



**INTERIM FINANCIAL REPORT AS OF SEPTEMBER 30<sup>th</sup>, 2013**

**Board of Directors on November 13, 2013**

**PRIMA INDUSTRIE SpA**

Company capital € 21,968,097.50 (fully paid up)

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

Registered office in Collegno (Turin) - Via Antonelli, 32

Website: [www.primaindustrie.com](http://www.primaindustrie.com) e-mail: [ir@primaindustrie.com](mailto:ir@primaindustrie.com)

**MANAGEMENT AND CONTROL****Board of Directors**

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Chairman and C.E.O.	Gianfranco Carbonato
Managing Directors	Ezio G. Basso <sup>(1)</sup> Domenico Peiretti
Independent Directors	Sandro D'Isidoro Enrico Marchetti Mario Mauri
Other Directors	Rafic Y. Mansour Michael R. Mansour Yunfeng Gao

**Internal Control Committee**

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Chairman	Enrico Marchetti
Members	Sandro D'Isidoro Mario Mauri

**Remuneration Committee**

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

**Board of Statutory Auditors**

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Chairman	Franco Nada
Regular Auditors	Paola Borracchini Roberto Petrignani
Alternate Auditors	Roberto Coda Gaetana Laselva

Audit Company	Reconta Ernst & Young SpA
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**Expiry of Mandates and Appointments**

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The Board of Directors shall remain in office until the approval of 2013 Financial Statements.	The Board of Statutory Auditors shall remain in office until the approval of 2015 Financial Statements.	The Audit company was appointed by the Sotckholders's Meeting held on April 29th, 2008 for the period 2008 -2016.
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<sup>(1)</sup> Ezio G.Basso is also the General Manager of PRIMA INDUSTRIE SpA

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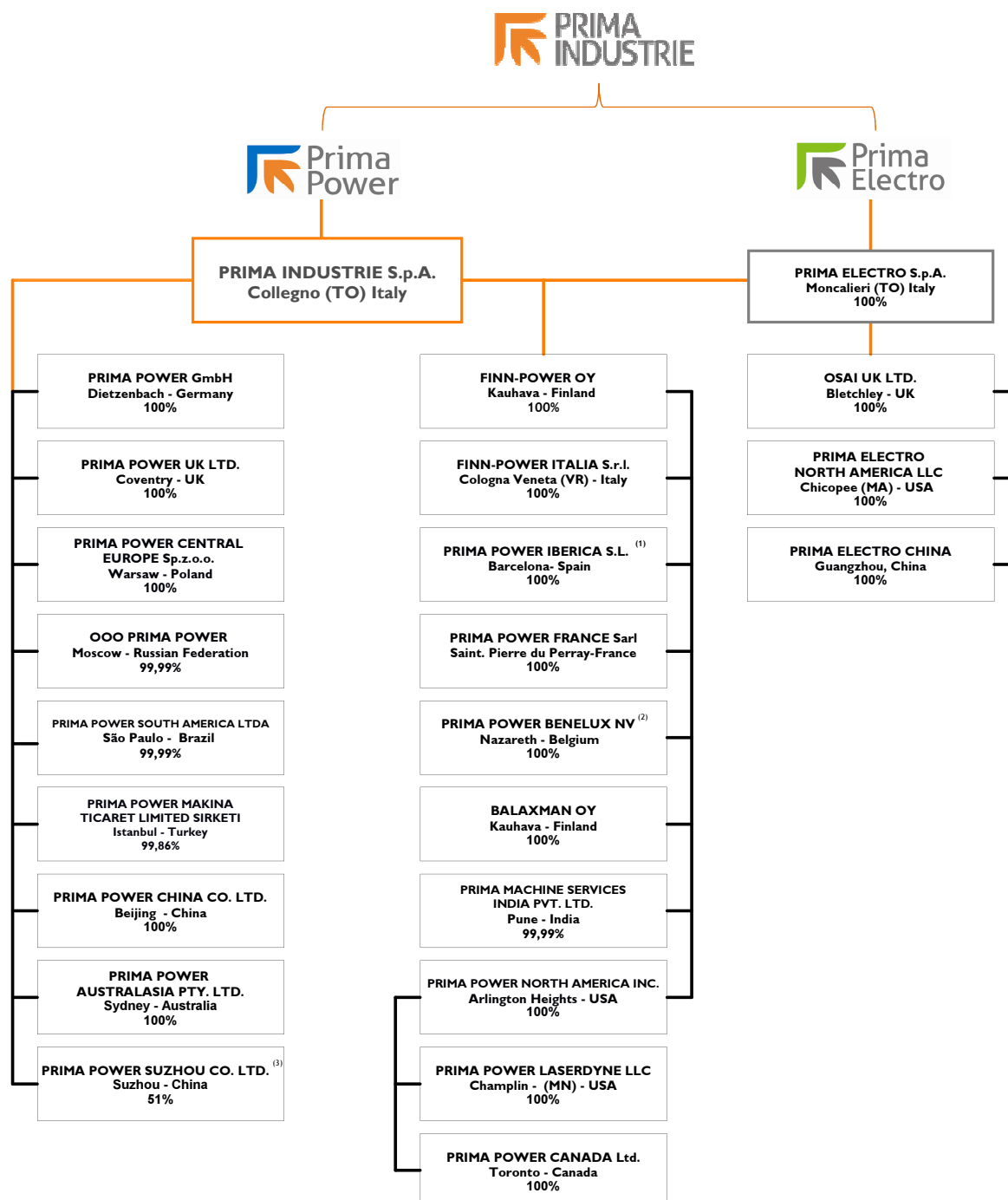
## CHAPTER 1.

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STRUCTURE AND PROFILE OF THE PRIMA INDUSTRIE GROUP AS OF  
30/09/2013

## CHAPTER 1. STRUCTURE AND PROFILE OF THE PRIMA INDUSTRIE GROUP AS OF 30/09/2013

### STRUCTURE OF THE PRIMA INDUSTRIE GROUP



The table on this page represents the organisational situation of PRIMA INDUSTRIE Group as of 30/09/2013.

- 1) FINN-POWER OY holds 78% of PRIMA POWER IBERICA SL (the remaining 22% is held by PRIMA INDUSTRIE SpA).
- 2) FINN POWER OY holds 94% of PRIMA POWER BENELUX NV (the remaining 6% is held by BALAXMAN OY).
- 3) PRIMA INDUSTRIE SpA holds 51% of PRIMA POWER SUZHOU Co.Ltd. (the remaining 49% is held by third parties).

## PROFILE OF THE PRIMA INDUSTRIE GROUP

The PRIMA INDUSTRIE Group is leader in the development, production and marketing of laser systems for industrial applications and machines for processing plate, as well as in the industrial electronic and laser source sectors.

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

The PRIMA INDUSTRIE Group has more than 35 years of experience and has installed over 10,000 machines in more than 70 countries. Also following the purchase of the FINN-POWER Group in February 2008, it has established itself amongst the leaders world-wide in the sector for processing plate. In more recent years, the Group has reorganized itself by subdividing the *business* into the two following divisions:

- PRIMA POWER for the laser machines and for processing plate;
- PRIMA ELECTRO for industrial electronics and laser technology.

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;
- 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, bending machines and automation systems).

This division owns production establishments in Italy (PRIMA INDUSTRIE SpA and FINN-POWER ITALIA Srl), in Finland (FINN-POWER OY), in the United States of America (PRIMA POWER LASERDYNE Llc) and a direct commercial and technical support presence in France, Switzerland, Spain, Germany, United Kingdom, Belgium, Poland, Czech Republic, Lithuania, Hungary, Russia, Turkey, United States, Canada, Brazil, China, India, South Korea and the Arab Emirates.

The **PRIMA ELECTRO** division covers 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. The division has productive establishments in Italy (PRIMA ELECTRO SpA) and in the United States of America (PRIMA ELECTRO NORTH AMERICA Llc) as well as commercial establishments in the United Kingdom and China.

For over 35 years since its founding, the PRIMA INDUSTRIE Group mission continues to be that of systematically expanding the range of its products and services and to continue to grow as world-wide supplier of laser systems and systems for processing plate for industrial applications, as well as industrial electronics, markets characterized by high technology and in which good rates of growth are encountered even in a cyclical context.

## **AREA OF CONSOLIDATION**

The changes that occurred in the area of consolidation, during the first nine months of 2013, have been

- entrance of the newly-established Chinese company PRIMA POWER Suzhou Co. Ltd. (51% owned by PRIMA INDUSTRIE SpA) with effect from the third quarter of 2013 and
- entrance of the newly-established Australian company PRIMA POWER Australasia Pty Ltd (100% owned by PRIMA INDUSTRIE SpA) with effect from the second quarter of 2013.

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 Ó - 02968-00, Sao Paulo BRASIL	R\$ 862.763	99,97%	Line-by-line method	
PRIMA POWER MAKINA TICARET LIMITED SIRKETI <sup>(1)</sup>	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	€ 49.417.108	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/Primer 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	€ 120.000	100%	Line-by-line method	
PRIMA POWER BENELUX NV	Leenstraat 5, B-9810 Nazareth, BELGIUM	€ 400.000	100%	Line-by-line method	
BALAXMAN Oy	Metallite 4, FI-62200 Kauhava, FINLAND	€ 2.523	100%	Line-by-line method	
PRIMA MACHINE SERVICES INDIA PVT. LTD.	Mezzanine Floor, Poonam Plaza 694/2B 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.	390 Bay Street Suite 2800 Toronto, Ontario M5H 2Y2 CANADA	CAD 200	100%	Line-by-line method	
PRIMA POWER AUSTRALASIA Pty. LTD.	Minter Ellison, LEVEL 3, 25 National circuit, Forrest, ACT, 2603 AUSTRALIA	A\$ 1	100%	Line-by-line method	
PRIMA POWER SUZHOU Co. LTD. <sup>(1)</sup>	Cross of Xingrui and Guangming Road, Wujiang Ec. & Tech. Develp. Zone, Suzhou City Jiangsu Prov. CHINA	USD 8.000.000	51%	Line-by-line method	

(1) It should be noted that at the date of these financial statements, the share company capital of the PRIMA POWER MAKINA TICARET LIMITED SIRTEKI and PRIMA POWER SUZHOU Co. Ltd companies have 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	€ 15.000.000	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	€ 100.000	100%	Line-by-line method



## CHAPTER 2.

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### INTRODUCTION

## CHAPTER 2. INTRODUCTION

### FOREWORD

The Interim Management Report at September 30<sup>th</sup> , 2013 of the PRIMA INDUSTRIE Group was prepared pursuant to article 154-ter of Leg. Decree 58/1998 and subsequent amendments, as well as the issuer's Regulation issued by CONSOB .

This Interim Report has been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and recognized by the European Union and has been compiled in accordance with the IAS 34 - Interim Balance Sheets.

Also note that, following the retrospective application 01/01/2013 Amendment to IAS 19, the data for 2012 reported for comparison, where appropriate, have been restated as required by IAS 1.

This Interim Financial Report has been approved by the Board of Directors on November 13<sup>th</sup> 2013, and has not been subject to an audit.

### ALTERNATIVE PERFORMANCE INDICATORS

In this report, added to the conventional financial indicators required by the IFRS, some alternative performance indicators are present in order to permit a better evaluation of the progress of the economic-financial management.

Such indicators, which are also presented in the Interim report on management, on the occasion of the other periodic statements, must not on the other hand be considered as a substitute to the conventional ones required 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 determined by adding to the "Operational Profit" resulting from the income statement both "Depreciation" and "*Impairment*".

