



INTERIM FINANCIAL REPORT AS OF SEPTEMBER 30th, 2012

Board of Directors on November 12th, 2012

PRIMA INDUSTRIE S.p.A.

Share Capital € 21,606,027.50 (fully paid)

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

Registered office in Collegno (Turin) Via Antonelli, 32

Website: www.primaindustrie.com - e-mail: ir@primaindustrie.com

MANAGEMENT AND CONTROL

Board of Directors

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

Internal Control Committee

Chairman	Enrico Marchetti
Members	Sandro D'Isidoro Mario Mauri

Remuneration Committee

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

Board of Auditors

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

Auditing Company	Reconta Ernst & Young SpA
------------------	---------------------------

Expiry of Mandates and Appointments

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

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

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

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

CONTENTS

CHAPTER 1. STRUCTURE AND PROFILE OF PRIMA INDUSTRIE GROUP AS OF SEPTEMBER 30, 2012	4
PRIMA INDUSTRIE GROUP STRUCTURE	4
PRIMA INDUSTRIE GROUP PROFILE	5
CHAPTER 2. INTRODUCTION	7
FOREWORD	7
ALTERNATIVE PERFORMANCE INDICATORS	7
EXCHANGE RATES	8
CONSOLIDATION AREA	8
CHAPTER 3. GROUP INTERIM MANAGEMENT REPORT	12
SIGNIFICANT EVENTS OF THE PERIOD	12
MACROECONOMIC CONTEXT	12
REVENUES AND PROFITABILITY	13
NET FINANCIAL POSITION	16
TRADE ASSETS AND ORDER PORTFOLIO	16
RESEARCH AND DEVELOPMENT	17
PERSONNEL	19
OPERATIONS WITH RELATED PARTIES	19
STOCK TREND AND TREASURY STOCK	19
SHAREHOLDING STRUCTURE	20
STOCK OPTION PLANS	21
FORESEENABLE DEVELOPMENTS OF MANAGEMENT	21
EVENTS AFTER III QUARTER CLOSURE	22
ATYPICAL AND UNUSUAL TRANSACTIONS	22
CHAPTER 4. ECONOMIC PROGRESS BY SEGMENT	24
PRIMA POWER	24
PRIMA ELECTRO	25
CHAPTER 5. CONDENSED CONSOLIDATED FINANCIAL STATEMENT OF PRIMA INDUSTRIE GROUP AS OF 30/09/12	27
CONSOLIDATED FINANCIAL BALANCE SHEET	27
CONSOLIDATED INCOME STATEMENT	28
TOTAL CONSOLIDATED INCOME STATEMENT	29
STATEMENT OF CHANGES IN CONSOLIDATED STOCKHOLDERS' EQUITY	30
CONSOLIDATED CASH FLOW STATEMENT	31
CHAPTER 6. EXPLANATORY NOTES	33
FORM AND CONTENT	33
ACCOUNTING PRINCIPLES	33
FINANCIAL STATEMENTS FORMAT	34
EXPLANATORY NOTES	35
CERTIFICATION OF THE CONSOLIDATED BALANCE SHEET AS OF 30/09/2012	51

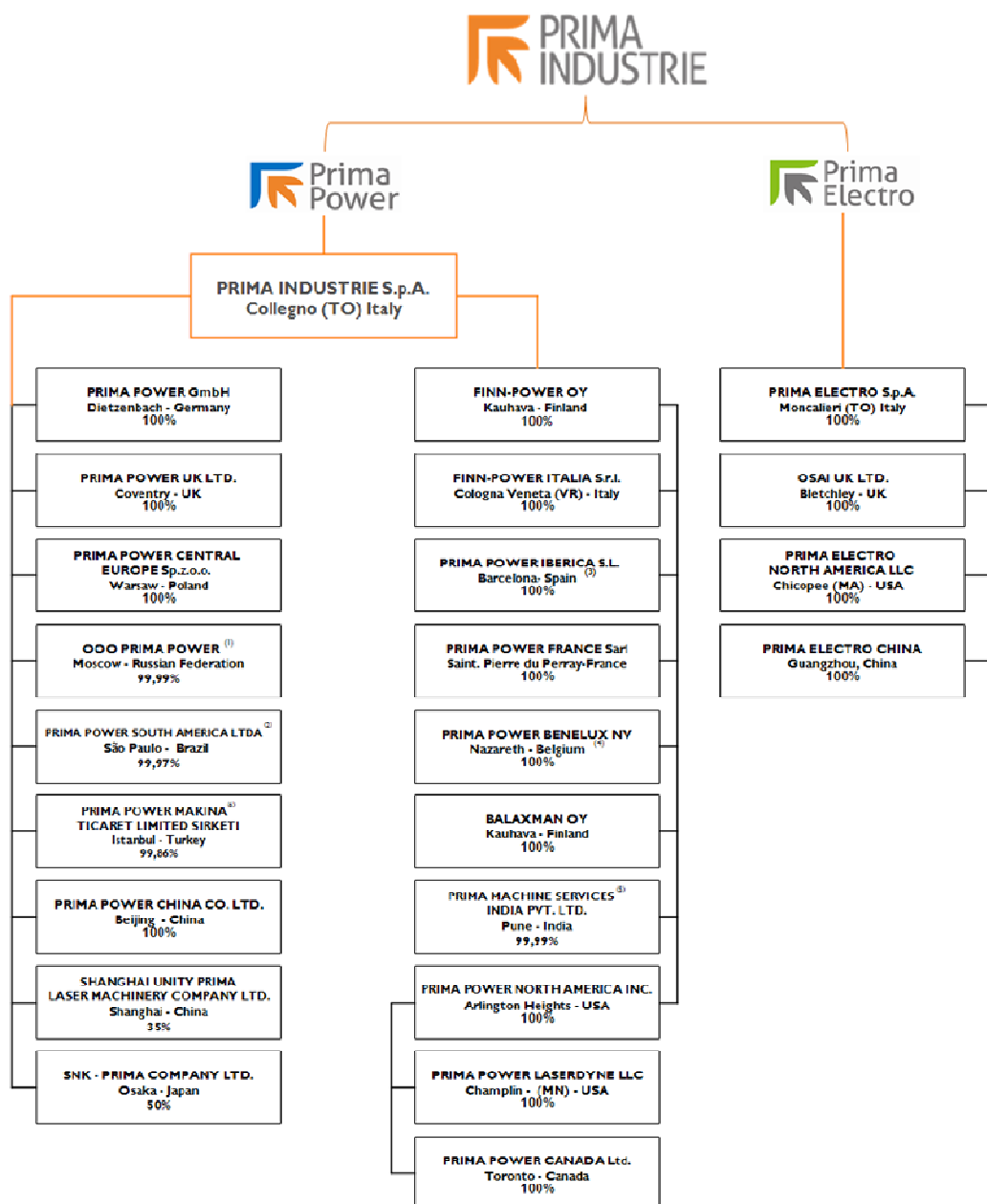


CHAPTER 1.

STRUCTURE AND PROFILE OF PRIMA INDUSTRIE GROUP AS OF SEPTEMBER 30, 2012

CHAPTER 1. STRUCTURE AND PROFILE OF PRIMA INDUSTRIE GROUP AS OF SEPTEMBER 30, 2012

PRIMA INDUSTRIE GROUP STRUCTURE



The statement in these pages represents the organizational structure of PRIMA INDUSTRIE Group as of September 30th, 2012.

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

PROFILE OF PRIMA INDUSTRIE GROUP

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 sector.

The group leader PRIMA INDUSTRIE SpA, founded in 1977 and listed 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 Group, with 35 years experience boasts 10,000 machines installed in more than 70 Countries and is amongst the leading manufacturers world-wide in the reference market.

Following the purchase of the FINN-POWER Group in February 2008, the PRIMA INDUSTRIE Group 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 sheet metal processing;
- 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;
- the machines for processing plate through the use of mechanical tools (punching machines, integrated systems for punching and shearing, integrated systems for punching and laser cutting, panelling machines and automation systems).

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 China (Shanghai Unity PRIMA Ltd) as well as 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, Korea and the Arab Emirates.

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. 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.

Over thirty years after its foundation, the PRIMA INDUSTRIE Group's mission continues to be that of systematically expanding the range of its products and services and 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.



CHAPTER 2.

INTRODUCTION

CHAPTER 2. INTRODUCTION

FOREWORD

The Interim Financial Report of 30.09.12 of the PRIMA INDUSTRIE Group has been drawn up pursuant to article 154 of Legislative Decree 58/1998 and subsequent amendments, as well as the issuer's Listing Rules by CONSOB (National Commission for Companies and the Stock Exchange).

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

This Interim Financial Report has been approved by the Board of Directors on November 12, 2012 and has not been subjected 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 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 "Operating Profit" resulting from the balance sheet either under the item "Depreciation", or the item "Impairment and write-downs".

