	(1.307.575)	26.042		38.630	(1.146)	10.547.921				-	9.303.872
Income for the year	13.705.921					(10.717.871)	(2.988.050)	13.728.496			13.728.496
<b>Net Equity</b>	<b>42.298.809</b>	<b>26.042</b>	<b>21.154</b>	<b>38.630</b>	<b>(1.146)</b>	<b>-</b>	<b>(2.988.050)</b>	<b>13.728.496</b>	<b>-</b>	<b>(1.920.354)</b>	<b>51.203.581</b>
<b>Minorities' interest</b>	<b>60.266</b>	<b>176.868</b>									<b>237.134</b>
<b>Total Net Equity</b>	<b>42.359.075</b>	<b>202.910</b>	<b>21.154</b>	<b>38.630</b>	<b>(1.146)</b>	<b>-</b>	<b>(2.988.050)</b>	<b>13.728.496</b>	<b>-</b>	<b>(1.920.354)</b>	<b>51.440.715</b>



# **CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31<sup>ST</sup>, 2007**

## **CONSOLIDATED CASH FLOW STATEMENT AT DECEMBER 31, 2007 AND DECEMBER 31, 2006**

THOUSAND EURO	31/12/2007	31/12/2006
Earnings before tax	22.901.010	17.576.644
Adjustments for non-monetary elements	2.255.063	3.295.984
Amortization during period	1.524.142	1.330.386
Allocation to Employees' Severance Fund	47.603	1.075.692
Losses (profit) on foreign currency transactions	358.755	(12.628)
Share of profit/losses of an associate	(472.586)	(10.384)
Financial expenses	1.518.119	1.580.007
Financial (income)	(720.970)	(667.089)
	25.156.073	20.872.628
(Increase) /Reduction in trade and other receivables	(5.934.994)	1.103.099
(Increase) /Reduction in stock	(4.483.238)	2.825.901
Increase / (Reduction) in trade payables	5.368.163	(8.469.238)
Increase / (Reduction) in other payables	(1.307.352)	2.366.271
Cash flow from typical activity	18.798.652	18.698.661
Interest payments	(1.518.119)	(1.580.007)
Taxes	(3.646.040)	(1.725.654)
<b>Cash flow from operating activities</b>	<b>13.634.493</b>	<b>15.393.000</b>
Cash flow from investment activities		
Acquisition OSAI Group	(10.415.685)	-
Cash at the time of OSAI acquisition	2.006.540	-
MLTA Acquisition	-	(38.622)
Purchase of tangible fixed assets	(1.716.027)	(1.899.046)
Purchase of intangible fixed assets	(292.819)	58.727
Sale /(Purchase) of financial assets (at cost)	(865.223)	(745.935)
Sale /(Purchase) investments in associates	25.575	31.557
Sale/ (Purchase) of treasury stock at fair value	664.725	-
Receipts from sales of fixed assets	49.224	167.063
Interest encashed	720.970	667.089
<b>Cash flow derived from investing activity</b>	<b>(9.822.720)</b>	<b>(1.759.167)</b>
<i>Cash flow derived from financing activity</i>		
Variation in the conversion reserve	(1.920.354)	(969.474)
(Purchase)/sale of treasury stock	58.638	38.772
Variation area for OSAI minorities	(239.525)	-
Variation of other reserves	184.705	17.952
Changes in balance- derivative instruments (FV)	(32.577)	(4.700)
Loan agreements	7.795.000	13.674.366
Repayments of loans and financing	(5.237.269)	(15.120.949)
(Repayments)/ Raising of financial leases	(199.663)	(262.861)
(Repayments)/ Raising of Sabatini transactions	(384.016)	(512.362)
Dividends paid	(2.988.050)	(1.287.253)
<b>Net Cash flow derived from financing activity</b>	<b>(2.963.111)</b>	<b>(4.426.509)</b>
<b>Increase (decrease) in the cash and cash equivalents</b>	<b>848.662</b>	<b>9.207.324</b>
<b>Cash and cash equivalents at start of year</b>	<b>20.702.707</b>	<b>11.495.383</b>
<b>Cash and cash equivalents at year end</b>	<b>21.551.369</b>	<b>20.702.707</b>

**CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31<sup>ST</sup>, 2007**  
**CONSOLIDATED BALANCE SHEET IN ACCORDANCE WITH CONSOB RESOLUTION**  
**NO. 15519 DATED 27 JULY 2006**

VALUES IN EURO	NOTE	31/12/2007	related parties (9.30)	31/12/2006	related parties (9.30)
Tangible fixed assets	9.1	10.165.878		6.427.108	
Intangible fixed assets	9.2	6.713.046		2.511.075	
Stakes valued using the equity method	9.3	2.234.917	2.234.917	1.787.906	1.787.906
Other Stakes	9.4	801.885		801.885	
Other financial assets	9.5	1.133.223		267.999	
Tax assets for prepaid taxes	9.6	5.073.208		7.525.805	
Other receivables	9.7	30.126		38.791	
Derivative financial instruments	9.12	25.902			
<b>TOTAL NON-CURRENT ASSETS</b>		<b>26.178.185</b>		<b>19.360.569</b>	
Stock	9.8	41.967.051		33.870.201	
Accounts receivable	9.9	51.703.785	379.963	38.960.582	1.632.587
Other receivables	9.10	2.564.642		2.802.967	
Other tax assets	9.11	5.373.666		1.643.701	
Derivative financial instruments	9.12	-		-	
Trading securities valued at fair value		-		-	
Cash and cash equivalents	9.13	21.551.369		20.702.707	
<b>TOTAL CURRENT ASSETS</b>		<b>123.160.513</b>		<b>97.980.158</b>	
<b>TOTAL ASSETS</b>		<b>149.338.698</b>		<b>117.340.727</b>	
Share capital	9.14	11.500.000		11.500.000	
Treasury shares	9.14	(87.880)		(109.034)	
Treasury shares owned by subsidiaries	9.14	-		-	
Legal reserve	9.14	2.300.000		2.300.000	
Other reserves	9.14	17.018.984		16.849.034	
Conversion reserve	9.14	(2.559.891)		(639.537)	
Earnings (losses) carried forward	9.14	9.303.872		(1.307.575)	
Earnings (losses) for current period	9.14	13.728.496		13.705.921	
Total Group shareholders' equity	9.14	<b>51.203.581</b>		<b>42.298.809</b>	
Minority interests	9.14	237.134		60.266	
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>51.440.715</b>		<b>42.359.075</b>	
Loans	9.15	15.205.862		12.657.033	
Employee benefits	9.16	7.561.363		5.544.236	
Deferred tax liabilities	9.17	1.905.744		2.384.507	
Provisions for liabilities and charges	9.18	44.235		33.500	
Derivative financial instruments	9.12	-		6.071	
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>24.717.204</b>		<b>20.625.347</b>	
Trade accounts payable	9.19	33.727.779		26.054.651	
Advance payments	9.19	10.545.432		7.387.989	
Other	9.19	9.883.075		5.905.438	165.937
Amounts due to banks and in respect of loans	9.15	5.577.448		5.231.281	
Deferred tax liabilities for current taxes	9.20	7.976.815		5.066.445	
Provisions for risks and charges	9.18	5.470.230		4.709.897	
Derivative financial instruments	9.12	-		604	
<b>TOTAL CURRENT LIABILITIES</b>		<b>73.180.779</b>		<b>54.356.305</b>	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>149.338.698</b>		<b>117.340.727</b>	

**CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31<sup>ST</sup>, 2007**  
**INCOME STATEMENT IN ACCORDANCE WITH CONSOB RESOLUTION NO. 15519**  
**DATED 27 JULY 2006**