Also mentioned furthermore:

- The "Value of Production" representing the algebraic sum of the items "Net revenues from sales and services", "Other income", "Change in inventories of finished goods and WIP" and "Increases in fixed assets for internal works";
- the "Operational Working Capital" represents the algebraic sum of the "Inventories", "Trade Receivables", "Trade payables" and "Advance Payments".

## EXCHANGE RATES

The exchange rates applied in the conversion of the balances in currencies different from the Euro with the aim of consolidation are the following.

CURRENCY	AVERAGE EXCHANGE RATE		SPOT EXCHANGE RATE	
	Sept. 30, 2013	Sept. 30, 2012	Sept. 30, 2013	Dec. 31, 2012
US DOLLAR	1,3172	1,2817	1,3505	1,3194
POUND STERLING	0,8522	0,8123	0,8361	0,8161
CHINESE RENMINBI	8,1240	8,1104	8,2645	8,2207
POLISH ZLOTY	4,2011	4,2086	4,2288	4,0740
CANADIAN DOLLAR	1,3485	1,2845	1,3912	1,3137
RUSSIAN RUBLE	41,8814	39,7964	43,8240	40,3295
BRAZILIAN REAL	2,7898	2,4562	3,0406	2,7036
INDIAN RUPEE	75,6926	68,0750	84,8440	72,5600
TURKISH LIRA	2,4584	2,3101	2,7510	2,3551
AUSTRALIAN DOLLAR	1,3466	1,2390	1,4486	1,2712



## CHAPTER 3.

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### GROUP INTERIM MANAGEMENT REPORT

## CHAPTER 3. GROUP INTERIM MANAGEMENT REPORT

### SIGNIFICANT EVENTS OF THE PERIOD

The significant events of the occurred in the third quarter of 2013 are set out below. For the events of the first six months of the year, refer to the Interim Financial Report as at 30/06/2013.

#### Capital increase operations at PRIMA ELECTRO SpA

Refer to the information note in paragraph "Operations with related parties".

#### Establishment of PRIMA POWER Suzhou

On 28/08/2013 the Board of Directors of PRIMA INDUSTRIE SpA resolved to participate in the establishment of PRIMA POWER Suzhou Co. Ltd., a company governed by Chinese law (WFOE), of which PRIMA INDUSTRIE SpA holds 51%; the remaining 49% is held by two partners in Hong Kong: Jinghai Group Ltd (30%) and Leeport Machine Tool Co. Ltd. (19%). The company, whose initial duration is scheduled in ten years, has an approved share company capital of 8 million US\$ (equal to approximately 6 million Euro).

Although PRIMA INDUSTRIE SpA has been present for about 15 years in the Chinese market, either directly or through distributors, the PRIMA POWER Suzhou was founded with the purpose of serving the mass market of China (which is intended to represent, in a short time, 50% of the world market of machine tools), offering products with a competitive price/performance ratio compared to local producers of expensive high-end imported machines.

The company will be equipped with a newly built factory with an initial area of approximately 8,000 m<sup>2</sup>, located in Suzhou, an industrial area about 100 km from Shanghai, the plant construction design is expected to be completed in a short time, so to hopefully start production by the end of 2014.

The company, which will employ more than 100 employees at it full potential, has the aim of generating revenues in 2017 for more than 300 million RMB (over 35 million Euro), with an estimated EBITDA of approximately 15%.

#### Other events

On 24/07/2013, in response to an audit covering the period 01/01/2008 - 29/04/2013, held in the FINN-POWER Italy Srl, the Guardia di Finanza (Investigative Tax Police) of Verona has notified a report of findings to FINN-POWER OY (which holds 100% of FINN-POWER Italia Srl) in which the existence of its permanent establishment in Italy has been disputed.

The company FINN-POWER OY believes that the finding is completely unfounded, also because of the presence in Italy of the company FINN-POWER Italia Srl, its wholly owned subsidiary, through which all activities and transactions on the Italian market have always been regularly carried out; it reserves the right to dispute the charge in the appropriate forum. The determination of any claim of the tax authority has been assigned to the relevant Inland Revenue office, with which a contradiction in proceedings of a tax settlement, that can demonstrate the complete groundlessness of the claim has been established.

## MACRO ECONOMIC CONTEXT

The summer months have shown encouraging signs in the Eurozone and in general a moderate recovery in the global economy. The economic policies implemented by various countries should ensure a climate conducive to growth also in 2014. Unfortunately, the political instability of Italy and even more U.S. tax impasse, are likely to reignite the debt crisis, slowing the process underway in a landscape otherwise moderately positive.

During the summer, the global indices of economic activity have improved and for the first time in the last decade such acceleration is driven by advanced countries. In the coming months, the leading role of the advanced countries should be reflected, according to the Research Department of Intesa Sanpaolo, in a revival of their imports, with propulsive effects on world trade that, since 2012, has been characterized by very modest growth rates. This change of scenario would have a favourable impact on the emerging countries more integrated into international trade flows (such as China, Turkey, Korea) or more related to the European internal demand (countries of Central and Eastern Europe). The background speed of global production, such as international trade remains low.

In the Eurozone, the latest data confirm that the peak-to-trough of the cycle has been reached in early 2013 and since then a recovery phase has started that could last at least two years, but that however will be modest. In 2014, GDP is expected to rise no more than 1%. In this moment the recovery is driven by exports. A stop will also come from the weakness of the labour market and credit, as well as the process of correcting the imbalances in the real estate market still in progress in some countries.

In the USA, an acceleration of growth is expected in 2014 from 1.6% to 3.1%, due to several factors that support each other: the reduction of fiscal restraint, the strengthening of consumption and non-residential investment, the continued expansion of the real estate sector. However, the political conflict makes it difficult for the current management to address and prevent the key problems related to the deficit widening and the unsustainable debt in the long term. This represents the greatest risk for the USA.

In Japan, the economic recovery has been strong in the first half of 2013 and forecasts indicate a GDP growth of 2% in 2013 and 1.7% in 2014. The scenario, while generally positive, is subject to enormous uncertainty, in particular for the development of the tax policy. In China growth forecasts in 2013 and 2014 indicate an increase in GDP respectively of 7.6% and 7.3%, with a slight decrease in the forecast due to the weaker trend of consumer spending. Among the developing countries, the situation is more difficult for India where the recovery in investment is expected only in the second half of 2014. The Brazilian economy, while recovering, according to the International Monetary Fund, from the crisis than began in the middle of 2011, has revised down its growth forecast for 2013 bringing them to 2.5%.

Oxford Economics, one of the most prestigious economic analysis companies in the world, forecasts a reduction in the consumption of machine tools in 2013 compared to 2012. This expectation is the result of 3 forecasts issued by the institute in the past 12 months, gradually downward; starting from an expected increase forecasted in *Outlook Autumn 2012*, changing to a substantial stability *Outlook Spring 2013*, to conclude with a decrease in *Outlook Autumn 2013*. Once this phase of economic and political instability is over, the Oxford Economics

forecasts in the *Outlook Autumn 2013* a fairly consistent recovery in 2014 (above 5%) and even higher in subsequent years (approximately +10% in 2015) on the basis of a recovery in investment.

In the domestic market, UCIMU (the Italian Association that brings together manufacturers of machine tools) indicates in the third quarter of 2013, a drop of orders equal to 5.7% compared to the same period of the previous financial year. The overall result was due to the slowdown in the foreign demand (-6.8%), while in the domestic market the index of internal orders returned to grow, with an increase of 1.7% compared to the same period of the previous year and achieving a reversal of the internal market trend which records a timid recovery of investments in production machinery.

Therefore, the results achieved by the PRIMA INDUSTRIE Group and listed below, are framed in this macroeconomic sector context.

## REVENUES AND PROFITABILITY

The consolidated revenues at 30/09/2013 amount to 238,252 thousand Euro, a slight decrease compared to the corresponding period of 2012 (-2,9%); this reduction is due in part to a transitional phase of the business of the PRIMA ELECTRO division, linked to technological renewal of certain products not yet fully completed, and in part to the strengthening of the euro against other reference currencies of the Group during 2013.

The consolidated turnover is shown below on a geographic basis at 30/09/2013 compared with the corresponding period for the previous financial year.

Revenues	September 30, 2013		September 30, 2012	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
Italy	28.824	12,1	33.397	13,6
Europe	75.760	31,8	90.571	36,9
North America	49.762	20,9	58.484	23,8
Asia and rest of the world	83.906	35,2	62.927	25,7
<b>TOTAL</b>	<b>238.252</b>	<b>100,0</b>	<b>245.379</b>	<b>100,0</b>

The sales per geographic area show a growing turnover in the markets of Asia and the Rest of the World (+20,979 thousand Euro), with the revenue produced reaching 35.2% of consolidated turnover; the largest share was made in China (31,690 thousand Euro compared to 13,625 thousand euro), where, moreover, the construction of a new production establishment of the Group was started; significant sales were also recorded in Russia (17,322 thousand Euro), in Turkey (7,092 thousand Euro) and Brazil (6,002 thousand Euro). In Europe (including Italy) there is an overall decrease of 15.6% (-19,384 thousand Euro), confirming the weak moment of the European economy. The turnover in North America is decreasing in the period, but the good acquisition of orders will allow a recovery in the fourth quarter of the year.

The trend also continues, already registered in the financial year 2012, with sales made outside Europe (56.1%) exceeding those made in Europe, including Italy (43.9%), confirming the movement of the global economy's centre of gravity.



Below, a subdivision of the proceeds by sector of the gross inter-sector transactions is shown (for more detailed indications on the matter of operational segments of the Group, see the note 6.29 - Sector Information).

Revenues	September 30, 2013		September 30, 2012	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
PRIMA POWER	211.188	88,6	217.280	88,5
PRIMA ELECTRO	36.843	15,5	41.853	17,1
Inter-sector revenues	(9.779)	(4,1)	(13.754)	(5,6)
<b>TOTAL</b>	<b>238.252</b>	<b>100,0</b>	<b>245.379</b>	<b>100,0</b>

The revenues of PRIMA POWER division are slightly in reduction compared to the corresponding period of the previous financial year for 6,092 thousand Euro (-2.8%) mainly due to the slight slowdown of the reference market; while the PRIMA ELECTRO division reported a decrease of 12% due mainly to the reduction in sales of CO<sub>2</sub> laser sources and DOTS products, which has not been compensated by the increasing sales of Osai products. In fact, in this regard, in the division a *phase-out* of some product lines, not yet compensated by the *phase-in* of new products, is in progress.

To complete the information on the proceeds, the sub-division of the same is shown below (net of the inter-sector transactions) per sector and per geographical area, both for the first nine months of 2013 and for the first nine months of 2012.

Revenues segment/area - September 30 2013	Italy	Europe	North America	Asia and rest of the world	TOTAL
<i>€/000</i>					
PRIMA POWER	21.287	62.573	48.204	79.059	211.123
PRIMA ELECTRO	7.537	13.187	1.558	4.847	27.129
<b>TOTAL</b>	<b>28.824</b>	<b>75.760</b>	<b>49.762</b>	<b>83.906</b>	<b>238.252</b>

Revenues segment/area - September 30 2012	Italy	Europe	North America	Asia and rest of the world	TOTAL
<i>€/000</i>					
PRIMA POWER	24.729	76.347	56.611	59.557	217.244
PRIMA ELECTRO	8.668	14.224	1.873	3.370	28.135
<b>TOTAL</b>	<b>33.397</b>	<b>90.571</b>	<b>58.484</b>	<b>62.927</b>	<b>245.379</b>

The PRIMA POWER division achieved 37.5% of sales in Asia and Rest of the World (mainly China, Russia, Turkey, Japan and Brazil), 29.6% in Europe, 22.8% in North America and 10.1% in the domestic market.