Also mentioned furthermore:

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

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, 2012	Sept. 30, 2011	Sept. 30, 2012	Dec 31, 2011
US DOLLAR	1,2817	1,4063	1,2930	1,2939
POUND STERLING	0,8123	0,8713	0,7981	0,8353
CHINESE RENMINBI	8,1104	9,1389	8,1261	8,1588
JAPANESE YEN	101,7045	113,3313	100,3700	100,2000
POLISH ZLOTY	4,2086	4,0181	4,1038	4,4580
CANADIAN DOLLAR	1,2845	1,3747	1,2684	1,3215
RUSSIAN RUBLE	39,7964	40,4803	40,1400	41,7650
BRAZILIAN REAL	2,4562	2,2932	2,6232	2,4159
INDIAN RUPEE	68,0750	63,6457	68,3480	68,7130
TURKISH LIRA	2,3101	2,2880	2,3203	2,4432

CONSOLIDATION AREAS

The only variation occurring during the first nine months of 2012 in the area of consolidation has been the entry of the newly constituted Turkish branch PRIMA POWER MAKINA TICARET LIMITED SIRTEKI (99.86% owned by PRIMA INDUSTRIE SpA).

On 30.09.12, the subsidiary companies indicated in the following prospectuses were the object of full consolidation. The SNK PRIMA Company Ltd joint-venture was consolidated with the equity method, while the joint venture Shanghai Unity PRIMA Laser Machinery Co. Ltd was classified amongst non-current Assets, destined for divestment and consequently valued at *fair value*.

SUBSIDIARIES				
PRIMA POWER	REGISTERED OFFICE	SHARE CAPITAL	OWNERSHIP	CONSOLIDATION METHOD
PRIMA POWER GmbH	Lise-Meitner Strasse 5, Dietzenbach, GERMANY	€ 500.000	100%	Line-by-line method
PRIMA POWER UK LTD	Unit 1, Phoenix Park, Bayton Road, Coventry CV7 9QN, UNITED KINGDOM	GBP 1	100%	Line-by-line method
PRIMA POWER CENTRAL EUROPE Sp.z.o.o.	ul. Fabryczna 24 - 05 - 092 Łomianki Warsaw, POLSKA	PLN 350.000	100%	Line-by-line method
OOO PRIMA POWER	Ordzhonikidze str., 11/A - 115419, Moscow - RUSSIAN FEDERATION	RUB 4.800.000	99,99%	Line-by-line method
PRIMA POWER SOUTH AMERICA Ltda	Av Fuad Lutfalla, 1,182 - Freguesia do O - 02968-00, Sao Paulo BRASIL	R\$ 350.000	99,97%	Line-by-line method
PRIMA POWER MAKINA TICARET LIMITED SIRKETI ⁽¹⁾	Camlik Mahallesi Ikbal Caddesi Dinc Sokak No:31 Niyazibey Plaza, Istanbul - TURKEY	TRY 1.470.000	99,86%	Line-by-line method
PRIMA POWER CHINA Company Ltd.	Rm.1 M, no. 1 Zuo Jia Zhuang. Guomen Building, Chaoyang District, Beijing, P.R. CHINA	RMB 2.038.778	100%	Line-by-line method
FINN POWER Oy	Metallite 4, FI - 62200 Kauhava, FINLAND	€ 23.417.108	100%	Line-by-line method
FINN-POWER Italia S.r.l.	Viale Artigianato 9, 37044, Cologna Veneta (VR), ITALY	€ 1.500.000	100%	Line-by-line method
PRIMA POWER IBERICA S.L.	C/Primero de Mayo 13-15, 08908 L'Hospitalet de Llobregat, Barcelona, SPAIN	€ 6.440.000	100%	Line-by-line method
PRIMA POWER FRANCE Sarl	Espace Green Parc , Route de Villepècle, 91280 St. Pierre du Perray, FRANCE	€ 792.000	100%	Line-by-line method
PRIMA POWER BENELUX NV	Leenstraat 5, B-9810 Nazareth, BELGIUM	€ 500.000	100%	Line-by-line method
BALAXMAN Oy	Metallite 4, FI-62200 Kauhava, FINLAND	€ 2.522	100%	Line-by-line method
PRIMA MACHINE SERVICES INDIA PVT. LTD.	Mezzanine Floor, Poonam Plaza 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.	1040 Martingrove Rd, U.11, Toronto, Ontario M9W 4W4, CANADA	CAD 200	100%	Line-by-line method

(1) Please note that at the reference's date of these financial statements, the share capital of the company PRIMA POWER MAKINA TICARET LIMITED SIRTEKI has not yet been fully paid.

SUBSIDIARIES				
PRIMA ELECTRO	REGISTERED OFFICE	SHARE CAPITAL	OWNERSHIP	CONSOLIDATION METHOD
PRIMA ELECTRO S.p.A.	Strada Carignano 48/2, 10024 Moncalieri, (TO) ITALY	€ 6.000.000	100%	Line-by-line method
OSAI UK Ltd.	Mount House - Bond Avenue, Bletchley, MK1 1SF Milton Keynes, UNITED KINGDOM	GBP 160.000	100%	Line-by-line method
PRIMA ELECTRO NORTH AMERICA LLC.	711 East Main Street, Chicopee, MA 01020, U.S.A.	USD 24.119.985	100%	Line-by-line method
PRIMA ELECTRO (CHINA) Co.Ltd.	23G East Tower, Fuxing Shangmao n.163, Huangpu Avenue Tianhe District 510620 Guangzhou P.R. CHINA	RMB 852.817	100%	Line-by-line method
JOINT VENTURES				
	REGISTERED OFFICE	SHARE CAPITAL	OWNERSHIP	CONSOLIDATION METHOD
Shanghai Unity PRIMA Laser Machinery Co. Ltd.	2019, Kunyang Rd., Shanghai 201111 - P.R. CHINA	RMB 16.000.000	35%	Not Consolidated - Classified as AHFS
SNK PRIMA Company Ltd	Misaki Works 3513-1, Fuke Misaki-Cho, Sennan-Gun, Osaka, JAPAN	YEN 90.000.000	50%	Net equity Method



CHAPTER 3.

GROUP INTERIM MANAGEMENT REPORT

CHAPTER 3. GROUP INTERIM MANAGEMEN REPORT

SIGNIFICANT EVENTS OF THE PERIOD

No particularly significant events have occurred in the reference quarter.

MACROECONOMIC CONTEXT

The global economic trend has remained weak in the third quarter. The underlying tendency is still dominated by the contraction of economic activity and by financial turmoil in the Eurozone. But other factors besides the Eurozone crisis now seem to contribute to the weak economic activity: the chief risk is the excessive fiscal restraint in the United States.

According to the IMI Bank Studies Office, it appears unlikely that the debt crisis in the Eurozone will degenerate, while it is more probable that the scenario of a perduring crisis will continue, without however dire turn of events, which leads to a mild recession in the Countries at the heart of the Eurozone. Always according to Banca IMI, instead, it is likely that the United States will cut down by half the impact of the automatic fiscal restraint of end 2012-beginning 2013, limiting stalling internal deamnd and maintaining a positive growth. The scenario for the Eurozone on a whole remains one of "mild" recession; a true recovery, should the financial turmoil continue to display a downturning trend, will only be seen well into 2013.

With regards to Italy, the weakening of global economic growth and the uncertainty concerning how the crisis in the Eurozone will evolve have led the International Monetarty Fund to adjust their previous forecasts, with 2012 set to close with a GNP in contraction by 2.3% compared with the -1.9% forecasted in July and down by 0.7% in 2013. On a broader scale, the Eurozone will be in recession in 2012, with a GNP that will drop by 0.4%. The forecasted growth is also modest in 2013 (+0.2%), while Germany's GNP will rise by 0.9% in 2012 and in 2013, the French GNP merely 0.1% this year and by 0.4% the next year. The global GNP is expected to rise by 3.3% in 2012 and by 3.6% in 2013.

The driving economies of emerging Countires are also stalling. Growth in China is forecasted to rise by 7.8% this year and by 8.2% in the following year, down by 0.2% compared with the previous forecasts for both years. India will probably not go beyond a 4.9% increase of its GNP in 2012, 6% in the next year. Russia, it too showing a downward trend compared with forecasts in July by the IMF, is set to stabilize at 3.7% and 3.8%, respectively in 2012 and 2013. The performance of the United States remains substantial among the primary global economies, with an expected growth of 2.2% this year and of 2.1% in the next, forecasts that on a whole remain essentially unvaried compared with the IMF's most recent report.

With regard to investment goods, the body of economic research Oxford Economics registers a context of uncertainty, deriving from the difficult forecasts of the trend in demand which, in turn, affects investment decisions. This is especially the case of Europe, where forecasts point to a weak demand, low capacity of using systems and troublesome conditions of access to credit, which make investment expenditure complicated. On the contrary, in the United States, forecasts of production in the sectors of machine tools have been reviewed, with an upward trend of growth expected for this year around 8.8% and slowing down in the following year to 3.9%. Consumption of investment goods will furthermore rise, with a healthy pace in Asia, where the strong demand of China and India should succeed in sustaining overall growth, while the strong increase in orders in Japan also seems to support growth perspectives.

According to the Italian Association of Machine Tools Manufacturers (UCIMU), the sector will only start recovering in the second half of 2013. The market currently distinguishes itself for an internal demand that continues to show a downturning tendency, against sales overseas stably growing, with China continuing to be the top client, in spite of the presence of growing exports to Countries like Mexico, Russia, Turkey and Poland.

REVENUES AND PROFITABILITY

The consolidated proceeds at 30.09.12 amount to 245,379 thousand Euro, a growth of 21% (equal to 41,972 thousand Euro) compared with the corresponding period of the 2011 financial year (203,407 thousand Euro).

The consolidated turnover is shown below on a geographic basis at 30.09.2012 compared with the corresponding period for the previous financial year.