VALUES IN EURO	NOTE	31/12/2007	related parties (9.30)	31/12/2006	related parties (9.30)
Net revenues from sales and services	9.21	176.391.205	1.149.044	147.569.053	1.814.632
Other operating income	9.21	2.560.047		1.644.672	
Changes in inventories of semi-finished and finished products		3.856.509		(3.480.276)	
Increases for internal work	9.22	239.052		138.510	
Consumption of raw materials, supplies and merchandise		(79.461.918)		(64.817.871)	
Personnel costs	9.23	(37.196.704)	766.136	(30.075.984)	1.208.486
Depreciation	9.24	(1.524.142)		(1.330.386)	
Impairment and Writedowns		-			
Other operating costs	9.25	(41.279.721)	977.436	(31.181.168)	795.681
<b>EBIT</b>		<b>23.584.328</b>		<b>18.466.550</b>	
Financial income	9.26	720.970		667.089	
Financial expenses	9.26	(1.518.119)		(1.580.007)	
Net result of transactions in foreign currencies	9.26	(358.755)		12.628	
Net earnings from associated companies and joint ventures	9.27	472.586	472.586	10.384	10.384
<b>EARNINGS BEFORE TAX</b>		<b>22.901.010</b>		<b>17.576.644</b>	
Current tax liabilities and deferred taxes	9.28	(9.154.309)		(3.856.779)	
<b>NET PROFIT</b>		<b>13.746.701</b>		<b>13.719.865</b>	
<b>NET PROFIT</b>		<b>13.746.701</b>		<b>13.719.865</b>	
- attributable to shareholders of the parent company		13.728.496		13.705.921	
- attributable to minority shareholders		18.205		13.944	
<b>EARNINGS PER SHARE (in Euro)</b>		<b>2,99</b>		<b>2,98</b>	



**PRIMA INDUSTRIE S.p.A.**

**- FINANCIAL STATEMENTS AT 31 DECEMBER 2007 ≈  
ACCOUNTING STATEMENTS**

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## FINANCIAL STATEMENTS AT DECEMBER 31, 2007

### BALANCE SHEET AT 31 DECEMBER 2007 AND 31 DECEMBER 2006

VALUES IN EURO	Note	31/12/07	31/12/06
Tangible fixed assets	12.1	3.587.179	3.153.790
Intangible fixed assets	12.2	315.277	161.036
Shareholdings in subsidiaries	12.3	12.933.734	12.840.913
Stakes in joint ventures	12.4	664.135	1.009.794
Other Stakes	12.5	51.832	51.832
Financial assets - financial assets issued to subsidiaries	12.6	5.126.000	626.000
Other financial assets	12.7	1.133.223	267.999
Tax assets for prepaid taxes	12.8	2.730.129	2.784.368
Derivative financial instruments	12.14	25.902	
Other receivables	12.9	10.049	8.800
<b>TOTAL NON-CURRENT ASSETS</b>		<b>26.577.460</b>	<b>20.904.532</b>
Stock	12.10	22.968.611	19.957.839
Accounts receivable	12.11	39.535.587	33.666.729
Other receivables	12.12	1.608.323	2.340.099
Other tax assets	12.13	4.893.032	1.592.722
Derivative financial instruments	12.14		
Cash and cash equivalents	12.15	12.188.897	14.470.160
<b>TOTAL CURRENT ASSETS</b>		<b>81.194.450</b>	<b>72.027.549</b>
Attività non correnti destinate alla vendita		-	-
<b>TOTAL ASSETS</b>		<b>107.771.910</b>	<b>92.932.081</b>
Share capital	12.16	11.500.000	11.500.000
Treasury shares	12.16	(87.880)	(109.034)
Legal reserve	12.16	2.300.000	2.300.000
Other reserves	12.16	17.018.984	16.849.034
Earnings (losses) carried forward	12.16	(1.577.524)	(1.601.378)
Earnings (losses) for current period	12.16	7.517.223	3.158.000
Total Group shareholders' equity	12.16	36.670.803	32.096.622
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>36.670.803</b>	<b>32.096.622</b>
Loans	12.17	11.938.677	11.680.253
Employee benefits	12.18	3.369.756	3.935.385
Provisions for liabilities and charges	12.19	42.735	33.500
Deferred tax liabilities	12.20	1.093.251	1.661.121
Derivative financial instruments	12.14	-	6.071
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>16.444.419</b>	<b>17.316.330</b>
Trade accounts payable	12.21	28.256.140	23.765.426
Advance payments	12.21	8.554.554	5.299.076
Other	12.21	3.884.770	3.446.243
Amounts due to banks and in respect of loans	12.17	4.543.011	4.982.898
Deferred tax liabilities for current taxes	12.22	6.604.213	3.666.882
Provisions for risks and charges	12.19	2.814.000	2.358.000
Derivative financial instruments	12.14	-	604
<b>TOTAL CURRENT LIABILITIES</b>		<b>54.656.688</b>	<b>43.519.129</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>107.771.910</b>	<b>92.932.081</b>