The PRIMA ELECTRO division achieved 48.6% of sales in Europe (mainly Spain and the Benelux countries), 27.8% in Italy, 17.9% in the countries of Asia and Rest of the World (mainly China and Brazil) and the remaining 5.7% in North America. The said values do not take into account the turnover achieved by PRIMA ELECTRO towards the PRIMA POWER division.

The **Value of production** at 30/09/2013 is equal to 251,975 thousand Euro, a reduction of 4.5% with respect to the corresponding period of the financial 2012 (reduction of 11,827 thousand Euro).

The value of production in the period also includes increases for internal work equal to 6,176 thousand Euro (4,582 thousand Euro at 30/09/2012); these costs principally refer to investments in development activities.

Performance indicators	September 30, 2013		September 30, 2012	
	<i>Euro thousand</i>	<i>% on sales</i>	<i>Euro thousand</i>	<i>% on sales</i>
EBITDA	19.755	8,3	19.729	8,0
EBIT	10.981	4,6	11.239	4,6
EBT	3.414	1,4	5.351	2,2
NET RESULT	2.134	0,9	2.818	1,1

The **EBITDA** of the Group amounted to 19,755 thousand Euro (8.3% of turnover) with a slight increase compared to the same period of the financial year 2012.

The EBITDA of the Group is shown below at 30/09/2013 and at 30/09/2012 subdivided by sector (gross of the inter-sector transactions).

EBITDA	September 30, 2013		September 30, 2012	
	<i>Euro thousand</i>	<i>%</i>	<i>Euro thousand</i>	<i>%</i>
PRIMA POWER	15.495	78,4	14.143	71,7
PRIMA ELECTRO	4.835	24,5	5.668	28,7
Inter sector items and eliminations	(575)	(2,9)	(82)	(0,4)
<b>TOTAL</b>	<b>19.755</b>	<b>100,0</b>	<b>19.729</b>	<b>100,0</b>

The consolidated **EBIT** at 30/09/2013 amounted to 10.981 thousand Euro and is in decrease of 258 thousand Euro compared to the first nine months of 2012 (amounting to 11.239 thousand Euro), due to the slowdown of the PRIMA ELECTRO division. The amortization of the tangible fixed assets influence this result to the amount of 6,665 thousand Euro and intangible fixed assets to the amount of 2,025 thousand Euro. With regard to the amortization of intangible fixed assets, the main items relate to the amortization of development costs (3,770 thousand Euro) and the amortization related to assets with a defined useful life recognized in the business merger of the FINN POWER Group (brand and relations with customers “*customer list*”) which amounted to 2,256 thousand Euro.

The EBIT of the group is shown below at 30/09/2013 and 30/09/2012, subdivided by sector gross of the inter-sector transactions .

EBIT	September 30, 2013		September 30, 2012	
	<i>€/000</i>	<i>%</i>	<i>€/000</i>	<i>%</i>
PRIMA POWER	8.235	75,0	7.056	62,8
PRIMA ELECTRO	3.322	30,3	4.258	37,9
Inter sector items and eliminations	(576)	(5,3)	(75)	(0,7)
<b>TOTAL</b>	<b>10.981</b>	<b>100,0</b>	<b>11.239</b>	<b>100,0</b>

The consolidated **EBT** at 30/09/2013 amounted to 3,414 thousand Euro with a decrease of 1,937 thousand Euro compared to the same period of the previous financial year (amounting to 5,351 thousand Euro); this decrease was almost entirely due to the effect of not fully consolidated investments (negative effect compared to the corresponding period of the previous financial year of 1,850 thousand Euro). It should be noted that this value discounts net burdens arising from financial management (including gains and losses on exchange rates) of 6,561 thousand Euro (at 30/09/2012 equal to 6,732 thousand Euro).

Financial results (€/000)	September 30, 2013	September 30, 2012
Finpolar loan expenses	(2.712)	(3.398)
Derivates expenses (IRS)	(1.508)	(1.638)
Derivates expenses (CRS)	102	(143)
Other financial income/expenses	(1.626)	(1.306)
<b>Net exchange differences</b>	<b>(5.744)</b>	<b>(6.485)</b>
Net results foreign currency	(817)	(247)
<b>TOTAL</b>	<b>(6.561)</b>	<b>(6.732)</b>

Burdens are shown for the financing stipulated in 2008 for the acquisition of the FINN- POWER Group (hereafter for brevity "FINPOLAR financing") equal to 2,712 thousand Euro and net financial burdens for IRS derivative instruments (primarily connected to FINPOLAR financing) for 1,508 thousand Euro. To properly compare the data of the two periods, it should be noted that the result of the financial management of the first nine years of 2012 was positively impacted by non-recurring income amounting to 311 thousand Euro; net of this effect, borrowing costs were improved of 1,052 thousand euro. The decline of the charges relating to the FINPOLAR Financing is due to the decrease of residual capital, both as a result of refunds made, and as a result of the decrease of the EURIBOR. However, the reduction of the EURIBOR has negatively affected the the IRS derivatives.

The exchange management results in the first nine months of 2013 were negative for 817 thousand Euro (negative for 247 thousand Euro on 30/09/2012). The net result of not fully consolidated investments was negative for 1,006 thousand Euro and refers mainly to depreciation of investments in Electro Power Systems (EPS) and Caretek (collectively equal to 487 thousand Euro) and to the sale of the investment held in the Chinese JV SUP (overall negative effect of 518 thousand Euro).

The **NET PROFIT** at 30/09/2013 is positive and equal to 2,134 thousand euro (+ 2,818 thousand euro at 30/09/2012). The taxes on income for the first nine months of 2013 show a net negative balance of 1,280 thousand Euro, of which IRAP (Regional income tax) for 1,050 thousand Euro (at 30/09/2012 the net negative balance was 2,533 thousand Euro, of which IRAP for 1,134 thousand Euro). The Group recorded a tax credit amounting to 1,048 thousand Euro following the submission of claims for IRES refund (IRAP deductions for IRES purposes for the years 2007- 2011) in February 2013.

## NET FINANCIAL POSITION

On 30/09/2013, the net financial position of the Group was negative at 134,344 thousand Euro, compared to 126,279 thousand euro at 31/12/2012. This variation is mainly due to the seasonality of the business; it should be noted that in the third quarter of the financial year, an increase in net financial exposure was historically recorded due to the increased need for working capital required to meet the high production rates in the last quarter of the year (at 30/09/2012 the net financial position amounted to 140,772 thousand Euro).

The net financial position is shown as follows .

<i>Value expressed in Euro thousand</i>	30/09/2013	31/12/2011	30/09/2012
CASH & CASH EQUIVALENTS	(17.569)	(24.459)	(15.393)
CURRENT FINANCIAL RECEIVABLES	(53)	(4.740)	(33)
CURRENT FINANCIAL LIABILITIES	63.891	56.513	57.191
NON CURRENT FINANCIAL LIABILITIES	88.075	98.965	99.007
<b>NET FINANCIAL LIABILITIES</b>	<b>134.344</b>	<b>126.279</b>	<b>140.772</b>

With the aim of supplying better information relating to the net consolidated financial position on 30/09/2013, the following should be remembered:

- the FINPOLAR financing amounts to 120,694 thousand Euro and is subject to compliance with regards to certain *covenants* measured on an annual and six month basis (for further details, please refer to the indications in the financial statements at 30/06/2013);
- the payables due to leasing companies (almost exclusively of a property nature) amount to 2,704 thousand Euro;
- bank debits include the negative *fair value* r value of some IRS for 4,952 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 should be noted that 32,021 thousand Euro classified in short-term liabilities relate to *revolving* credit lines (quota C2 and D of the FINPOLAR financing), of which 19,873 thousand Euro is due at 31/01/2016 and 12.147 thousand Euro is due at 12/11/2014.

Please note that at the date of this Interim Financial Report, the company has correctly paid the expiring instalment relating to the Finance bank pool, relating to the FINPOLAR Financing; below is some information concerning the current financial year for the *amortized* quota (quota A and C1), for the *bullet* quota (quota B) and for the above mentioned IRS coverage derivative:

- Capital tranche A to C1 for 10,246 thousand Euro;
- Interests tranche A, B and C1 for 2,515 thousand Euro;
- Differentials on the derivate for 1,555 thousand Euro.

For greater detail on the subject of the net financial position to see the Illustrative Note 6.10.

## TRADE ASSETS AND ORDER PORTFOLIO

During the first nine months of 2013 the **acquisition of orders** of the Group (including *after-sale service*) amounted to 239,3 million Euro (it was 244,3 million Euro at 30/09/2012). The reduction compared to 30/09/2012 arises in the division of PRIMA ELECTRO division; in fact the acquisition of orders of the PRIMA POWER sector was higher than the corresponding period of the previous financial year (216.5 million Euro at 30/09/2013 compared to 212.4 million Euro at 30/09/2012), while that of the PRIMA ELECTRO sector, only from customers outside the Group, amounted to 22.8 million Euro (with a decrease of 31.9 million Euro at 30/09/2012). The decrease in orders of the PRIMA ELECTRO division is mainly linked to the transitional phase that the division is facing for the technological renovation of certain products not yet fully completed.

The consolidated **order book** (not including *after-sale service* service) at 30/09/2013 amounted to 85,7 million Euro compared to 104 million Euro at 30/09/2012. The reasons for this reduction are, on the one hand, a reduction of orders acquisition, and on the other hand the enhanced ability of the Group to reduce the order delivery time. The portfolio includes 77.5 million Euro relating to the PRIMA POWER sector and 8.2 million Euro relating to the PRIMA ELECTRO sector. At 31/10/2013, the order book rose to 95.9 million Euro.

## **RESEARCH AND DEVELOPMENT**

The research and development activity carried out by the Group during the first nine months of 2013 has been comprehensively equal to 13,316 thousand Euro (of which 9,969 thousand Euro in the PRIMA POWER sector and 3,347 thousand Euro in the PRIMA ELECTRO sector) equal to 5,5% of turnover. The capitalized share was equal to 5,935 thousand Euro (of which 4,282 thousand Euro in the PRIMA POWER sector and 1,653 thousand Euro in the PRIMA ELECTRO sector).

The costs levels sustained in research and development activities for new products is testimony to the Group's continued commitment to investing for the future and improving, 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.

## **OPERATIONS WITH RELATED PARTIES**

The extraordinary shareholders' meeting of PRIMA ELECTRO SpA, a company 100% owned by PRIMA INDUSTRIE SpA, on 25/06/2013 has resolved to increase the share capital by 9,000,000 Euro bringing it from 6,000,000 Euro to 15,000,000 Euro; the sole shareholder PRIMA INDUSTRIE SpA, owner of a credit amounting to 17,800,000 Euro against PRIMA ELECTRO SpA, arising for the deferred payment of the price at the time of sale (December 2010) of the American subsidiary PRIMA NORTH AMERICA Inc. (now called PRIMA ELECTRO NORTH AMERICA LLC) from PRIMA INDUSTRIE SpA to PRIMA ELECTRO SpA, declared to subscribe the capital increase by partial compensation with this credit.

The expiry of the remaining credit, amounting to 8,800,000 Euro, claimed by PRIMA INDUSTRIE SpA from PRIMA ELECTRO SpA was postponed to 30/06/2018.