Revenues	Sept.30, 2012		Sept 30, 2011	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
Italy	33.397	13,6	29.490	14,5
Europe	90.571	36,9	77.891	38,3
North America	58.484	23,8	43.433	21,3
Asia and rest of the world	62.927	25,7	52.593	25,9
TOTAL	245.379	100,0	203.407	100,0

The sales per geographic area show a growing turnover in all destination markets. Of particular significance is the growth in North America, which shows an increase of 15,051 thousand Euro, going from 21.3% to 23.8% of total sales.

Sales in Italy, which for the financial year of 2011 suffered a downturn, show a moderate increase of 3,907 thousand Euro.

Below, a subdivision of the proceeds by segments of the gross inter-sector transactions is shown (for more detailed indications on the matter of operational segments of the Group, see Note 6.30 - SECTOR INFORMATION).

Revenues	Sept.30, 2012		Sept 30, 2011	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
PRIMA POWER	217.280	88,5	172.979	85,1
PRIMA ELECTRO	41.853	17,1	41.761	20,5
Inter-sector revenues	(13.754)	(5,6)	(11.333)	(5,6)
TOTALE	245.379	100,0	203.407	100,0

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

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
TOTAL	33.397	90.571	58.484	62.927	245.379

Revenues segment/area - September 30 2011	Italy	Europe	North America	Asia and rest of the world	TOTAL
€/000					
PRIMA POWER	19.442	64.977	41.753	46.730	172.902
PRIMA ELECTRO	10.048	12.914	1.680	5.863	30.505
TOTAL	29.490	77.891	43.433	52.593	203.407

The PRIMA POWER division shows a significant increase of sales in all areas in the first nine months of 2012. The division has made sales in Europe for 35.1%, in North America (26.1%), in Asia and the Rest of the World for 27.4% (especially in Russia, Korea, China, Brazil and Turkey) and in Italy (11.4%).

The PRIMA ELECTRO division is present in Italy for 30.8%, in Europe for 50.5% (primarily in Spain and the Benelux countries), in Asia and the rest of the world (primarily China) for 12% and in North America for 6.7%. The said values do not take into account the turnover achieved by PRIMA ELECTRO towards the PRIMA POWER Division.

The **Value of production** at 30.09.12 is equal to 263,802 thousand Euros, an increase of 18% with respect to the corresponding period for 2011 (increase of 40,103 thousand Euros). In the value of the production of the period, increases for internal work are present, equal to 4,582 thousand Euro (3,937 thousand Euro at 30.09.11); these costs principally refer to investment in development activities.

Performance indicators	Sept.30, 2012		Sept 30, 2011	
	<i>Euro thousand</i>	<i>% on sales</i>	<i>Euro thousand</i>	<i>% on sales</i>
EBITDA	19.729	8,0	12.960	6,4
EBIT	11.239	4,6	5.599	2,8
EBT	5.351	2,2	(1.079)	(0,5)
NET RESULT	2.818	1,1	(3.133)	(1,5)

The profitability trend in the third quarter is shown below:

Performance indicators	3rd quarter 2012		3rd quarter 2011	
	<i>Euro thousand</i>	<i>% on sales</i>	<i>Euro thousand</i>	<i>% on sales</i>
EBITDA	8.510	10,4	5.658	7,5
EBIT	5.554	6,8	3.140	4,1
EBT	3.365	4,1	1.343	1,8
NET RESULT	2.508	3,1	288	0,4

The **EBITDA** of the Group is equal to 19,729 thousand Euro (8% of the turnover); with respect to the first nine months of 2011 a considerable improvement is noted both in absolute terms (growth of 6,769 thousand Euro) and in percentage terms (from 6.4% of the turnover at 8%). The EBITDA of the group is shown below at 30.09.12 and at 30.09.11 subdivided by segment (gross of the inter-sector transactions).

EBITDA	Sept.30, 2012		Sept 30, 2011	
	<i>Euro thousand</i>	<i>%</i>	<i>Euro thousand</i>	<i>%</i>
PRIMA POWER	14.143	71,7	7.534	58,1
PRIMA ELECTRO	5.668	28,7	5.580	43,1
Inter sector items and eliminations	(82)	(0,4)	(154)	(1,2)
TOTAL	19.729	100,0	12.960	100,0

The **EBIT** consolidated on 30.09.12 is equal to 11,239 thousand Euro and is improved by 5,640 thousand Euro with respect to the first nine months of 2011. The amortization of the tangible

assets influence this result to the amount of 2,118 thousand Euro, of the intangible assets of 6,130 thousand Euro and of the *impairment* of some non-current activities destined for phasing out, amounting to 242 thousand Euro. With regards to amortization of the tangible assets, 2,106 thousand Euro are referred to the amortization relating to the useful life activity written in in the sphere of the company merger of the FINN POWER Group (trade mark and relationship with the client base - "*customer list*") and 3,195 thousand Euro are referred to the amortization of the development costs.

The EBITDA of the group is shown below at 30.09.12 and 30.09.11, subdivided by segment gross of the inter-sector transactions.

EBIT	Sept.30, 2012		Sept 30, 2011	
	€/000	%	€/000	%
PRIMA POWER	7.056	62,8	1.210	21,6
PRIMA ELECTRO	4.258	37,9	4.536	81,0
Inter sector items and eliminations	(75)	(0,7)	(147)	(2,6)
TOTAL	11.239	100,0	5.599	100,0

The EBT consolidated on 30.09.12 is equal to 5,351 thousand Euro with an improvement equal to 6,430 thousand Euro compared with the corresponding period of the previous financial year (-1,079 thousand Euro); it is recalled that this sum discounts net burdens deriving from the financial management (including profits and losses on exchanges) for 6,732 thousand Euro (on 30.09.11 equal to 7,051 thousand Euro).

Financial management (€/000)	Sept.30, 2012	Sept 30, 2011
Financial Income	75	109
Finpolar loan expenses	(3.398)	(3.870)
Derivates expenses (IRS)	(1.638)	(1.679)
Derivate expenses (CRS)	(143)	46
Net exchange differences	(247)	(131)
Other financial expenses	(1.381)	(1.526)
TOTAL	(6.732)	(7.051)

These include, in particular, costs relative to the loan stipulated in 2008 for the acquisition of the FINN POWER Group (hereinafter referred to as the "FINPOLAR loan") equal to 3,398 thousand Euro and net financial burdens for derivative instruments (primarily connected to FINPOLAR loan) for 1,781 thousand Euro.

The exchange management results of the first nine months of 2012 are negative to the tune of 247 thousand Euros (negative to the tune of 131 thousand Euros on 30.09.2011).

The net result of the joint ventures, responsibility of the Group, for the first nine months of 2012 is positive by 844 thousand Euro (positive by 374 thousand Euro on 30.09.11), substantially through the effect of reclassification of the JV Shanghai Unity Prima amongst the non-current activities destined for wind up and the consequent valuation at *fair value*; In particular, the positive effect relating to JV Chinese is due to the acceptance of the six months results for 106 thousand Euro, to the adjustment at *fair value* for -745 thousand Euro and to the risk classification of the conversion reserve for 1,484 thousand Euro.

The **NET RESULT** at 30.09.2012 is positive by 2,818 thousand Euro, a significant increase compared with the corresponding period of the previous financial year (negative by 3,133 thousand Euro on 30.09.2011). The taxes on income in the first nine months of 2012 show a net negative balance of 2,533 thousand Euro (of which IRAP [Regional income tax] is equal to

1,134 thousand Euro). The increased tax burden of the Group is primarily attributable to the greater taxable income of some companies.

NET FINANCIAL POSITION

The net financial position of the Groups as of 30.09.2012 shows a net debt equal to 140.8 million Euro, compared with the 136.4 million Euro as of 31.12.2011. This variation is especially due to the business' seasonality; we wish to note that in the third quarter of the financial year, an increase of the net financial position is historically recorded, due to the need for circulating working capital to cover the high production pace in the last quarter of the year (as of 30.09.2011, the net financial position was equal to 146.5 million Euro and to 145.9 million Euro as of 30.09.2010).

The net financial position is shown as follows.

<i>Value expressed in Euro thousand</i>	30/09/2012	31/12/2011	30/09/2011	30/09/2010
CASH & CASH EQUIVALENTS	(15.393)	(25.179)	(16.319)	(11.909)
CURRENT FINANCIAL RECEIVABLES	(33)	(529)	-	-
CURRENT FINANCIAL LIABILITIES	57.191	52.131	52.948	45.718
NON CURRENT FINANCIAL LIABILITIES	99.007	109.962	109.897	112.127
NET FINANCIAL POSITION	140.772	136.385	146.526	145.936

With the aim of supplying better information relating to the net consolidated financial position on 30.09.12, the following should be remembered:

- That the FINPOLAR Loan amounts to a comprehensive 128,831 thousand Euro and is subject to compliance with regards to a number of *covenants* measured on an annual and six monthly basis;
- the debits due to leasing companies (almost exclusively of a property nature) amount to 2,833 thousand Euro;
- bank debits include the negative *fair value* of some IRS for 7,151 thousand Euro; the main IRS have been contracted by the Parent Company in partial cover of the risk of interest rates on FINPOLAR Loan (the underwriting of these derivatives was foreseen by the financing contract below).