**FINANCIAL STATEMENTS AT DECEMBER 31, 2007**  
**INCOME STATEMENT AT 31 DECEMBER 2007 AND 31 DECEMBER 2006**

<b>VALUES IN EURO</b>	<b>Note</b>	<b>31/12/07</b>	<b>31/12/06</b>
Net revenues from sales and services	<b>12.23</b>	111.401.585	93.675.508
Other operating income	<b>12.23</b>	2.334.843	1.568.542
Changes in inventories of semi-finished and finished products		2.527.549	(57.291)
Increases for internal work	<b>12.24</b>	134.807	97.298
Consumption of raw materials, supplies and merchandise		(58.976.896)	(50.231.382)
Personnel costs	<b>12.25</b>	(17.929.817)	(15.825.064)
Depreciation	<b>12.26</b>	(742.759)	(654.019)
Impairment and Writedowns		-	-
Other operating costs	<b>12.27</b>	(28.565.983)	(21.745.024)
<b>EBIT</b>		<b>10.183.329</b>	<b>6.828.568</b>
Financial income	<b>12.28</b>	3.566.202	1.301.486
Financial expenses	<b>12.28</b>	(1.229.474)	(1.414.872)
Net result of transactions in foreign currencies	<b>12.28</b>	30.252	103.102
Impairment of stakes in joint ventures	<b>12.29</b>	(345.659)	(239.984)
<b>EARNINGS BEFORE TAX</b>		<b>12.204.650</b>	<b>6.578.300</b>
Current tax liabilities and deferred taxes	<b>12.30</b>	(4.687.427)	(3.420.300)
<b>NET EARNINGS / (LOSS)</b>		<b>7.517.223</b>	<b>3.158.000</b>

## FINANCIAL STATEMENTS AT DECEMBER 31, 2007

### MOVIMENTAZIONE DEL PATRIMONIO NETTO AL 31 DICEMBRE 2006 E 31 DICEMBRE 2007

from January 1st, 2006 to December 31, 2006

VALUES IN EURO	01/01/2006	Purchase/ Sale of treasury shares	Gains on treasury shares	Losses on treasury shares	Allocation of previous year's income	Distribution of dividends	Net earnings	31/12/2006	
Share Capital	11.500.000							11.500.000	
Treasury stock	(92.872)	(16.162)						(109.034)	
Treasury stock owned by Subsidiaries	-							-	
Share premium reserve	15.664.893							15.664.893	
Legal reserve	770.910				1.529.090			2.300.000	
Other reserve	220.624	-			963.517			1.184.141	
Conversion reserve					0			-	
Profit / (loss) carried forward	(1.781.405)	-	71.273	(16.338)	125.092			(1.601.378)	
Income for the year	3.904.952				(2.617.699)	(1.287.253)	3.158.000	3.158.000	
<b>Net Equity</b>	<b>30.187.102</b>	<b>(16.162)</b>	<b>71.273</b>	<b>(16.338)</b>	<b>-</b>	<b>(1.287.253)</b>	<b>3.158.000</b>	<b>32.096.622</b>	

from January 1st, 2007 to December 31, 2007

VALUES IN EURO	01/01/2007	Purchase/ Sale of treasury shares	Gains on treasury shares	Losses on treasury shares	Allocation of previous year's income	Distribution of dividends	Net earnings	31/12/2007	Note
Share Capital	11.500.000							11.500.000	
Treasury stock	(109.034)	21.154						(87.880)	
Share premium reserve	15.664.893							15.664.893	a b c
Legal reserve	2.300.000				-			2.300.000	b
Other reserve	1.184.141				169.950			1.354.091	(1)
Conversion reserve	-				-			-	
Profit / (loss) carried forward	(1.601.378)		25.000	(1.146)				(1.577.524)	
Income for the year	3.158.000				(169.950)	(2.988.050)	7.517.223	7.517.223	
<b>Net Equity</b>	<b>32.096.622</b>	<b>21.154</b>	<b>25.000</b>	<b>(1.146)</b>	<b>-</b>	<b>(2.988.050)</b>	<b>7.517.223</b>	<b>36.670.803</b>	

UTILIZABLE FOR THE FOLLOWING PURPOSES:

A: SHARE CAPITAL INCREASE  
B: TO COVER LOSSES  
C: DISTRIBUTION TO SHAREHOLDERS

(1) €684.727 UTILIZABLE FOR PURPOSE B; €669.364 UTILIZABLE FOR PURPOSES A, B, C

## FINANCIAL STATEMENTS AT DECEMBER 31, 2007

### CASH FLOW STATEMENT AT 31 DECEMBER 2007 AND 31 DECEMBER 2006

VALUES IN EURO	31/12/2007	31/12/2006
Earnings before tax	12.204.650	6.578.300
Adjustments for non-monetary elements	(1.256.851)	1.401.825
Amortization during period	742.759	654.019
Allocation to Employees' Severance Fund	21.711	497.538
Losses (profit) on foreign currency transactions	(30.252)	(103.102)
Total shareholding losses (income)	(2.522.600)	239.984
Financial expenses	1.229.474	1.414.872
Financial (income)	(697.943)	(1.301.486)
	<b>10.947.799</b>	<b>7.980.125</b>
(Increase) /Reduction in trade and other receivables	(8.384.402)	790.135
(Increase) /Reduction in stock	(3.010.772)	(1.876.788)
Increase / (Reduction) in trade payables	9.246.192	(183.212)
Increase / (Reduction) in other payables	1.644.496	1.437.818
Cash flow from typical activity	<b>10.443.313</b>	<b>8.148.078</b>
Interest payments	(1.199.222)	(1.311.770)
Taxes	(3.646.040)	(1.725.654)
<b>Cash flow from operating activities</b>	<b>5.598.051</b>	<b>5.110.654</b>
Cash flow from investment activities		
Acquisition of tangible fixed assets	(986.015)	(672.310)
Purchase of intangible fixed assets	(345.811)	(178.499)
Sale / (Purchase) of financial assets	(5.365.224)	(9.515)
Sale / (Purchase) of stakes in shareholders' equity	(92.821)	-
Receipts from sales of fixed assets	1.437	19.522
Dividends paid	2.868.259	600.000
Financial income	697.943	701.486
<b>Net cash flow derived from financing activity</b>	<b>(3.222.232)</b>	<b>460.684</b>
<i>Cash flow derived from financing activity</i>		
Variation in the conversion reserve	-	-
(Purchase)/sale of treasury stock	45.008	38.773
Variation area for OSAI minorities	(32.577)	(4.700)
Variation of other reserves	5.000.000	13.674.366
Changes in balance- derivative instruments (FV)	(4.597.784)	(12.158.186)
Loan agreements	(199.663)	(262.871)
Repayments of loans and financing	(384.016)	(512.362)
(Repayments)/ Raising of financial leases	(1.500.000)	2.272.962
(Repayments)/ Raising of Sabatini transactions	(2.988.050)	(1.287.253)
<b>Net Cash flow derived from financing activity</b>	<b>(4.657.082)</b>	<b>1.760.729</b>
<b>Increase (decrease) in the cash and cash equivalents</b>	<b>(2.281.263)</b>	<b>7.332.067</b>
<b>Cash and cash equivalents at start of year</b>	<b>14.470.160</b>	<b>7.138.093</b>
<b>Cash and cash equivalents at year end</b>	<b>12.188.897</b>	<b>14.470.160</b>