The operation, which was completed in July, 2013, even if it occurred between related parties, has not been subject to the procedure for operations with related parties as it was an operation carried out with the subsidiary, which is exempt pursuant to article 32 of the Procedure for Operations with Related Parties approved by the Board of Directors on 10/11/2010 and amended by the Board of Directors on 13/03/2013.

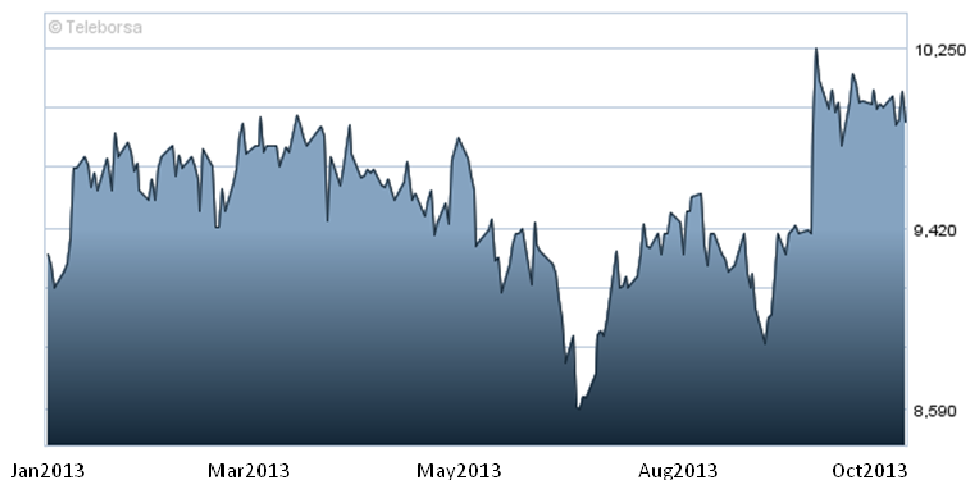
For further details of the subject and of other operations carried out by the group with related parties, refer to "Note 6.28 -INFORMATION ON RELATED PARTIES".

## **STOCK TREND AND TREASURY STOCK**

During the first nine months of 2013, the title PRIMA INDUSTRIE has passed from a unit value of 9.305 Euro on 02/01/2013 to a value of 9.995 Euro each share on 30/09/2013.

In particular, the share value, which had remained stable and, anyway, ranging between 8.50 Euro and 9.50 Euro per share, has undergone an increase in the second week of September,

when it has steadily brought around 10 Euro per share, reaching a maximum of 10.25 Euro per share on 12/09/2013.



After 30/09/2013, the stock has remained at values ranging between 9.50 Euro and 10 Euro per share, i.e. values still higher than the exercise price (set at 8.50 Euro) of the outstanding warrants and expires on 16/12/2013.

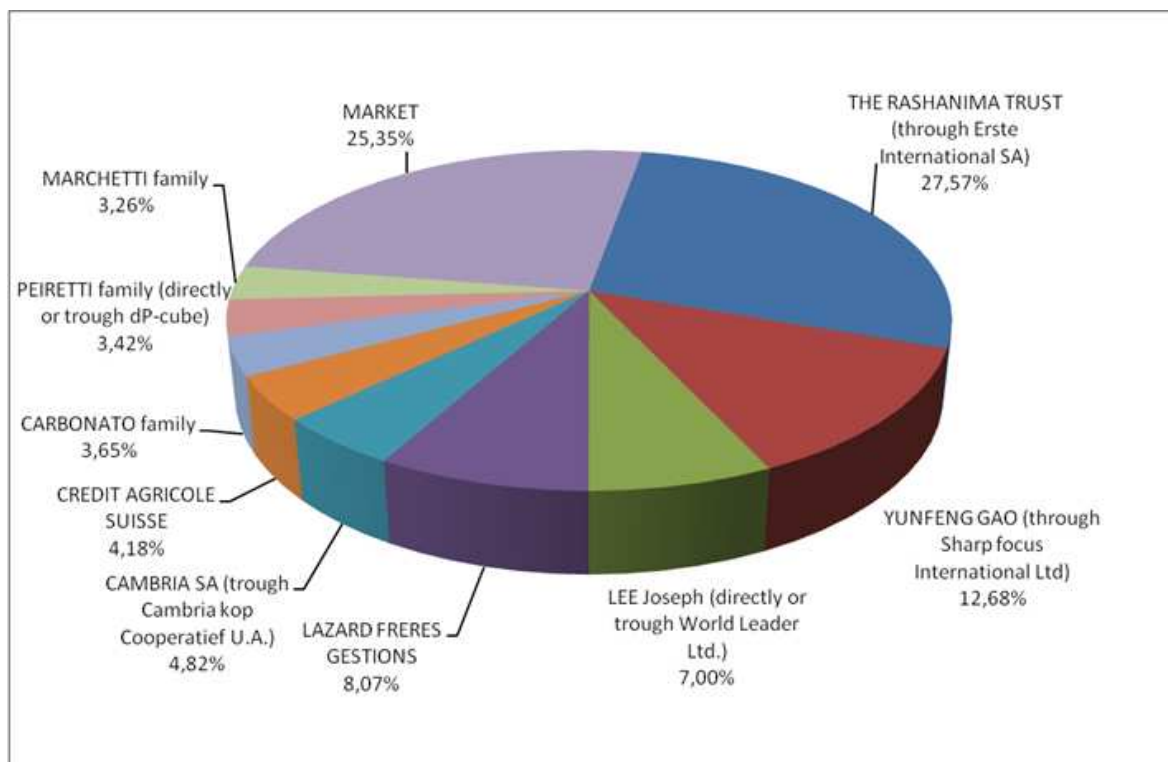
On 30/09/2013, also being the date of approval of this Interim Financial Report PRIMA INDUSTRIE SpA did not hold nor holds any of its own shares, as there is no current resolution authorising the purchase of its own shares.

## SHAREHOLDING STRUCTURE

On 30/09/2013, the share capital of PRIMA INDUSTRIE SpA amounts to Euro 21,648,357.50 divided into 8,659,343 Ordinary shares at the nominal value of 2.50 Euro each. No classes of shares or bonds have been issued other than ordinary shares. On the other hand, from 30/09/2013, no. 2,220,657 "PRIMA INDUSTRIE Warrants 2009-2013", expiring on 16/12/2013 are in circulation.

At the date of approval of this Report, the share capital amounts to 21,968,097.50 Euro and no. 2,092,761 "PRIMA INDUSTRIE Warrants 2009-2013" are in circulation.

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 period of maturing (*vesting period*) of the *stock option* plan, approved by the PRIMA INDUSTRIE SpA Shareholders' Meeting on 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 June 1, 2011, and within and not beyond June 30, 2014 (date of expiry of the plan), in the following two periods of each year until the expiry of the plan:

- June 1 - June 30
- October 1 - October 30

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

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](http://www.primaindustrie.com).

As is evident from the current prices of PRIMA INDUSTRIE shares (see paragraph "STOCK TREND AND TREASURY STOCK"), the options are largely *out of the money*.



## **BUSINESS OUTLOOK**

Despite the general economic situation is not favourable in most of Europe and uncertain in the US, the contribution from the positive trend of the Chinese market allowed to achieve in the first nine months of the year an EBITDA in line with that of the corresponding period the previous year. According to the market information available, also for the last quarter of the trend of the Group is expected, in terms of gross operating margin, to be substantially in line with those of the previous financial year.

## **EVENTS WHICH TOOK PLACE AFTER THE END OF THE QUARTER**

At the date of preparation of this document, no events have taken place after the reference date of the Interim Management Report that, if known, would have resulted in a correction of the values.

## **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 atypical and unusual transactions, as defined in the Communication itself.





## CHAPTER 4.

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### ECONOMIC PERFORMANCE BY SEGMENT

## CHAPTER 4. ECONOMIC PERFORMANCE BY SEGMENT

The Group operates with an organizational structure based on the concentration of its 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
- 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, bending 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.

	September 30, 2013				
<i>Values in Euro thousand</i>	REVENUES	EBITDA	% on Revenues	EBIT	% on Revenues
PRIMA POWER	211.188	15.495	7,3%	8.235	3,9%
PRIMA ELECTRO	36.843	4.835	13,1%	3.322	9,0%
ELIMINATION	(9.779)	(575)	5,9%	(576)	5,9%
<b>GROUP</b>	<b>238.252</b>	<b>19.755</b>	<b>8,3%</b>	<b>10.981</b>	<b>4,6%</b>

	September 30, 2012				
<i>Values in Euro thousand</i>	REVENUES	EBITDA	% on Revenues	EBIT	% on Revenues
PRIMA POWER	217.280	14.143	6,5%	7.056	3,2%
PRIMA ELECTRO	41.853	5.668	13,5%	4.258	10,2%
ELIMINATION	(13.754)	(82)	0,6%	(75)	0,5%
<b>GROUP</b>	<b>245.379</b>	<b>19.729</b>	<b>8,0%</b>	<b>11.239</b>	<b>4,6%</b>

### PRIMA POWER

The revenues for the first nine months of 2013 of the PRIMA POWER sector are in decrease compared with the corresponding period of the previous financial year. The best results in terms of turnover were recorded in the markets of Asia and the Rest of the World, this being a geographical area that continues to grow, which supports the increasing levels of turnover of the division.

In the face of 211,188 thousand Euro of revenues, the EBITDA for the sector amounted to 15,495 thousand Euro, an increase both in absolute value (+1,352 thousand Euro), and in percentage terms (from 6.5% to 7.3%), confirming a greater level of efficiency achieved by the division.

## **PRIMA ELECTRO**

The PRIMA ELECTRO division, compared to the same period of the last year, records a decrease in sales of 5,010 thousand Euro. This decrease is mainly due to the reduction in sales of laser sources CO<sub>2</sub> and DOTS products, which has not been compensated by the OSAI product.

The EBITDA of the PRIMA ELECTRO segment amounts to 4,835 thousand Euro in decrease compared to the same period of the previous year of 833 thousand Euro. The decline in profitability, in absolute value, is mainly due to the reduction of volumes. On the other hand, it should be noted that the profitability rate has remained essentially unchanged, mainly as a result of improved cost management and for obtaining government grants on an important research project.



## CHAPTER 5.

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### CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF PRIMA INDUSTRIE GROUP AS OF 30/09/2013

#### ACCOUNTING TABLES <sup>(\*)</sup>

<sup>(\*)</sup> Following the retrospective application on 01/01/2013 of the Amendment to IAS 19, the data relating to 2012 reported for comparative purposes in the financial statements have been restated, where appropriate, as required by IAS 1.