It should be remembered that on 06.02.2012 and 06.08.2012 the company regularly paid its debt with the pool of financing banks with regard to the FINPOLAR Loan, for a total 11,004 thousand Euro (which includes the capital sum for 5,523 thousand Euro, interest for 3,698 thousand Euro and the differential on the derivative for 1,783 thousand Euro). Furthermore, on 21.06.2012, the company has correctly refunded the obligatory advance (*excess cash*) of 166 thousand Euro.

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

TRADE ASSETS AND ORDER PORTFOLIO

In addition to the fairs at which the Group has taken part during the first semester of the year (already mentioned in the Six-Monthly Financial Report on 30.06.12), in the course of the third quarter the Group has also participated in the following fairs:

- MTA at Ho Chi Minh (Vietnam)
- EASTPO EXHIBITION at Shanghai (China)

- FARNBOROUGH AIR SHOW at Farnborough (United Kingdom)
- IWF at Atlanta (USA)
- MSV at Brno (Czech Republic)
- ELECTRAMINING at Johannesburg (South Africa)
- ILA BERLIN at Berlin (Germany)
- KOFAS at Seol (Korea)
- ALIHANKINTAMESSUT at Tampere (Finland)
- MINING WORLD at Almaty (Kazakhstan)
- MARMOMACC at Verona (Italy)

After the end of the quarter, furthermore, the Group has taken part in the most important trade fair of the sector, EuroBlech (Hannover - Germany), successfully showcasing new developments on its machines.

In the first nine months of 2012, the **acquisition of orders** of the Group (including *after-sale service*) was equal to 244.3 million Euro, with a mild contraction compared with the 253.7 million Euro on 30.09.2011. The acquisition of orders with the PRIMA POWER section was equal to 212.3 million Euro; that relating to the PRIMA ELECTRO sector, only for clients external to the Group, has been equal to 31.9 million Euro. The geographic division of the collection of orders for the first nine months of the year confirms the sound progress of the North American market, of the Asiatic one and of Eastern Europe.

It should be remembered that in the first six months of the year, the acquisition of orders by the Group increased by 5.3% compared with 2011 and only in the third quarter was a temporary drop witnessed in acquired orders, essentially due to the uncertainty of the international political and economic scenario; this stalling period affected all industry operators, as confirmed by the UCIMU, which reported a reduction in the third quarter of 16.8%. The Group later gathered positive signs from the market during the important EuroBlech fair in October.

The acquisition of orders in October was therefore positive, with the value of acquired orders of over 31 million Euro.

The consolidated **order portfolio** (not including the *after-sale service*) on September 3, 2012 amounts to 104 million Euros compared with the 126.7 million Euros on 30.09.11.

This sum includes 89 million Euros relating to the PRIMA POWER sector and 15 million Euros relating to the PRIMA ELECTRO sector.

On 31.10.12, the order book is equal to 111.4 million Euros (of which 95.7 million Euros relating to the PRIMA POWER sector and 15.7 million Euros relating to the PRIMA ELECTRO sector).

RESEARCH AND DEVELOPMENT

The research and development activity carried out by the Group during the first nine months of 2012 has been comprehensively equal to 12,849 thousand Euro (of which 9,101 thousand Euro in the PRIMA POWER sector and 3,748 thousand Euro in the PRIMA ELECTRO sector) equal to 5.2% of turnover.

The capitalized share was equal to 4,301 thousand Euro (of which 2,769 thousand Euro in the PRIMA POWER sector and 1,532 thousand Euro in the PRIMA ELECTRO sector).

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

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

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

- Development of a standard swarf conveyor option for the 2D laser machines. The first specimen will be installed by a customer over the course of the year's fourth quarter.
- The adoption of the new OPEN CNC for the Platino and Rapido machines, with start-up of the relative detailed designing phase.
- The integration of the new Combo warehouse system in the fully automatic line of Shear Genius and Express Bender machines.
- The issuing of new upgrades to the Tulus software, which print out production and performance reports and feature information systems online and by phone and a new Power Processing module to simplify the management of production orders.
- The introduction of a new series of 2.50 servo-electric panel-shaping machines (FBe/EBE/Bce), with optimized hardware and software, a new CNC and new motors and operation.
- Integration of a high-power laser in CW fiber (15 kW of peak power) on the Laserdyne machines, with an assessment of the potential to install this laser in aerospace drilling applications. The results of the preliminary tests have been presented to a group of customers, current and potential, over the course of the Open House in the Champlin production plan in October.
- Introduction of a new Service product called "The Operator", which can offer new options to remote diagnostics and to on-field corrective actions.

The research and development activity relating to the PRIMA ELECTRO division during the third quarter of 2012 are the following:

- Collaboration with the PRIMA POWER division in completing the test phase on the first CV4000 installed on a PRIMA POWER machine. The CV4000 is a version of the 4 kW laser CO₂ that uses a magnetic turbine, which practically eliminates the need for any maintenance (scheduled maintenance after 80 thousand hours).
- Integration of a metal cavity (for increased endurance) and a reflector in ceramics (for increased efficiency) on the CL series of the Nd:YAG lasers.
- the development of additional advanced functions of the OPENcnc, such as the 6-axis TCP, top rotation and Splines trajectories. The application of the automatic paneling machines EBe5 has been completed and their application has been launched on manual paneling machines FBe5 and on the laser machines Platino and Rapido.
- Development of the Mechatrolink HMI for Yaskawa motors and drivers on Open-XS (entry level of the OPENcnc family) and of a series of I/O modules to interface the sensors and actuators.

- Completion of the validation of the "ARC-D" inverters for applications to control motors with power between 100 and 150 kVA.
- Start-up of the manufacture of a new generation of HV power units for CO₂ laser, whose first prototype is in the phase of being validated at the PRIMA ELECTRO North America production plant.
- Continuation of the research activity with the contribution of the PPPLab, relating to the development of a new generation solid-state laser.

PERSONNEL

On 30.09.12, the Group personnel amounted to 1,508, an increase of 66 units compared with 31.12.2011; this increase is both attributable to increased production volumes, as well as the increased requirements due to the launching of new commercial initiatives and new lines of production.

The personnel divided by sector on 30.09.2012 and on 31.12.2011 are shown below.

	September 30, 2012	December 31, 2011
PRIMA POWER	1.239	1.175
PRIMA ELECTRO	269	267
TOTAL GROUP PERSONNEL	1.508	1.442

OPERATIONS WITH RELATED PARTIES

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

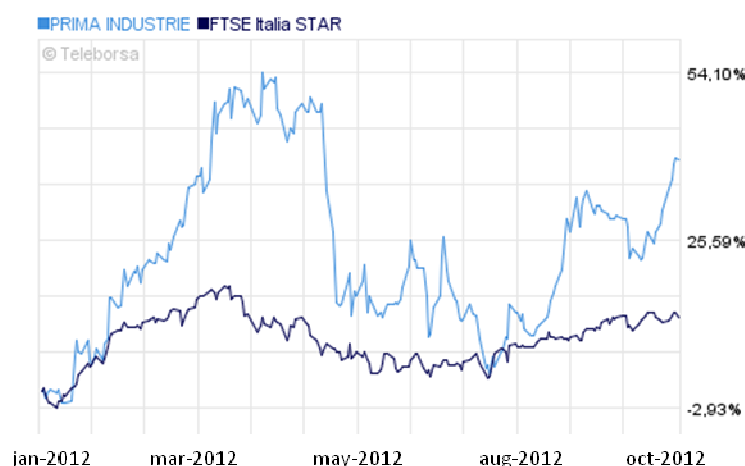
For further details of the subject and of other operations carried out by the group with co-related parties, refer to "Note 6.29 -INFORMATION ON CO-RELATED PARTIES".

STOCK TREND AND TREASURY STOCK

During the first nine months of 2012, the title PRIMA INDUSTRIE has passed from a unit value of 6.885 Euro on 02/01/2012 to a value of 8.56 Euro in shares on 28.09.12, with the increase of 24%, even though the title has shown an excellent performance during the period which has taken it to reaching a maximum of 10.56 Euro per share. Practically speaking, during the period, the progress of the title has been improved with respect to the reference indices (FTSE Italia STAR).

Subsequently, at September 30, 2012, the title continued its upward trend maintaining a value between 9 and 9.50 Euro per share.

The illustration below shows the recorded trends.