# FINANCIAL STATEMENTS AT DECEMBER 31, 2007

## BALANCE SHEET AT 31 DECEMBER 2007 AND 31 DECEMBER 2006 ACCORDING TO CONSOB N. 15519 OF 27 JULY 2006

VALUES IN EURO	Note	31/12/07	related parties (12.30)	31/12/06	related parties (12.30)
Tangible fixed assets	12.1	3.587.179		3.153.790	
Intangible fixed assets	12.2	315.277		161.036	
Shareholdings in subsidiaries	12.3	12.933.734	12.933.734	12.840.913	12.840.913
Stakes in joint ventures	12.4	664.135	664.135	1.009.794	1.009.794
Other Stakes	12.5	51.832		51.832	
Financial assets - financial assets issued to subsidiaries	12.6	5.126.000	5.126.000	626.000	626.000
Other financial assets	12.7	1.133.223		267.999	
Tax assets for prepaid taxes	12.8	2.730.129		2.784.368	
Derivative financial instruments	12.14	25.902			
Other receivables	12.9	10.049		8.800	
<b>TOTAL NON-CURRENT ASSETS</b>		<b>26.577.460</b>		<b>20.904.532</b>	
Stock	12.10	22.968.611		19.957.839	
Accounts receivable	12.11	39.535.587	11.323.288	33.666.729	10.467.915
Other receivables	12.12	1.608.323		2.340.099	
Other tax assets	12.13	4.893.032		1.592.722	
Derivative financial instruments	12.14				
Cash and cash equivalents	12.15	12.188.897		14.470.160	
<b>TOTAL CURRENT ASSETS</b>		<b>81.194.450</b>		<b>72.027.549</b>	
<b>TOTAL ASSETS</b>		<b>107.771.910</b>		<b>92.932.081</b>	
Share capital	12.16	11.500.000		11.500.000	
Treasury shares	12.16	(87.880)		(109.034)	
Legal reserve	12.16	2.300.000		2.300.000	
Other reserves	12.16	17.018.984		16.849.034	
Earnings (losses) carried forward	12.16	(1.577.524)		(1.601.378)	
Earnings (losses) for current period	12.16	7.517.223		3.158.000	
Total Group shareholders' equity	12.16	36.670.803		32.096.622	
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>36.670.803</b>		<b>32.096.622</b>	
Loans	12.17	11.938.677		11.680.253	
Employee benefits	12.18	3.369.756		3.935.385	
Provisions for liabilities and charges	12.19	42.735		33.500	
Deferred tax liabilities	12.20	1.093.251		1.661.121	
Derivative financial instruments	12.14			6.071	
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>16.444.419</b>		<b>17.316.330</b>	
Trade accounts payable	12.21	28.256.140	4.929.974	23.765.426	5.959.843
Advance payments	12.21	8.554.554		5.299.076	
Other	12.21	3.884.770	239.404	3.446.243	165.937
Amounts due to banks and in respect of loans	12.17	4.543.011		4.982.898	
Deferred tax liabilities for current taxes	12.22	6.604.213		3.666.882	
Provisions for risks and charges	12.19	2.814.000		2.358.000	
Derivative financial instruments	12.14			604	
<b>TOTAL CURRENT LIABILITIES</b>		<b>54.656.688</b>		<b>43.519.129</b>	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>107.771.910</b>		<b>92.932.081</b>	

## FINANCIAL STATEMENTS AT DECEMBER 31, 2007

### INCOME STATEMENT AT 31 DECEMBER 2007 AND 31 DECEMBER 2006 ACCORDING TO CONSOB N. 15519 OF 27 JULY 2006

VALUES IN EURO	Note	31/12/2007	related parties (12.30)	31/12/06	related parties (12.30)
Net revenues from sales and services	12.23	111.401.585	30.902.362	93.675.508	21.728.345
Other operating income	12.23	2.334.843	439.065	1.568.542	172.623
Changes in inventories of semi-finished and finished products		2.527.549		(57.291)	
Increases for internal work	12.24	134.807		97.298	
Consumption of raw materials, supplies and merchandise		(58.976.896)	16.629.032	(50.231.382)	17.045.330
Personnel costs	12.25	(17.929.817)	523.764	(15.825.064)	914.425
Depreciation	12.26	(742.759)		(654.019)	
Impairment and Writedowns				-	
Other operating costs	12.27	(28.565.983)	1.287.927	(21.745.024)	1.480.657
<b>EBIT</b>		<b>10.183.329</b>		<b>6.828.568</b>	
Financial income	12.28	3.566.202	166.230	1.301.486	161.395
Financial expenses	12.28	(1.229.474)	12.157	(1.414.872)	51.171
Net result of transactions in foreign currencies	12.28	30.252		103.102	
Net result from assets available for sales	12.29	(345.659)	345.659	(239.984)	239.984
<b>EARNINGS BEFORE TAX</b>		<b>12.204.650</b>		<b>6.578.300</b>	
Current tax liabilities and deferred taxes	12.30	(4.687.427)		(3.420.300)	
<b>NET EARNINGS / (LOSS)</b>		<b>7.517.223</b>		<b>3.158.000</b>	