## CHAPTER 5. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE PRIMA INDUSTRIE GROUP AS OF 30/09/2013

### CONSOLIDATED FINANCIAL BALANCE SHEET

01/01/2012 Values in Euro	Notes	30/09/2013	31/12/2012
24.472.946 Property, plant and equipment	6.1	23.866.576	24.343.935
152.629.950 Intangible assets	6.2	150.765.710	151.395.283
8.961.044 Investments accounted for using the equity method		-	-
1.076.998 Other investments	6.3	293.735	567.149
- Non current financial assets	6.4	108.000	83.700
6.648.479 Deferred tax assets	6.5	7.371.899	6.605.259
25.518 Other non current assets	6.8	24.588	25.183
<b>193.814.935 NON CURRENT ASSETS</b>		<b>182.430.508</b>	<b>183.020.509</b>
84.249.605 Inventories	6.6	83.990.893	81.083.768
88.282.812 Trade receivables	6.7	69.307.322	70.702.422
6.406.214 Other receivables	6.8	8.264.127	7.516.732
5.592.470 Current tax receivables	6.9	4.632.675	3.839.898
- Derivatives	6.10	53.395	69.655
528.637 Financial assets	6.10	-	4.671.135
25.179.041 Cash and cash equivalents	6.10	17.569.006	24.458.666
<b>210.238.779 CURRENT ASSETS</b>		<b>183.817.418</b>	<b>192.342.276</b>
<b>1.012.201 ASSETS HELD FOR SALE</b>	6.11	<b>1.635.596</b>	<b>4.129.852</b>
<b>405.065.915 TOTAL ASSETS</b>		<b>367.883.522</b>	<b>379.492.637</b>
21.601.740 Capital stock	6.12	21.648.358	21.606.553
4.320.069 Legal reserve	6.12	4.321.310	4.320.069
54.326.182 Other capital reserves	6.12	56.783.624	53.215.933
1.331.310 Currency translation reserve	6.12	(1.400.242)	(524.506)
(3.597.028) Retained earnings	6.12	3.043.419	(370.776)
1.932.659 Net result	6.12	2.144.967	5.306.613
<b>79.914.932 Stockholders' equity of the Group</b>		<b>86.541.436</b>	<b>83.553.886</b>
<i>Minority interest</i>		573.165	-
<b>STOCKHOLDERS' EQUITY</b>		<b>87.114.601</b>	<b>83.553.886</b>
102.350.641 Interest-bearing loans and borrowings	6.10	83.122.347	91.702.909
7.077.491 Employee benefit liabilities	6.13	7.733.448	7.629.302
9.737.709 Deferred tax liabilities	6.14	9.745.195	9.296.512
124.009 Provisions	6.15	126.353	133.403
7.611.171 Derivatives	6.10	4.952.479	7.262.196
<b>126.901.021 NON CURRENT LIABILITIES</b>		<b>105.679.822</b>	<b>116.024.322</b>
79.797.117 Trade payables	6.16	64.633.741	72.403.779
32.355.143 Advance payments	6.16	15.544.737	16.991.891
17.539.790 Other payables	6.16	15.794.115	17.665.682
52.031.067 Interest-bearing loans and borrowings	6.10	63.891.349	56.513.455
6.404.295 Current tax payables	6.17	4.071.478	4.909.673
10.022.786 Provisions	6.15	11.153.679	11.429.949
99.764 Derivatives	6.10	-	-
<b>198.249.962 CURRENT LIABILITIES</b>		<b>175.089.099</b>	<b>179.914.429</b>
<b>405.065.915 TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>		<b>367.883.522</b>	<b>379.492.637</b>

## CONSOLIDATED INCOME STATEMENT

Values in Euro	Notes	30/09/2013	30/09/2012
Net revenues	6.18	238.251.608	245.379.376
Other income	6.19	2.935.819	2.712.058
Change in inventories of finished goods and WIP		4.611.237	11.127.777
Increases in fixed assets for internal work	6.20	6.176.329	4.582.420
Use of raw materials, consumables, supplies and goods		(110.166.868)	(119.234.094)
Personnel cost	6.21	(66.170.290)	(65.834.514)
Depreciation	6.22	(8.690.564)	(8.247.268)
Impairment	6.22	(84.283)	(242.199)
Other operating expenses	6.23	(55.882.428)	(59.004.461)
<b>OPERATING PROFIT</b>		<b>10.980.560</b>	<b>11.239.095</b>
Financial income	6.24	270.499	74.519
Financial expenses	6.24	(6.014.087)	(6.559.240)
Net exchange differences	6.24	(817.197)	(247.412)
Net result of investments not fully consolidated	6.25	(1.006.019)	844.396
<b>RESULT BEFORE TAXES</b>		<b>3.413.756</b>	<b>5.351.358</b>
Taxes	6.26	(1.279.612)	(2.533.433)
<b>NET RESULT</b>		<b>2.134.144</b>	<b>2.817.925</b>
- Attributable to Group shareholders		2.144.967	2.817.925
- Attributable to minority shareholders		(10.823)	-
<b>RESULT PER SHARE - BASIC (in euro)</b>	<b>6.27</b>	<b>0,25</b>	<b>0,33</b>
<b>RESULT PER SHARE - DILUTED (in euro)</b>	<b>6.27</b>	<b>0,20</b>	<b>0,26</b>

## TOTAL CONSOLIDATED INCOME STATEMENT

Values in Euro	Notes	30/09/2013	30/09/2012
<b>NET RESULT OF THE PERIOD (A)</b>		<b>2.134.144</b>	<b>2.817.925</b>
Gains/ (Losses) on cash flow hedges	6.12	1.608.278	177.826
Gains/ (Losses) on exchange differences on translating foreign operations	6.12	(878.750)	(1.190.670)
<b>TOTAL OTHER COMPREHENSIVE GAINS/(LOSSES) WHICH WILL BE SUCCESSIVELY RECLASSIFIED ON CONSOLIDATED INCOME STATEMENT (B)</b>		<b>729.528</b>	<b>(1.012.844)</b>
<b>NET RESULT OF THE COMPREHENSIVE PERIOD (A) + (B)</b>		<b>2.863.672</b>	<b>1.805.081</b>
- Attributable to Group shareholders		2.877.509	1.805.081
- Attributable to minority shareholders		(13.837)	-

## STATEMENT OF CHANGES IN CONSOLIDATED STOCKHOLDERS' EQUITY

from January 1st, 2012 to September 30th, 2012

Values in Euro	31/12/11	Effects deriving from the application of amended IAS19	01/01/12	Change of consolidation area	Capital increase	Allocation of prior year profits	Distribution of dividends to stakeholders	Comprehensive result	Other movements	30/09/2012
Capital stock	21.601.740	-	21.601.740	-	4.288	-	-	-	-	21.606.028
Additional paid-in capital	46.451.069	-	46.451.069	-	10.290	-	-	-	-	46.461.359
Legal reserve	4.320.069	-	4.320.069	-	-	-	-	-	-	4.320.069
Capital increase - expenses	(1.286.154)	-	(1.286.154)	-	-	-	-	-	-	(1.286.154)
Stock option reserve	1.295.506	-	1.295.506	-	-	-	-	-	-	1.295.506
Change in the FV of hedging derivatives	(5.550.334)	-	(5.550.334)	-	-	-	-	177.826	-	(5.372.508)
Other reserves	13.416.095	-	13.416.095	-	(595)	(1.482.668)	-	-	-	11.932.832
Currency translation reserve	1.331.310	-	1.331.310	-	-	-	-	(1.190.670)	-	140.640
Retained earnings	(3.390.665)	(206.363)	(3.597.028)	-	-	3.415.327	-	-	-	(181.701)
Net result	1.932.659	-	1.932.659	-	-	(1.932.659)	-	2.817.925	-	2.817.925
<b>Stockholders' equity of the Group</b>	<b>80.121.295</b>	<b>(206.363)</b>	<b>79.914.932</b>	<b>-</b>	<b>13.983</b>	<b>-</b>	<b>-</b>	<b>1.805.081</b>	<b>-</b>	<b>81.733.996</b>
Minority interest	-	-	-	-	-	-	-	-	-	-
<b>STOCKHOLDERS' EQUITY</b>	<b>80.121.295</b>	<b>(206.363)</b>	<b>79.914.932</b>	<b>-</b>	<b>13.983</b>	<b>-</b>	<b>-</b>	<b>1.805.081</b>	<b>-</b>	<b>81.733.996</b>

from January 1st, 2013 to September 30th, 2013

Values in Euro	31/12/12	Effects deriving from the application of amended IAS19	01/01/13	Change of consolidation area	Capital increase	Allocation of prior year profits	Distribution of dividends to stakeholders	Comprehensive result	Other movements	30/09/2013
Capital stock	21.606.553	-	21.606.553	-	41.805	-	-	-	-	21.648.358
Subscribed Capital Unpaid	(1.785)	-	(1.785)	-	(32.096)	-	-	-	-	(33.881)
Additional paid-in capital	46.462.619	-	46.462.619	-	100.332	-	-	-	-	46.562.951
Legal reserve	4.320.069	-	4.320.069	-	-	1.241	-	-	-	4.321.310
Capital increase - expenses	(1.286.154)	-	(1.286.154)	-	-	-	-	-	-	(1.286.154)
Stock option reserve	1.295.506	-	1.295.506	-	-	-	-	-	-	1.295.506
Change in the FV of hedging derivatives	(5.187.680)	-	(5.187.680)	-	-	-	-	1.608.278	-	(3.579.402)
Other reserves	11.933.427	-	11.933.427	-	-	1.891.177	-	-	-	13.824.604
Currency translation reserve	(524.506)	-	(524.506)	-	-	-	-	(875.736)	-	(1.400.242)
Retained earnings	24.662	(395.438)	(370.776)	-	-	3.414.195	-	-	-	3.043.419
Net result	5.306.613	-	5.306.613	-	-	(5.306.613)	-	2.144.967	-	2.144.967
<b>Stockholders' equity of the Group</b>	<b>83.949.324</b>	<b>(395.438)</b>	<b>83.553.886</b>	<b>-</b>	<b>110.041</b>	<b>-</b>	<b>-</b>	<b>2.877.509</b>	<b>-</b>	<b>86.541.436</b>
Minority interest	-	-	-	587.002	-	-	-	(13.837)	-	573.165
<b>STOCKHOLDERS' EQUITY</b>	<b>83.949.324</b>	<b>(395.438)</b>	<b>83.553.886</b>	<b>587.002</b>	<b>110.041</b>	<b>-</b>	<b>-</b>	<b>2.863.672</b>	<b>-</b>	<b>87.114.601</b>



## CONSOLIDATED CASH FLOW STATEMENT

VALUES IN EURO	30/09/2013	30/09/2012 (**)
<b>Net result</b>	<b>2.134.144</b>	<b>2.817.925</b>
<b>Adjustments (sub-total)</b>	<b>(6.700.840)</b>	<b>733.432</b>
Depreciation and impairment	8.774.847	8.489.467
Net change in deferred tax assets and liabilities	(317.957)	(785.060)
Change in employee benefits	104.146	6.700
Change in inventories	(2.907.125)	(17.617.990)
Change in trade receivables	1.395.100	23.673.229
Change in trade payables	(9.217.192)	(12.754.193)
Net change in other receivables/payables and other assets/liabilities	(4.532.659)	(278.721)
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)</b>	<b>(4.566.696)</b>	<b>3.551.357</b>
<b>Cash flow from investments</b>		
Acquisition of tangible fixed assets (*)	(1.746.409)	(2.376.837)
Acquisition of intangible fixed assets	(262.817)	(880.214)
Capitalization of development costs	(5.934.732)	(4.300.732)
Net disposal of fixed assets (*)	103.051	144.762
Proceeds of 10% SUP JV investment	2.162.242	-
Liquidation of SNK JV investment	77.780	-
Net result of JV investments	(11.486)	(844.396)
Purchase/capital increase of other investments	(214.014)	99.477
Devaluation of other investments	487.428	-
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(5.338.957)</b>	<b>(8.157.940)</b>
<b>Cash flow from financing activities</b>		
Change in other financial assets/liabilities and other minor items	4.309.119	(87.822)
Increases in loans and borrowings (including bank overdrafts)	14.107.303	6.962.219
Repayment of loans and borrowings (including bank overdrafts)	(15.229.652)	(12.491.842)
Increases/(repayments) in financial lease liabilities	10.930	130.813
Capital increase	110.041	13.983
Currency translation differences	(875.736)	292.914
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)</b>	<b>2.432.005</b>	<b>(5.179.735)</b>
<b>CASH FLOWS FROM (USED IN) CHANGE OF CONSOLIDATION AREA (D)</b>	<b>583.988</b>	<b>-</b>
<b>Net change in cash and equivalents (E=A+B+C+D)</b>	<b>(6.889.660)</b>	<b>(9.786.318)</b>
<b>Cash and equivalents beginning of period (F)</b>	<b>24.458.666</b>	<b>25.179.041</b>
<b>Cash and equivalents end of period (G=E+F)</b>	<b>17.569.006</b>	<b>15.392.723</b>
<b>Additional information to the consolidated cash-flow statement</b>	<b>30/09/2013</b>	<b>30/09/2012</b>
<i>Values in Euro</i>		
Income taxes	(1.279.612)	(2.533.433)
Financial Income	270.499	74.519
Financial costs	(6.014.087)	(6.559.240)

(\*) included assets held for sale

(\*\*) for a better comparability, the 2012 figures have been reclassified



## CHAPTER 6.

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### EXPLANATORY NOTES

## CHAPTER 6. EXPLANATORY NOTES

### FORM AND CONTENT

The abbreviated consolidated balance sheet of the PRIMA INDUSTRIE Group on 30/09/2013 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 Leg. 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 30/09/2013 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 31/12/2012, to which attention is drawn for greater detail.