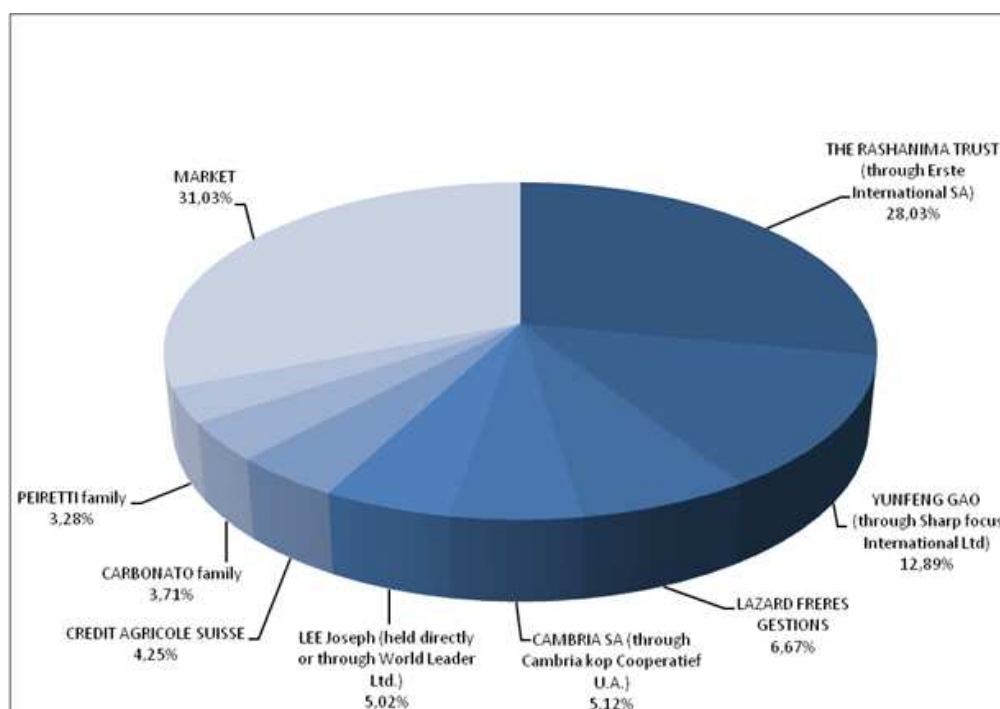


On September 30, 2012, also being the date of approval of this Report PRIMA INDUSTRIE SpA did not hold nor holds any of its own shares, as there is no current resolution authorising the purchase of its own chest.

SHAREHOLDING STRUCTURE

On 30.09.2012, the share capital of PRIMA INDUSTRIE SpA amounts to Euro 21,606,027.50 divided into 8,642,411 ordinary shares at the nominal value of Euro 2,50 each. No different categories from the ordinary shares or bonds have been issued. On the other hand, from 30.09.12, also being the date of approval of this Report, there are in circulation No. 2,237,559 "PRIMA INDUSTRIE Warrants 2009-2013".

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



STOCK OPTION PLANS

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

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

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

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

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

For further information about the *stock option* plan, is published on the company's website: www.primaindustrie.com.

FORESEENABLE DEVELOPMENTS OF MANAGEMENT

In spite of a still uncertain international political and economic scenario, in the third quarter of the year, the Group has confirmed the growth of its results, already witnessed in the first semester. Results are expected to further improve in the fourth quarter, also in consideration

of the traditionally favorable seasonality that distinguishes the last part of the year.

EVENTS AFTER III QUARTER CLOSURE

Within the meaning of IAS10 no interventions following the closure of the quarter to be reported in this Interim Management Report have come to light.

ATYPICAL AND UNUSUAL OPERATIONS

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



CHAPTER 4.

ECONOMIC PERFORMANCE BY SEGMENT

CHAPTER 4. ECONOMIC PERFORMANCE PER SEGMENT

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

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

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

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

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

	September 30, 2012				
<i>Value in Euro thousands</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%
ELIMINATIONS	(13.754)	(82)	0,6%	(75)	0,5%
GROUP	245.379	19.729	8,0%	11.239	4,6%

	September 30, 2011				
<i>Value in Euro thousands</i>	REVENUES	EBITDA	% on Revenues	EBIT	% on Revenues
PRIMA POWER	172.979	7.534	4,4%	1.210	0,7%
PRIMA ELECTRO	41.761	5.580	13,4%	4.536	10,9%
ELIMINATIONS	(11.333)	(154)	1,4%	(147)	1,3%
GROUP	203.407	12.960	6,4%	5.599	2,8%

The EBIT and EBITDA values represented here are not directly reconcilable with those shown at chapter 6 - note 6.30 INFORMATION BY SECTOR.

PRIMA POWER

The revenues in the first nine months of 2012 of the PRIMA POWER sector are greater by 26% compared with corresponding period of the previous financial year. All the main companies of the sector, in the period under examination, have finalised revenues better than the corresponding period for the financial year 2011.

In the face of a greater level of revenues, the EBITDA for the sector was equal to 14,143 thousand Euros. Notwithstanding the crisis in some European markets, the division during the period in question has better finalised results compared with 2011, above all thanks to its presence in the BRIC countries and in many other of the emerging markets.

PRIMA ELECTRO

The revenues for the first nine months of 2012 of the PRIMA ELECTRO sector are substantially in line with those of the previous financial year. The business of the PRIMA ELECTRO sector continues to show a solid profitability, above all thanks to the optimal performance of the PRIMA ELECTRO SpA Company. With an EBITDA of 5,668 thousand Euro, the level of revenue of the PRIMA ELECTRO sector equals 13.5%, confirming the good results of this business.



CHAPTER 5.

**Condensed Consolidated Financial Statements of
PRIMA INDUSTRIE Group as of September 30th, 2012**

Accounting Tables

CHAPTER 5. CONDESED CONSOLIDATED FINANCIAL STATEMENTS OF PRIMA INDUSTRIE GROUP AS OF SEPTEMBER 30th, 2012

CONSOLIDATED FINANCIAL BALANCE SHEET

Values in Euro	Notes	30/09/2012	31/12/2011
Property, plant and equipment	6.1	24.707.220	24.472.946
Intangible assets	6.2	151.685.747	152.629.950
Investments accounted for using the equity method	6.3	95.743	8.961.044
Other investments	6.4	977.521	1.076.998
Non current financial assets	6.5	83.700	-
Deferred tax assets	6.6	7.357.956	6.570.203
Other non current assets	6.9	32.228	25.518
NON CURRENT ASSETS		184.940.115	193.736.659
Inventories	6.7	101.867.595	84.249.605
Trade receivables	6.8	64.609.583	88.282.812
Other receivables	6.9	7.637.782	6.406.214
Current tax receivables	6.10	5.082.846	5.592.470
Derivatives	6.11	33.425	-
Financial assets	6.11	-	528.637
Cash and cash equivalents	6.11	15.392.723	25.179.041
CURRENT ASSETS		194.623.954	210.238.779
ASSETS HELD FOR SALE	6.12	9.053.847	1.012.201
TOTAL ASSETS		388.617.916	404.987.639
Capital stock	6.13	21.606.028	21.601.740
Legal reserve	6.13	4.320.069	4.320.069
Other capital reserves	6.13	53.031.035	54.326.182
Currency translation reserve	6.13	140.640	1.331.310
Retained earnings	6.13	24.662	(3.390.665)
Net result	6.13	2.817.925	1.932.659
Stockholders' equity of the Group		81.940.359	80.121.295
<i>Minority interest</i>		-	-
STOCKHOLDERS' EQUITY		81.940.359	80.121.295
Interest-bearing loans and borrowings	6.11	91.856.326	102.350.641
Employee benefit liabilities	6.14	6.799.552	6.792.852
Deferred tax liabilities	6.15	9.740.402	9.737.709
Provisions	6.16	122.227	124.009
Derivatives	6.11	7.150.708	7.611.171
NON CURRENT LIABILITIES		115.669.215	126.616.382
Trade payables	6.17	73.692.860	79.797.117
Advance payments	6.17	25.705.207	32.355.143
Other payables	6.17	17.634.694	17.539.790
Interest-bearing loans and borrowings	6.11	57.191.689	52.031.067
Current tax payables	6.18	6.217.636	6.404.295
Provisions	6.16	10.566.256	10.022.786
Derivatives	6.11	-	99.764
CURRENT LIABILITIES		191.008.342	198.249.962
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES		388.617.916	404.987.639

CONSOLIDATED INCOME STATEMENT

Values in Euro	Notes	30/09/2012	30/09/2011
Net revenues	6.19	245.379.376	203.407.105
Other income	6.20	2.712.058	2.605.948
Change in inventories of finished goods and WIP		11.127.777	13.748.863
Increases in fixed assets for internal work	6.21	4.582.420	3.936.888
Use of raw materials, consumables, supplies and goods		(119.234.094)	(101.880.144)
Personnel cost	6.22	(65.834.514)	(58.289.757)
Depreciation	6.23	(8.247.268)	(7.361.371)
Impairment	6.23	(242.199)	-
Other operating expenses	6.24	(59.004.461)	(50.568.579)
OPERATING PROFIT		11.239.095	5.598.953
Financial income	6.25	74.519	108.762
Financial expenses	6.25	(6.559.240)	(7.028.547)
Net exchange differences	6.25	(247.412)	(131.221)
Net result of investments accounted for using the equity method	6.26	844.396	373.502
RESULT BEFORE TAXES		5.351.358	(1.078.551)
Taxes	6.27	(2.533.433)	(2.054.246)
NET RESULT		2.817.925	(3.132.797)
- Attributable to Group shareholders		2.817.925	(3.132.797)
- Attributable to minority shareholders		-	-
RESULT PER SHARE - BASIC (in euro)	6.28	0,33	(0,36)
RESULT PER SHARE - DILUTED (in euro)	6.28	0,26	(0,36)

TOTAL CONSOLIDATED INCOME STATEMENT

VALUES IN EURO	Notes	30/09/2012	30/09/2011
NET RESULT (A)		2.817.925	(3.132.797)
Profit/ (Losses) on cash flow hedges	6.13	177.826	134.523
Profit/ (Losses) deriving for foreign companies balance sheet	6.13	(1.190.670)	2.678
TOTAL OTHER PROFIT/(LOSSES) (B)		(1.012.844)	137.201
NET RESULT OF THE PERIOD (A) + (B)		1.805.081	(2.995.596)
- Attributable to Group shareholders		1.805.081	(2.995.596)
- Attributable to minority shareholders		-	-