The abbreviated consolidated balance on 30/09/2013 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 30/09/2013 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 31/12/2012 have been presented as well as the data of the profit and loss account and the financial statement relating to 30/09/2012 with the movements of net assets of the first nine months of 2012 as well, as required by IAS 1. It should be noted once again that, following the retrospective application on 01/01/2013 of the amendment to IAS 19, the data relating to 2012 reported for the purpose of comparison, have been restated, where appropriate, as required by IAS 1.

### ACCOUNTING PRINCIPLES

#### On-going concern

The abbreviated consolidated balance sheet at 30/09/2013 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 30/09/2013 are compatible with those used for the consolidated annual balance sheet at 31/12/2012, to which reference is made subject to the new standards/interpretations adopted by the Group starting from January 1, 2013, as well as the adjustments required by the nature of the interim findings. In this regard it is noted that the IASB issued an amendment to "IAS 19 - Benefits to Employees" which will be applicable retrospectively from the financial year beginning on 01/01/2013. The amendment modifies

the rules for the recognition of defined benefit plans and *termination benefits*. In accordance with the transition rules in paragraph 173 of IAS 19, the Group has applied this amendment to AS 19 retrospectively starting from 01/01/2013, adjusting, where necessary, the comparative data for the year 2012, as if the amendment had always been applied.

#### 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 30/09/2013, 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) was adopted;
- 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 Report the so-called "indirect" method has been chosen, which determines the net financial flow from operating activities by adjusting the profit and loss for the effects;
  - non-monetary elements such as amortizing, devaluations, unrealized profits and losses on associate companies;
  - of the variation of the stock in hand, the receivables and payables generated by the operational activity;
  - of the other elements whose financial fluctuations are generated by the activities of investment and financing.

This Interim Management Report was authorized for publication by the Board of Directors on 13/11/2013.

## EXPLANATORY NOTES

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

### NOTE 6.1 - PROPERTY, PLANT AND EQUIPMENT

The tangible fixed assets on 30/09/2013 are equal to 23,867 thousand Euro, a reduction of 477thousand Euro compared with 31/12/2012.

For greater detail on the subject, see the table below.

Property, Plant and Equipment	Land, Building	Plants and Machinery	Industrial and commercial Equipment	Other tangible fixed assets	Constructions in progress	TOTAL
Net value as of December 31, 2012	17.263.455	2.123.655	1.856.009	2.454.004	646.811	24.343.935
2013 3th quarter's movements	-	-	-	-	-	-
Increases	45.639	338.854	410.535	782.614	168.767	1.746.409
Disinvestments	-	(2.177.022)	(29.828)	(327.009)	-	(2.533.859)
Utilization of accumulated depreciation	-	2.082.478	22.776	325.554	-	2.430.808
Depreciation	(414.046)	(375.111)	(549.129)	(687.039)	-	(2.025.325)
Tangible fixed assets reclassifications	-	16.791	36.190	1.613	(54.594)	-
Differences on exchange rates	(32.820)	(2.091)	(20.904)	(36.183)	(3.394)	(95.392)
Net value as of September 30, 2013	16.862.228	2.007.554	1.725.649	2.513.554	757.590	23.866.576

### NOTE 6.2 - INTANGIBLE ASSETS

The intangible fixed assets on 30/09/2013 are equal to 150,766 thousand Euro, a reduction of 630 thousand Euro compared with 31/12/2012.

For greater detail on the subject, see the table below.

Intangible Assets	Goodwill	Development costs	Other intangible assets	TOTAL
Net Value as at December 31, 2012	102.679.896	22.049.397	26.665.990	151.395.283
2013 3th quarters's Movements				
Increases/(decreases)	-	5.934.732	262.817	6.197.549
Depreciation	-	(3.770.105)	(2.895.134)	(6.665.239)
Impairment	-	(15.283)	-	(15.283)
Differences on exchanges rates	(53.245)	(88.573)	(4.782)	(146.600)
Net Value at September 30, 2013	102.626.651	24.110.168	24.028.891	150.765.710

The most significant item is represented by Goodwill, which on 30/09/2013 is equal to 102,627 thousand Euro. 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

CASH GENERATING UNIT	BOOK VALUE GOODWILL September 30, 2013	BOOK VALUE GOODWILL December 31, 2012
PRIMA POWER	97.456	97.489
OSAI (Service)	4.125	4.125
PRIMA ELECTRO NORTH AMERICA	855	875
MLTA	154	154
OSAI UK	37	37
TOTAL	102.627	102.680

Goodwill (being an asset with an undefined life) is not subject to amortization and is subject to verification at least annually of the reduction of value( *impairment test*). At 31/12/2012 the Group carried out the *impairment test* on the value the main elements of goodwill (PRIMA POWER, OSAL-Service and PRIMA ELECTRO NORTH AMERICA), for which attention is drawn to the Consolidated Financial Statements at 31/12/2012. Regarding the above mentioned goodwill, as no indicators of loss in value have appeared compared with the balance sheet closed on 30/09/2013, it was not considered necessary to update the related *impairment tests*.

#### NOTE 6.3 - OTHER INVESTMENTS

The value of Other Investments on 30/09/2013 amounted to 294 thousand Euro and in first nine months of 2013 they changed as follows:

- net decrease of 323 thousand Euro of the stake held by PRIMA ELECTRO SpA in the company EPS; the change is the result of a capital increase following the conversion of a bond issued by EPS and signed by PRIMA ELECTRO SpA for 157 thousand Euro and by the impairment of the same stake for 480 thousand Euro;
- net increase of 38 thousand Euro of the stake held by PRIMA ELECTRO SpA in the company Caretek Srl; the change is the result of a capital increase following the conversion of a financial receivable due to PRIMA ELECTRO SpA for 45 thousand Euro and by the impairment of the same stake for 7 thousand Euro;
- increase of 11 thousand Euro for an additional stake of the Parent Company in the company Lamiera Servizi Srl; the stake is held by PRIMA INDUSTRIE SpA.

This heading on 30/09/2013 is composed of:

- EPS: 97 thousand Euro (investment equal to 2.36%);
- Caretek Srl: 81 thousand Euro (investment equal to 21.57%);
- Fimecc OY: 50 thousand Euro (investment equal to 2.4%);
- Härmämedi OY: 25 thousand Euro (investment equal to 8.33%);
- Lamiera Servizi Srl: 11 thousand Euro (investment equal to 19%);
- other minor investments: 30 thousand Euro.

The investment in Fimecc OY and Härmämedi Oy are held by FINN-POWER OY.

#### NOTE 6.4 - NON CURRENT FINANCIAL ACTIVITIES

This item at 30/09/2013 is equal to 108 thousand Euro and consists of two loans issued by PRIMA ELECTRO SpA to the company EPS for 88 thousand Euro and to the company Caretek Srl for 20 thousand Euro.

#### NOTE 6.5 - DEFERRED TAX ASSETS

The deferred tax assets are equal to 7,372 thousand Euro, an increase compared with the previous financial year of 767 thousand Euro (6,605 thousand euro on 31/12/2012).

This asset has mainly been generated by the temporary difference in the stock in hand, in the provisions for liabilities and charges and in trade receivables. The accounting statement of the deferred tax assets has been carried out, only where suppositions of recoverability exist.

With regard to the recoverability of these taxes it should be noted that the Parent Company and PRIMA ELECTRO SpA have historically realized positive taxable incomes, both for IRES and

IRAP purposes and expect to earn positive taxable incomes in the following financial years also. The valuation on the recoverability of deferred tax assets take into account the expected profits in future financial years and furthermore, is supported by the fact that the deferred tax assets mainly refer to adjusted asset funds and to provisions for risks and charges, for which there is no expiry. The deferred tax assets 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 6.6 - INVENTORIES

The following table shows the composition of the stock in hand at 30/09/2013 and at 31/12/2012.

<b>INVENTORIES</b>	<b>September 30, 2013</b>	<b>December 31, 2012</b>
Raw materials	23.972.194	24.859.168
Semi-finished goods	18.327.258	12.864.798
Finished products	47.613.273	49.128.450
(Inventories provisions)	(5.921.832)	(5.768.648)
<b>TOTAL</b>	<b>83.990.893</b>	<b>81.083.768</b>

The inventories at 30/09/2013 amounts to 83,991 thousand Euro, net of the inventories provision for a total of 5,922 thousand Euro. The net value of the inventories on 30/09/2013 shows an increase equal to 2,907 thousand Euro compared with 31/12/2012.

#### NOTE 6.7 - TRADE RECEIVABLES

The trade receivables on 30/09/2013 amounted to 69,307 thousand Euro and compared to the previous financial year a decrease of 1,395 thousand Euro was experienced.

<b>Trade Receivables</b>	<b>September 30, 2013</b>	<b>December 31, 2012</b>
Trade receivables from customers	72.816.857	74.827.697
Provisions for bad debts	(3.509.535)	(4.125.275)
<b>Total Trade Receivables</b>	<b>69.307.322</b>	<b>70.702.422</b>

The provisions for bad debts reflects the management estimate about the expected losses of the Group.

#### NOTE 6.8 - OTHER RECEIVABLES

The other current receivables on 30/09/2013 are equal to 8,264 thousand Euro and are increased of 747 thousand Euro in comparison with 31/12/2012 and are subdivided as shown in the following table.

<b>Other Receivables</b>	<b>September 30, 2013</b>	<b>December 31, 2012</b>
Contribution to be received for R&D projects	3.432.847	2.482.773
Accrued income and prepayment expenses	2.440.857	2.887.901
Advances payments to suppliers	1.880.907	1.386.119
Advances to employees	421.267	292.220
Other receivables	88.249	467.719
<b>TOTAL</b>	<b>8.264.127</b>	<b>7.516.732</b>

The other non-current receivables are equal to 25 thousand Euro.

#### NOTE 6.9 - CURRENT TAX RECEIVABLES

The heading amounts to 4,633 thousand Euro in increase of 793 thousand Euro on 31/12/2012. Current tax receivables are represented by VAT credits of 3,264 thousand Euro, a tax credit amounting to 970 thousand Euro following the submission of claims for IRES reimbursement (IRAP deductions for IRES purposes for the years 2007-2011), which arose in February 2013, by advances from direct taxes of 182 thousand Euro, by receivables entered by U.S. and German subsidiaries on losses incurred in previous financial years for 28 thousand Euro and other receivables for minor tax assets for 189 thousand Euro, almost exclusively for withholding tax.

With reference to the credit on tax losses in the U.S. and in Germany it should be noted that both the American and German tax law provide that a company, if it has a loss in the financial year, can request a refund (full or partial) of taxes paid in previous years (five financial years for U.S. law). In the face of such a request it is not necessary to create positive fiscal results in the future, it is only necessary to send the claim for reimbursement to the tax authorities. Therefore, this item was included under the heading of "Other tax assets".

#### NOTE 6.10 - NET FINANCIAL POSITION

On 30/09/2013, the net financial position of the Group was negative for an amount of 134,344 thousand Euro, compared to 126,279 thousand Euro on 31/12/2012. This variation is mainly due to the seasonality of the business; it should be noted that in the third quarter of the financial year, an increase in net financial exposure was historically recorded due to the increased need for working capital required to meet the high production rates in the last quarter of the year (at 30/09/2012 the net financial position amounted to 140,772 thousand Euro) For a better understanding of the variation in the net financial position achieved during the first nine months of 2013, refer to the consolidated financial report for the period.

As required by the Consob communication No. DEM/6064293 of 28/07/2006, the net financial position at 30/09/2013 and 31/12/2012 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.



Values expressed in thousand Euro

	September 30, 2013	December 31, 2012	Variations
A CASH	17.569	24.459	(6.890)
B OTHER CASH AND CASH EQUIVALENTS	-	-	-
C SECURITIES HELD FOR TRADING	-	-	-
<b>D LIQUIDITY (A+B+C)</b>	<b>17.569</b>	<b>24.459</b>	<b>(6.890)</b>
E CURRENT FINANCIAL RECEIVABLES	53	4.740	(4.687)
F CURRENT BANK PAYABLES	17.541	15.981	1.560
G CURRENT PART OF NON-CURRENT INDEBTEDNESS	42.716	39.574	3.142
H OTHER CURRENT FINANCIAL PAYABLES	3.634	958	2.676
<b>I CURRENT FINANCIAL INDEBTEDNESS (F+G+H)</b>	<b>63.891</b>	<b>56.513</b>	<b>7.378</b>
<b>J NET CURRENT FINANCIAL INDEBTEDNESS (I-D-E)</b>	<b>46.269</b>	<b>27.314</b>	<b>18.955</b>
K NON-CURRENT BANK PAYABLES	84.001	96.471	(12.470)
L BOND ISSUED	-	-	-
M OTHER NON-CURRENT FINANCIAL PAYABLES	4.074	2.494	1.580
<b>N NON-CURRENT FINANCIAL INDEBTEDNESS (K+L+M)</b>	<b>88.075</b>	<b>98.965</b>	<b>(10.890)</b>
<b>O NET FINANCIAL POSITION (J+N)</b>	<b>134.344</b>	<b>126.279</b>	<b>8.065</b>

## LIQUIDITY

For more detail on the related liquid availability, see the Consolidated cash flow statement.

## CURRENT FINANCIAL RECEIVABLES

The current financial receivables amount to 53 thousand Euro and refers to an hedging derivate on the exchange rate risk (Currency Rate Swap - CRS).

## BANK INDEBTEDNESS

The main debt included in the bank debt is the FINPOLAR loan. This loan, which at 30/09/2013 amounts comprehensively to 120,694 thousand Euro, is subdivided as follows:

- Tranche A: medium/long term loan of 17,449 thousand Euro (*amortized* expiring in February 2015 with a six monthly payment at a constant percentage of capital);
- Tranche B: medium/long term loan of 63,396 thousand Euro (expiring in February 2016 with a *bullet* repayment on expiry);
- Tranche C1: medium/long term loan of 7,386 thousand Euro (*amortized* expiring in February 2015 with a six monthly payment at a constant percentage of capital);
- Tranche C2: credit line for anticipated invoices (*revolving*) used on 30/09/2013 for 12,148 thousand Euro (the credit line is usable for a maximum comprehensive sum of 12,200 thousand Euro for the Group working capital requirements);
- Tranche D: credit line for cash of 19,873 thousand Euro (of a maximum capital sum of 20 million Euro);
- on 30/09/2013 matured interest was recorded and not yet liquidated on all the quotas of the FINPOLAR loan for a comprehensive sum on 442 thousand Euro.

The FINPOLAR loan is for 78,331 thousand Euro expiring beyond 12 months.

Please note that at the date of this Interim Financial Report, the company has correctly paid the expiring instalment relating to the Finance bank pool, relating to the FINPOLAR Financing; below is some information concerning the current financial year for the *amortized* quota (Tranche A and C1), for the *bullet* quota (quota B) and for the above mentioned IRS coverage derivative:

- Capital Tranche A to C1 for 10,246 thousand Euro;
- Interests for Tranche A, B and C1 for 2,515 thousand Euro;
- Differentials on the derivate for 1,555 thousand Euro.

Included in the non-current bank debits are also other bank financing for 718 thousand Euro and the negative *fair value* of some derivative financial instruments (IRS - Interest Rate Swap) which amount comprehensively to 4,952 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 loan. The effectiveness test carried out on the covering derivative contracts highlighted, on 30/09/2013, 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 loan for 42,363 thousand Euro, *bank overdrafts* for 16.152 thousand Euro and other bank financing for 1,742 thousand Euro.

#### OTHER FINANCIAL PAYABLES

The Other financial payables amount comprehensively to 7,708 thousand Euro (of which 3,634 thousand are current).

The other financial payables encompass:

- payables for financial leasing for a sum equal to 2,704 thousand Euro (of which 517 thousand Euro are current);
- other financial payables for 5,004 thousand Euro (of which 3,117 thousand Euro are current); these payables refer principally to subsidized ministerial loans and a contribution of funded research activities amounting to 2,882 thousand Euro, collected by Prima Industrie SpA, as the project leader, that will be redistribute it in a short time between all partners in the project.

#### MOVEMENT OF PAYABLES DUE TO BANKS AND FINANCING

The payables due to banks and the financing of the PRIMA INDUSTRIE Group on 30/09/2013 (not including the *fair value* of derivatives) are equal to 147,013 thousand Euro and during the first nine months of 2013, they have changed as shown in the following table.

<b>BANK PAYABLES AND LOANS</b>		<i>Euro thousand</i>
Bank Payables and loans - current portion (December 31, 2012)		56.513
Bank Payables and loans - non-current portion (December 31, 2012)		91.703
<b>TOTAL PAYABLES TO BANKS AND LOANS AS OF DECEMBER 31, 2012</b>		<b>148.216</b>
Variation in the consolidation area		-
Stipulation of loans and borrowings <i>(including bank overdrafts)</i>		14.107
Repayment of loans and borrowings <i>(including bank overdrafts)</i>		(15.230)
Stipulation/(repayments) of financial leasing		11
Exchange rate variation		(91)
<b>BANK PAYABLES AND LOANS AS OF SEPTEMBER 30, 2013</b>		<b>147.013</b>
of which:		-
Payables to banks and loans- current portion (September 30, 2013)		63.891
Payables to banks and loans - non-current portion (September 30, 2013)		83.122
<b>TOTAL BANK PAYABLES AND LOANS AS OF SEPTEMBER 30, 2013</b>		<b>147.013</b>

#### NOTA 6.11 -ASSETS HELD FOR SALE

On 30/09/2013, the value of the assets held for sale are equal to 1,636 thousand Euro

<b>Assets held for sale</b>	<b>SUP Investments</b>	<b>SNK Investments</b>	<b>Real Property Rivalta sul Mincio</b>	<b>TOTAL</b>
Value at December 31, 2012	3.503.352	83.500	543.000	4.129.852
Disinvestments	(2.424.212)	(77.780)	-	(2.501.992)
Surplus value	12.152	-	-	12.152
<i>Fair value</i> adjustment	-	(666)	-	(666)
Currency adjustment	70.304	(5.054)	-	65.250
Impairment	-	-	(69.000)	(69.000)
Value at September 30, 2013	1.161.596	-	474.000	1.635.596

The investment in the JV SUP held by PRIMA INDUSTRIE SpA amounted to 1,162 thousand Euro; in May 2013, PRIMA INDUSTRIE SpA transferred to the majority shareholder WUHAN HUAGONG UNITY an additional quota equal to 10% of its investment held; on 30/09/2013 PRIMA INDUSTRIE SpA holds a quota of only 5%.

As already mentioned in the Consolidated Financial Statements at 31/12/2012, PRIMA INDUSTRIE SpA had announced the intention not to renew the agreement with the Japanese joint venture SNK; during the month of April 2013 the shareholding held in SNK has been completely liquidated.

In this asset are classified some properties under construction held by the Company FINN-POWER Italia Srl located in Mantova, Italy, during the first nine months of 2013 they have been depreciated to adapt them to their *fair value*.

#### NOTE 6.12 - EQUITY

The equity have increased in comparison to the previous financial year by 3,561 thousand Euro. For more detail on the subject, see the statement of changes in consolidated equity.

#### NOTE 6.13 - EMPLOYEES BENEFITS LIABILITIES

The employees benefits liabilities 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 by PRIMA POWER France Sarl to their employees.

The table below compares the items in question, noting that starting from 01/01/2013 the amended IAS 19 enters into force, to be applied retroactively (for more details, please see the methodological note in the previous paragraph "ACCOUNTING STANDARDS").

Employees benefits liabilities	December 31, 2012	Effects deriving from the application of amended IAS 19	December 31, 2012 restated
Severance indemnity fund	5.677.403	359.257	6.036.660
Fidelity premium	1.399.821	192.821	1.592.642
<b>TOTAL</b>	<b>7.077.224</b>	<b>552.078</b>	<b>7.629.302</b>

Employees benefits liabilities	September 30, 2013	December 31, 2012 restated
Severance indemnity fund	6.022.048	6.036.660
Fidelity premium	1.711.400	1.592.642
<b>TOTAL</b>	<b>7.733.448</b>	<b>7.629.302</b>

#### NOTE 6.14 - DEFERRED TAXES LIABILITIES

The deferred taxes liabilities are equal to 9,745 thousand Euro, an increase compared with the previous financial year of 449 thousand Euro. It should be noted that this heading includes also fiscal liabilities for deferred taxes on the trademark, on the relation with clients and the Cologne Veneta real estate deriving from the company merger of the FINN-POWER Group amounting to 6,029 thousand Euro.

#### NOTE 6.15 - PROVISIONS

The provisions for liabilities and charges are equal to 11,280 thousand Euro and are decreased compared with 31/12/2012 by 283 thousand Euro.

The most significant type is that relating to the warranty provision, which relates to the provisions for technical warranty interventions on the group's products and is considered appropriate in comparison to the warranty costs which have to be provided for.

The non-current provisions refer exclusively to the agent indemnity and amount comprehensively to 126 thousand Euro. The current provisions mainly relate to product warranties and completion of ongoing projects for 10,602 thousand Euro.