STATEMENT OF CHANGES IN CONSOLIDATED STOCKHOLDERS' EQUITY

from January 1st to September 30th, 2011

Values in Euro	01/01/2011	Change of consolidation area	Capital increase	Allocation of prior year profits	Distribution of dividends to stockholders	Net result	Other movements	30/09/2011
Capital stock	21.600.337	-	1.403	-	-	-	-	21.601.740
Additional paid-in capital	46.447.703	-	3.366	-	-	-	-	46.451.069
Legal reserve	2.733.635	-	-	1.586.433	-	-	-	4.320.068
Capital increase - expenses	(1.284.466)	-	-	-	-	-	-	(1.284.466)
Stock option reserve	1.138.624	-	-	-	-	-	156.882	1.295.506
Change in the FV of hedging derivatives	(5.641.858)	-	-	-	-	134.523	-	(5.507.335)
Other reserves	11.565.999	-	-	1.850.096	-	-	-	13.416.095
Currency translation reserve	(347.660)	-	-	-	-	2.678	-	(344.982)
Retained earnings	5.997.695	-	-	(9.401.801)	-	-	-	(3.404.106)
Net result	(5.965.272)	-	-	5.965.272	-	(3.132.797)	-	(3.132.797)
Stockholders' equity of the Group	76.244.737	-	4.769	-	-	(2.995.596)	156.882	73.410.792
Minority interest	-	-	-	-	-	-	-	-
STOCKHOLDERS' EQUITY	76.244.737	-	4.769	-	-	(2.995.596)	156.882	73.410.792

from January 1st to September 30th, 2012

Values in Euro	01/01/2012	Change of consolidation area	Capital increase	Allocation of prior year profits	Distribution of dividends to stockholders	Net result	Other movements	30/09/2012
Capital stock	21.601.740	-	4.288	-	-	-	-	21.606.028
Additional paid-in capital	46.451.069	-	10.290	-	-	-	-	46.461.359
Legal reserve	4.320.069	-	-	-	-	-	-	4.320.069
Capital increase - expenses	(1.286.154)	-	-	-	-	-	-	(1.286.154)
Stock option reserve	1.295.506	-	-	-	-	-	-	1.295.506
Change in the FV of hedging derivatives	(5.550.334)	-	-	-	-	177.826	-	(5.372.508)
Other reserves	13.416.095	-	(595)	(1.482.668)	-	-	-	11.932.832
Currency translation reserve	1.331.310	-	-	-	-	(1.190.670)	-	140.640
Retained earnings	(3.390.665)	-	-	3.415.327	-	-	-	24.662
Net result	1.932.659	-	-	(1.932.659)	-	2.817.925	-	2.817.925
Stockholders' equity of the Group	80.121.295	-	13.983	-	-	1.805.081	-	81.940.359
Minority interest	-	-	-	-	-	-	-	-
STOCKHOLDERS' EQUITY	80.121.295	-	13.983	-	-	1.805.081	-	81.940.359

CONSOLIDATED CASH FLOW STATEMENT

VALUES IN EURO	30/09/2012	30/09/2011
Net result	2.817.925	(3.132.797)
Adjustments (sub-total)	(110.964)	4.664.859
Depreciation and impairment	8.489.467	7.361.371
Net change in deferred tax assets and liabilities	(785.060)	(1.182.911)
Net result of investments accounted for using the equity method	(844.396)	(373.502)
Change in employee benefits	6.700	(18.698)
Change in inventories	(17.617.990)	(23.142.082)
Change in trade receivables	23.673.229	(3.543.109)
Change in trade payables	(12.754.193)	25.311.974
Net change in other receivables/payables and other assets/liabilities	(278.721)	251.816
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)	2.706.961	1.532.062
Cash flow from investments		
Acquisition of tangible fixed assets (*)	(2.376.837)	(3.144.435)
Acquisition of intangible fixed assets	(880.214)	(279.213)
Capitalization of development costs	(4.300.732)	(3.694.172)
Net disposal of fixed assets and investment properties (*)	144.762	236.810
Change in other investments	99.477	(116.948)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	(7.313.544)	(6.997.958)
Cash flow from financing activities		
Change in other non current financial liabilities and other minor items	(265.648)	(675.238)
Increases in loans and borrowings (including bank overdrafts)	6.962.219	17.337.721
Repayment of loans and borrowings (including bank overdrafts)	(12.491.842)	(10.229.616)
Increases/(repayments) in financial lease liabilities	130.813	215.296
Capital increase	13.983	4.769
Other changes	470.740	294.083
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)	(5.179.735)	6.947.015
Net change in cash and equivalents (D=A+B+C)	(9.786.318)	1.481.119
Cash and equivalents beginning of period (E)	25.179.041	14.837.872
Cash and equivalents end of period (F=D+E)	15.392.723	16.318.991

Additional information to the Consolidate cash-flow statement	30/09/2012	30/09/2011
<i>Values in Euro</i>		
Income Taxes	(2.533.433)	(2.054.246)
Financial income	74.519	108.762
Financial costs	(6.559.240)	(7.028.547)

(*) included assets held for sale



CHAPTER 6.

Explanatory notes

CHAPTER 6. EXPLANATORY NOTES

FORM AND CONTENT

The abbreviated consolidated balance sheet of the PRIME INDUSTRIE Group on 30.09.12 has been drawn up on the assumption of the company continuing trading (for greater detail see the note "accounting principles") and in regard to the International Financial Reporting Standards issued by the International Accounting Standards Board and recognised by the European Union (defined as "IFRS"), as well as the legislative and regulatory directions in force in Italy (with particular reference to legislative decree 58/1998 and subsequent amendments, as well as the issuer's Regulation issued by CONSOB). "IFRS" is also meant as the International Accounting Standard (IAS) still in force, as well as all the interpretive documents issued by the International Financial Reporting Interpretations Committee ("IFRIC") previously called the Standing Interpretations Committee ("SIC").

The abbreviated consolidated balance sheet on 30.09.12 has been laid out in abbreviated form, in conformity with IAS 34 "Interim balances", and does not include therefore all the information required in the annual balance sheet and must be read together with the annual balance sheet prepared for the closed financial year at 31/12/2011, to which attention is drawn for greater detail.

The abbreviated consolidated balance on 30.09.12 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 30.09.12 according to the principles described in the "accounting principle" Note of the consolidated balance on 31/12/2012, to which attention is drawn.

For purposes of comparison, the balance sheet data on 31/12/2011 have been presented as well as the data of the profit and loss account and the financial statement relating to 30.09.11 with the movements of net assets of the first nine months of 2012 as well, as required by IAS 1 (presentation of the balance sheet).

ACCOUNTING PRINCIPLES

Ongoing concern

The abbreviated consolidated balance sheet at 30.09.12 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 30.09.2012 are compatible with those used for the consolidated annual balance sheet at 30.12.2011, to which attention is drawn, except for the new principles/interpretations adopted by the Group starting from January 1, 2012, as well as the adaptations required by the nature of the interim surveyed data.

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 30.09.12, 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 FORMAT

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

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

These Financial Statements were authorized for publication by the Board of Directors of November 12, 2012.

EXPLANATORY NOTES

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

NOTE 6.1 - TANGIBLE FIXED ASSETS

The tangible fixed assets as of September 30, 2012 12 are equal to 24,707 thousand Euro, an increase of 234 thousand Euro compared with December 31, 2011.

For more details, see the table below.

Tangible fixed assets	Land, Buildings and Constructions	Plants and Machinery	Industrial and Commercial Equipment	Other tangible fixed assets	Constructions in progress	TOTAL
Net Value as of December 31, 2011	17.723.679	2.277.975	1.723.223	2.202.881	545.187	24.472.946
<i>2012 III' Q's Movements</i>						
Increases	108.776	370.656	658.769	1.039.296	199.340	2.376.837
Disinvestments	-	(135.000)	(21.378)	(371.784)	-	(528.162)
Utilization of accumulated depreciation	-	127.648	17.891	352.861	-	498.400
Depreciation	(418.256)	(466.346)	(530.419)	(702.544)	-	(2.117.565)
Tangible fixed assets Reclassifications	9.400	(7.587)	(4.683)	36.986	(34.116)	-
Reclassification with intangible assets	-	-	-	(4.886)	-	(4.886)
Differences on exchange rates	2.821	83	1.770	5.002	(26)	9.650
Net Value as of September 31, 2012	17.426.420	2.167.429	1.845.173	2.557.812	710.385	24.707.220

The net accountable value of the tangible assets primarily reflects the depreciation of the period, equal to 2,118 thousand Euro and the investments for the period, equal to 2,377 thousand Euro.

NOTE 6.2 - INTANGIBLE ASSETS

The intangible assets on September 30, 2012 are equal to 151,686 thousand Euro, a reduction of 944 thousand Euro compared with 31/12/2011. For greater detail on the subject of movement of intangible assets during the first nine months of 2012, see the table shown below.

Intangible Assets	Goodwill	Development costs	Other intangible assets	TOTAL
Net Value as of December 31, 2011	102.751.160	20.360.910	29.517.880	152.629.950
<i>2012 III' Q's Movements</i>				
Increases/(Decreases)	-	4.300.732	880.214	5.180.946
Tangible fixed assets reclassifications	-	-	4.886	4.886
Depreciation	-	(3.195.251)	(2.934.452)	(6.129.703)
Differences on exchange rates	1.641	(1.479)	(494)	(332)
Net Value as of September 30, 2012	102.752.801	21.464.912	27.468.034	151.685.747

The most significant item is represented by Goodwill, which on 30.09.12 is equal to 102,753 thousand Euros. All goodwill written into the balance sheet refers to the larger value paid with respect to the fair value of the assets acquired.