The other provisions refer to legal procedures and other disputes; these funds represent the best estimate by management of the liabilities which must 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 6.16 - TRADE PAYABLES, ADVANCES PAYMENTS AND OTHER PAYABLES

The value of these payables has decreased compared to 31/12/2012 by 11,089 thousand euro. It is recalled that the client accounts heading contains both the accounts on orders relating to

machines which have not yet been delivered, as well as those generated by the application of the IAS 18 accounting principle relating to machines already delivered, but not yet accepted by the end customer and therefore not written into revenue. The Other payables include social security and payables, payables with employees, accrued expenses and deferred income and other minor payables.

For greater detail on the subject, see the table below.

Trade payables, advances and other payables	September 30, 2013	December 31, 2012
Trade payables	64.633.741	72.403.779
Advances	15.544.737	16.991.891
Other payables	15.794.115	17.665.682
<b>TOTAL</b>	<b>95.972.593</b>	<b>107.061.351</b>

#### NOTE 6.17 - CURRENT TAX PAYABLES

The current tax payables on 30/09/2013 are equal to 4,071 thousand Euro, a reduction of 838 thousand Euro compared with the previous fiscal year (4,910 thousand euro on 31/12/2012).

#### NOTE 6.18 - NET REVENUES

The net income have been commented on chapter 3 of this document "Interim Report on Management" in the paragraph "Revenues and Profitability".

#### NOTE 6.19 - OTHER INCOME

The other income amounts to 2,936 thousand Euro and refers principally to contributions for research and development activity received by public bodies or following cooperation with other industrial companies.

#### NOTE 6.20 - INCREASES IN FIXED ASSETS FOR INTERNAL WORK

The increases in fixed assets for internal work on 30/09/2013 amount to 6,176 thousand Euro and refer mainly to the capitalisation of new project development activity (5,935 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 FINN-POWER OY, by FINN-POWER ITALIA Srl, by PRIMA POWER LASERDYNE Llc, by PRIMA ELECTRO SpA, and by PRIMA ELECTRO NORTH AMERICA Llc.

#### NOTA 6.21 - PERSONNEL COSTS

The personnel costs at 30/09/2013 is equal to 66,170 thousand Euro and shows an increase compared with the corresponding period of the previous financial year of 336 thousand Euro.

#### NOTA 6.22 - DEPRECIATION AND IMPAIRMENT

The depreciation and *impairment* at 30/09/2013 are equal to 8,775 thousand Euro (of which 6,665 thousand Euro are related to intangible fixed assets). It is opportune to highlight that the depreciation relating to the trademark and relationships with clients ("customers list") amount to a comprehensive 2,256 thousand Euro, while those relating to development costs are equal to 3,770 thousand Euro. During the first nine months of 2013 the Group has recorded an impairment loss of 84 thousand Euro on some real estate assets classified as "assets held for sale" and certain intangible assets.

#### NOTE 6.23 - OPERATING EXPENSES

The operating expenses for the first six months of 2013 amounted to 55,882 thousand Euro compared with 59,004 thousand Euro at 30/09/2012.

#### NOTE 6.24 - FINANCIAL INCOME AND EXPENSES

The financial management of the first nine months of 2013 shows a negative result of 6,561 thousand Euro.

Financial Management	September 30, 2013	September 30, 2012
Financial income	270.499	74.519
Financial costs	(6.014.087)	(6.559.240)
Net result deriving from transactions in foreign currency	(817.197)	(247.412)
<b>TOTAL</b>	<b>(6.560.785)</b>	<b>(6.732.133)</b>

The financial expenses relating to the FINPOLAR loan sustained by PRIMA INDUSTRIE are equal to 2,712 thousand Euro, while the financial expenses on the derivatives stipulated by the group are equal to 1,406 thousand Euro.

#### NOTE 6.25 - NET RESULT ON INVESTMENTS NOT FULLY CONSOLIDATED

This heading on 30/09/2013 is negative for 1,006 thousand Euro (on 30/09/2012 it was positive for 844 thousand Euro) and mainly refers to the impairment of investments in EPS and Caretek Srl (totally equal to 487 thousand Euro) and to the sale of its stake to the Chinese JV SUP (overall negative effect of 518 thousand Euro).

#### NOTE 6.26- TAXES

The taxes on income for the first nine months of 2013 show a net negative balance of 1,280 thousand Euro, of which IRAP (Regional income tax) equal to 1,050 thousand Euro (at 30/09/2012 the net negative balance was 2,533 thousand Euro, of which IRAP for 1,134 thousand Euro). The Group recorded a tax credit amounting to 1,048 thousand Euro following the submission of claims for IRES refund (IRAP deductions for IRES purposes for the years 2007- 2011) in February 2013.

#### NOTE 6.27 - 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 nine months of 2013, the average shares in circulation is equal to 8,648,464; therefore the earnings per share in the first nine months of 2013 amounted to a profit of 0.25 per share (against a profit of 0.33 Euro per share compared with the first nine months of 2012).

BASIC PROFIT PER SHARE	September 30, 2013	September 30, 2012
Profit due to shareholders (Euro/000)	2.145	2.818
Weighted average number of ordinary shares	8.648.464	8.641.429
Basic profit per share (Euro)	0,25	0,33

(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	September 30, 2013	September 30, 2012
Profit due to shareholders (Euro/000)	2.145	2.818
Weighted average number of ordinary shares	8.648.464	8.641.429
Corrected average number of ordinary shares	10.971.121	10.981.018
Diluted result per share	0,20	0,26

Those shares attached to *stock option* 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 6.28 - INFORMATION ON RELATED PARTIES

Transactions with related parties concern the relationships with strategic management and the Board of Auditors.

OPERATIONS WITH RELATED PARTIES	Strategic Management	Board of Statutory auditors	TOTAL
RECEIVABLES AS OF 01/01/2013	-	-	-
RECEIVABLES AS OF 30/09/2013	-	-	-
PAYABLES AS OF AL 01/01/2013	487.474	105.000	592.474
PAYABLES AS OF 30/09/2013	225.680	68.750	294.430
COSTS 01/01/2013 - 30/09/2013	1.018.877	78.750	1.097.627
VARIATIONS IN PAYABLES			
01/01/2013 - 30/09/2013	(261.794)	(36.250)	(298.044)

NOTE 6.29 - 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 - Interim Report on the Management of the Group" and "4 - Economical Progress by Sector", given that the latter 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 are supplied below.

Sector profit as of September 30, 2013	PRIMA POWER	PRIMA ELECTRO	Items not allocated	TOTAL
Total sector revenues	211.188	36.843	-	248.031
(Inter-sector revenues)	(65)	(9.714)	-	(9.779)
<b>Revenues</b>	<b>211.123</b>	<b>27.129</b>	<b>-</b>	<b>238.252</b>
<b>EBITDA</b>	<b>15.264</b>	<b>4.491</b>	<b>-</b>	<b>19.755</b>
<b>EBIT</b>	<b>8.003</b>	<b>2.978</b>	<b>-</b>	<b>10.981</b>
Net financial expenses / income	(5.986)	(575)	-	(6.561)
Income/costs from investments not fully consolidated	(519)	(487)	-	(1.006)
<b>Profit before taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.414</b>
Taxes	-	-	(1.280)	(1.280)
<b>Net result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.134</b>

*EBIT and EBITDA values here presented are not directly reconcilable with the data presented in Chapter 4 -ECONOMIC PERFORMANCE BY SEGMENT since they are not presented at net of inter -sector items.*

Sector assets and liabilities as of September 30, 2013	PRIMA POWER	PRIMA ELECTRO	Items not allocated	TOTAL
Assets	278.865	57.828	29.735	366.428
Related Parties, J/V and other equity investments <sup>(*)</sup>	1.277	178	-	1.455
<b>Total assets</b>	<b>280.142</b>	<b>58.006</b>	<b>29.735</b>	<b>367.883</b>
<b>Liabilities</b>	<b>100.324</b>	<b>14.662</b>	<b>165.783</b>	<b>280.769</b>

<sup>(\*)</sup> Including the investments classified in the Assets held for Sale

Sector profit as of September 30, 2012	PRIMA POWER	PRIMA ELECTRO	Items not allocated	TOTAL
Total sector revenues	217.280	41.853	-	259.133
(Inter-sector revenues)	(36)	(13.718)	-	(13.754)
<b>Revenues</b>	<b>217.244</b>	<b>28.135</b>	<b>-</b>	<b>245.379</b>
<b>EBITDA</b>	<b>14.549</b>	<b>5.180</b>	<b>-</b>	<b>19.729</b>
<b>EBIT</b>	<b>7.469</b>	<b>3.770</b>	<b>-</b>	<b>11.239</b>
Net Financial cost/income	(5.800)	(932)	-	(6.732)
Income/expenses from affiliates and Joint Ventures	844	-	-	844
<b>Profit before taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.351</b>
Taxes	-	-	(2.533)	(2.533)
<b>Net result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.818</b>

*EBIT and EBITDA values here presented are not directly reconcilable with the data presented in Chapter 4 -ECONOMIC PERFORMANCE BY SEGMENT since they are not presented at net of inter -sector items.*

Sector assets and liabilities as of September 30, 2012	PRIMA POWER	PRIMA ELECTRO	Items not allocated	TOTAL
Assets	290.740	60.455	27.950	379.145
Related Parties, J/V and other equity investments <sup>(*)</sup>	8.640	833	-	9.473
<b>Total assets</b>	<b>299.380</b>	<b>61.288</b>	<b>27.950</b>	<b>388.618</b>
<b>Liabilities</b>	<b>116.491</b>	<b>18.030</b>	<b>172.157</b>	<b>306.678</b>

<sup>(\*)</sup> Including the investments classified in the Assets held for Sale

### Information sheet by geographic area

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

### NOTE 6.30 - MANAGEMENT OF 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 payables and receivables, 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.

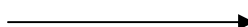
### **Interest rate risk**

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            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* of the exposure to interest rate risks;
- *Hedging* activity through derivative financial instruments.

### **Exchange rate risk**

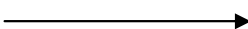
The debit position towards the banking system and the capital market, as well as towards other creditors, can be expressed in one's own account currency (Euro), or in other currencies on account. In this case, the financial burden of the debit in currency is subject to the interest rate risks, not of 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  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 of the U.S. subsidiaries, for which the U.S. 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, because the fluctuations of purchase in U.S. 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 U.S. dollars and because the Group also works with other currencies for which hedging transactions are not available (or appropriate).

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 U.S. 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.

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

It should be 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 August 5, 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 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.

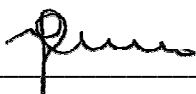
The current difficult market environment whether operational or financial requires particular attention to the management of liquidity risks and, in this sense, particular attention is given to those actions aimed at generating financial resources through operational management and the maintenance of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

Therefore, the group has arranged to confront the requirements emerging from financial payable 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 6.31 - SUBSEQUENT EVENTS

At the date of preparation of this document, no events have took place after the reference date of the Interim Management Report that, if known, would have resulted in a correction of the values.

Signature of the authorized governing body

  
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## **CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AT 30/09/2013**

**Declaration pursuant to article 154-bis, paragraph 2 of Part IV, Title III, Chapter II, Section V bis of Legislative Decree of February 24, 1998, no. 58: Consolidated Law on Financial Intermediation, pursuant to Articles 8 and 21 of the Law of February 6, 1996, No. 52.**

The manager responsible for preparing the company accounting documents of the PRIMA INDUSTRIE Group, Davide Danieli declares, in accordance with the provisions of the second paragraph of Art. 154 bis, Part IV, Title III, Chapter II, Section V bis of Legislative Decree of February 24, 1998, No. 58, that the accounting information contained in this Interim Financial Report at 30/09/2013 corresponds to the document results, books and accounting records.