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

GENERATOR UNIT OF CASH FLOW	BOOK VALUE	
	GOODWILL September 30, 2012	GOODWILL December 31, 2011
PRIMA POWER	97.544	97.543
OSAI (Service)	4.125	4.125
PRIMA ELECTRO NORTH AMERICA	893	892
MLTA	154	154
OSAI UK	37	37
TOTAL	102.753	102.751

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

NOTE 6.3 - INVESTMENTS ACCOUNTED FOR USING THE NET EQUITY METHOD

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

Equity investments valued with Net Equity method	SUP ⁽¹⁾	SNK	TOTAL
Values at December 31, 2011	8.864.572	96.472	8.961.044
Portion of result	106.142	(560)	105.582
Increases	-	-	-
Currency adjustment	172.903	(169)	172.734
Reclassification of non-current assets held for sale	(9.143.617)	-	(9.143.617)
Values at September 30, 2012	-	95.743	95.743

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

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

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

- receipt of the part of the profit on 30.06.2012 (positive by 106 thousand Euro);
- adjustment of the share value at *fair value* (negative by 745 thousand Euro);
- reclassification to profit and loss account of the conversion reserve (positive by 1,484 thousand Euro).

On 30.09.12, PRIMA INDUSTRIE SpA furthermore held 50% of PRIMA Company Ltd.

NOTE 6.4 - OTHER EQUITY INVESTMENTS

The value of other Shareholdings on 30.09.12 amounted to 978 thousand Euro.

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

- the decrease of 99 thousand Euro of the shareholding held by the Parent Company on PRIMA POWER MAKINA TICARET LIMITED SIRTEKI, in that it was the Turkish company having become operational during the first nine months of 2012, this investment has been integrally consolidated;
- The net increase in value of the shareholding in Caretek of 13 thousand Euro 100% held by PRIMA ELECTRO SpA;
- An increase of 25 thousand Euro for a new shareholding held by FINN-POWER OY in the Härmämedi Oy company which distributes medical services to the employees of the same FINN-POWER OY;
- The devaluation in the shareholding of the Consorzio Sintesi for 12 thousand Euros.

This heading on 30.09.12 is composed of:

- Electro Power Systems (784 thousand Euro);
- Caretek (49 thousand Euro);
- Consorzio Sintesi (40 thousand Euro);
- Fimecc OY (50 thousand Euro);
- Härmämedi Oy (25 thousand Euro)
- Other minor shareholdings (30 thousand Euros).

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

NOTE 6.5 - NON CURRENT FINANCIAL ACTIVITIES

This heading at 30.09.12 is equal to 84 thousand Euros and is composed as follows:

- A financing arrangement issued by PRIMA ELECTRO SpA to the Caretek company equal to 47 thousand Euro;
- a convertible bond underwritten by PRIMA ELECTRO SpA issued by the affiliated company Electro Power Systems for 37 thousand Euro; this loan will end on 31/12/2016.

NOTE 6.6 - FISCAL ASSETS FOR PREPAID TAXES

The fiscal activity for anticipated taxes is equal to 7,358 thousand Euro, an increase compared with the preceding financial year of 788 thousand Euro. This activity has mainly been generated by the temporary difference on the stock in hand, on the provisions for liabilities and charges and on trade receivables.

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

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

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

NOTE 6.7 - INVENTORIES

The following table shows the composition of the stock in hand at 30.09.12 and at 31/12/2011.

INVENTORIES	30/09/12	31/12/11
Raw Materials	31.466.692	25.131.373
Unfinished goods	20.193.124	25.843.256
Finished products	55.881.432	39.474.988
(Inventories devaluation fund)	(5.673.653)	(6.200.012)
TOTAL	101.867.595	84.249.605

The stock in hand at 30.09.12 amounts to 101,868 thousand Euro, net of the warehouse devaluation fund for totals of 5,674 thousand Euro. The net value of the warehouse stock in hand on 30.09.12 shows an increase equal to 17,618 thousand Euro compared with 31/12/2011.

NOTE 6.8 - TRADE RECEIVABLES

The trade receivables on 30.09.12 amounted to 64,610 thousand Euro and compared to the previous financial year a decrease was experienced of 23,673 thousand Euro.

TRADE RECEIVABLES	30/09/12	31/12/11
Receivables from customers	68.523.343	91.364.305
Receivables write-down fund	(4.461.605)	(4.279.005)
Net receivables from customers	64.061.738	87.085.300
Receivables from related parts	547.845	1.197.512
TOTAL	64.609.583	88.282.812

The credits due to related parties are equal to 548 thousand Euros and are shown at note 6.29 INFORMATION SHEET ON RELATED PARTIES. The reduction in trade receivables between 31/12/2011 and 30.09.12 with a growing turnover illustrates the completed activity to reduce the working capital. With reference to the bad debt provision no significant variations are noted in that it was considered that the credit risk was adequately covered by the assigned fund.

NOTE 6.9 - OTHER RECEIVABLES

The other current credits on 30.09.12 are equal to 7,638 thousand Euro and are increased in comparison with 31/12/2011 by 1,232 thousand Euro. The value of the other credits chiefly refer to accrued income and deferred charges, advances paid to suppliers, advances on travel costs issued to employees, contributions for research and development to be received. The other non-current credits are equal to 32 thousand Euros.

NOTE 6.10 - OTHER FISCAL ASSETS

The heading amounts to 5,083 thousand Euro as against 5,592 thousand Euro on 31/12/2011 (reduction of 510 thousand Euro). The tax activity is chiefly represented by VAT credits of 4,676 thousand Euro.

NOTE 6.11 - NET FINANCIAL POSITION

On 30.09.12, the net financial position of the Group was negative at 140,772 thousand Euro, a decrease of 4,387 thousand Euro compared with 31/12/2011 (negative at 136,385 thousand Euro) For a better understanding of the variation in the net financial position achieved during the first nine months of 2012, refer to the financial report for the period.

As required by the Consob communication No. DEM/6064293 of 28/07/2006, the net financial debt at 30.09.12 and 31/12/2011 is shown in the following table, determined with the indicated criteria in the CESR (Committee of European Securities Regulators) Recommendations of 10/02/2005 "Recommendations for the uniform activation of the European Commission Regulation on Information Sheets" and quoted by Consob itself.

Values in Euro thousands			
	30/09/12	31/12/11	Variations
A CASH	15.393	25.179	(9.786)
B OTHER VALUABLES ON HAND	-	-	-
C SECURITIES HELD FOR NEGOTIATION	-	-	-
D CASH ON HAND (A+B+C)	15.393	25.179	(9.786)
E CURRENT FINANCIAL RECEIVABLES	33	529	(496)
F CURRENT BANK PAYABLES	15.435	14.004	1.431
G CURRENT PART OF NON-CURRENT INDEBTEDNESS	40.836	35.896	4.940
H OTHER CURRENT FINANCIAL PAYABLES	920	2.231	(1.311)
I CURRENT FINANCIAL INDEBTEDNESS (F+G+H)	57.191	52.131	5.060
J NET CURRENT FINANCIAL INDEBTEDNESS (I-D-E)	41.765	26.423	15.342
K NON-CURRENT BANK PAYABLES	96.293	107.200	(10.907)
L BONDS ISSUED	-	-	-
M OTHER NON-CURRENT FINANCIAL PAYABLES	2.714	2.762	(48)
N NON-CURRENT FINANCIAL INDEBTEDNESS (K+L+M)	99.007	109.962	(10.955)
O NET FINANCIAL INDEBTEDNESS (J+N)	140.772	136.385	4.387

LIQUIDITY

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

INDEBTEDNESS WITH BANKS

The main debt included in this heading is the FINPOLAR bank loan. This loan, which at 30.09.12 amounts comprehensively to 128,831 thousand Euros, is divided thus:

- Tranche A: medium/long term financing of 24,384 thousand Euro (expiring in February 2015 with a six monthly payment at a constant percentage of capital);
- Tranche B: medium/long term financing of 63,229 thousand Euro (expiring in February 2016 with a "bullet" repayment on expiry);

- Tranche C1: medium/long term financing of 10,639 thousand Euro (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 30.09.12 for 10,182 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 19,819 thousand Euro (of a maximum capital sum of 20 million euro);
- on 30.09.12 matured interest was recorded and not yet liquidated on all the quotas of the FINPOLAR loan for a comprehensive sum on 578 thousand Euro.

The FINPOLAR loan is for 88,215 thousand Euro expiring beyond 12 months.

It should be remembered that on 06.02.2012 and 06.08.2012 the company regularly paid its debt with the pool of financing banks with regard to the FINPOLAR financing, for a total 11,004 thousand Euro (which includes the capital sum for 5,523 thousand Euro, interest for 3,698 thousand Euro and the differential on the derivative for 1,783 thousand Euro). Furthermore, on 21.06.2012, the company has correctly refunded the obligatory advance (*excess cash*) of 166 thousand Euro.

Included in the non-current bank debits are also other bank financing for 927 thousand Euro and the negative *fair value* of some derivative financial instruments (IRS - Interest Rate Swap) which amount comprehensively to 7,151 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 30.09.12, 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 40,616 thousand Euro, bank overdrafts for 13,535 thousand Euro and other bank financing for 2,120 thousand Euro.

OTHER FINANCIAL PAYABLES

The other financial debits amount comprehensively to 3,634 thousand Euro (of which 920 thousand are current).

The other financial debits encompass:

- Debits for financial leasing for a sum equal to 2,833 thousand Euro (of which 465 thousand Euro are current);
- Other financial debits for 801 thousand Euro (of which 455 thousand Euro are current); such debits refer principally to subsidized ministerial loans.

It is finally specified that the PRIMA INDUSTRIE Group on 30.09.2012 holds derivative financial instruments to cover currency exchange risks (Currency Rate Swap) for a positive value of 33 thousand Euro.

CHANGES IN PAYABLES TO BANKS AND LOAN

The debits due to banks and the financing of the PRIMA INDUSTRIE Group on September 30, 2012 (not including the *fair value* derivatives) are equal to 149,047 thousand Euro and during the first nine months of 2012, they have moved as shown in the following table.

PAYABLES TO BANKS AND LOANS	Euro/000
Payables to banks and loans - current portion (31/12/2011)	52.031
Payables to banks and loans - non- current portion (31/12/2011)	102.351
TOTAL PAYABLES TO BANKS AND LOANS AS OF 31/12/2011	154.382
Consolidation area variation	-
Stipulation of loans and borrowings (<i>included bank overdrafts</i>)	6.962
Repayment of loans and borrowings (<i>included bank overdrafts</i>)	(12.492)
Loans/(repayments) of financial leases	131
Exchange rate effect	64
TOTAL PAYABLES TO BANKS AND LOANS AS OF 30/09/2012	149.047
of which:	
Payables to banks and loans - current portion (30/09/2012)	57.191
Payables to banks and loans -non current portion (30/09/2012)	91.856
TOTAL PAYABLES AND LOANS AS OF SEPTEMBER 30, 2012	149.047

NOTE 6.12 - NON-CURRENT ASSETS INTENDED FOR DISINVESTMENT

On 30.09.12, the value of the non-current activity destined for wind-up is equal to 9,054 thousand Euro.

Non-current assets held for disinvestment	SUP ⁽¹⁾ Investments	Real Property Rivalta sul Mincio	Real Property Asola (MN)	TOTAL
Value at December 31 2011	-	805.000	207.201	1.012.201
Reclassification of investments valued with Net Equity	9.143.617	-	-	9.143.617
Disinvestments	-	-	(115.000)	(115.000)
Adjustment to fair value	(744.772)	(210.000)	(32.199)	(986.971)
Value at September 30, 2012	8.398.845	595.000	60.002	9.053.847

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

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

Both the real estate units situated in Mantua refer to properties owned by FINN-POWER Italia Srl; one part of these properties refers to some real estate units being built at Rivalta sul Mincio-MN (for 595 thousand Euro) and relates to some apartments situated at Asola-MN (for 60 thousand Euro). Both have been devalued during the first nine months of 2012 to adjust them to their respective *fair value*.

NOTE 6.13 - NET EQUITY

The net assets of the PRIMA INDUSTRIE Group are increased in comparison to the previous financial year by 1,819 thousand Euro. This increase is mainly due to the profit in the period (2,818 thousand Euro). In addition to the result, other movements have affected the net assets and, more precisely, the positive variations of the adjustment reserve for the *fair value* (178

thousand Euro), the increase of capital due to the conversion of warrants (14 thousand Euro) and the negative variation of the reserve conversion (1,191 thousand Euro). For more detail on the subject, see the movement of net assets statement.

NOTE 6.14 -EMPLOYEES BENEFITS LIABILITIES

The heading includes:

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

Here follows a comparison of the subject headings.

EMPLOYEE BENEFITS	30/09/12	31/12/11
Severance indemnity fund	5.624.723	5.706.828
Fidelity premium	1.174.829	1.086.024
TOTAL	6.799.552	6.792.852

NOTE 6.15 - DEFERRED TAXES LIABILITIES

The fiscal liabilities for deferred taxes are equal to 9,740 thousand Euro, an increase compared with the preceding financial year of 3 thousand Euro.

It is noted that this heading includes also fiscal liabilities for deferred taxes on the trademark, on relationships with clients and the Cologna Veneta real estate deriving from the company merger of the FINN-POWER Group equal to 6,761 thousand Euro.

NOTE 6.16 - PROVISIONS

The provisions for liabilities and charges are equal to 10,688 thousand Euro and are increased compared with 31/12/2011 by 542 thousand Euro.

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

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

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

NOTE 6.17 - TRADE PAYABLES, ADVANCES AND OTHER PAYABLES

The value of these debits has reduced compared with 31/12/2011 by 12,659 thousand Euro. It is recalled that the client accounts heading contains both the accounts on orders relating to machines which have not yet been consigned, as well as those generated by the application of

the IAS 18 accounting principle relating to machines already consigned, but not yet accepted by the end client and therefore not written into revenue.

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

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

TRADE AND OTHER PAYABLES	30/09/12	31/12/11
Payables to suppliers	73.692.860	79.797.117
Advances from customers	25.705.207	32.355.143
Other payables	17.634.694	17.539.790
TOTAL	117.032.761	129.692.050

NOTE 6.18 - CURRENT TAX PAYABLES

The liabilities for current taxes on 30.09.12 are equal to 6,218 thousand Euro, a decrease compared with 187 thousand Euro on 31/12/2011.

NOTE 6.19 - NET REVENUES

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

NOTE 6.20 - OTHER INCOME

The other operational income amounts to 2,712 Thousand Euro and refers principally to contributions for research and development activity received by public bodies or following cooperation with other industrial companies.

NOTE 6.21 - INCREASES IN FIXED ASSETS FOR INTERNAL WORK

The increase is due to internal work on 30.09.12 amount to 4,582 thousand Euro and refer mainly to the capitalisation of new project development activity (4,301 thousand euro), of which the technical feasibility has been verified and the generation of probable future economic benefits. The capitalised development activity has been carried out by the Parent Company, by PRIMA ELECTRO, by FINN-POWER OY, by FINN-POWER ITALIA, by PRIMA POWER LASERDYNE and by PRIMA ELECTRO NORTH AMERICA.

NOTE 6.22 - PERSONNEL COSTS

The personnel costs at 30.09.12 is equal to 65,835 thousand Euro and shows an increase compared with the corresponding period of the previous financial year of 7,545 thousand Euro. This amount is a consequence of the increase in personnel required to handle the growing operational requirements of the Group due to the launching of new commercial initiatives and the new production lines.

NOTE 6.23 - DEPRECIATION -IMPAIRMENT

The depreciation for the period is equal to 8,247 thousand Euro (of which 6,130 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 2,106 thousand Euro, while those relating to development costs are equal to 3,195 thousand Euro.

During the first nine months of 2012, the Group has shown a loss of value equal to 242 thousand Euros on some items of real estate classified amongst the "Non-current activity destined for disinvestment".

NOTE 6.24 - OTHER OPERATING COSTS

The other operational costs for the first nine months of 2012 are equal to 59,004 thousand Euro as against the 50,569 thousand Euro of 30.09.11. The increasing cost is a direct consequence of the growth in business turnover.

NOTE 6.25 - FINANCIAL INCOME AND EXPENSES

The financial management of the first nine months of 2012 shows a negative result of 6,732 thousand Euro.

FINANCIAL MANAGEMENT	30/09/12	30/09/11
Financial income	74.519	108.762
Financial expenses	(6.559.240)	(7.028.547)
Net result deriving from transactions in foreign currency	(247.412)	(131.221)
TOTAL	(6.732.133)	(7.051.006)

The financial burdens relating to the FINPOLAR Financing sustained by PRIMA INDUSTRIE are equal to 3,398 thousand Euro, while the financial burdens on the derivatives stipulated by the group are equal to 1,781 thousand Euro.

NOTE 6.26 - NET RESULT OF AFFILIATED AND JOINT VENTURE

This item, on September 30, 2012 is positive by 844 thousand Euro (on 30.09.11, it was positive at 374 thousand Euro).

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

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

- receipt of the part of the profit on June 30, 2012 from JV SUP under the responsibility of the Group (positive by 106 thousand Euro);
- Adjustment of the value of shareholding in JV SUP at *fair value* (negative by 745 thousand Euro);
- reclassification to profit and loss account of the conversion reserve (positive by 1,484 thousand Euro);
- receipt of the part of the profit for the first nine months from JV SNK under the responsibility of the Group (negative by 1 thousand Euro);

NOTE 6.27 - CURRENT AND DEFERRED TAXES

The taxes on income in the first nine months of 2012 show a net negative balance of 2,533 thousand Euro (of which IRAP [Regional income tax] is equal to 1,134 thousand Euro). The increased fiscal burden is primarily due to the taxable income of a number of companies in the Group.

NOTE 6.28 - RESULT PER SHARE

(a) Basic result 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 2012, the average shares in circulation is equal to No. 8,641,429; therefore the earnings per share in the first nine months of 2012 amounted to a profit of 0.33 Euro Per share (as against a loss of 0.36 Euro per share compared with the first nine months of 2011).

BASIC RESULT PER SHARE	30/09/12	30/09/11
Result due to shareholders (Euro/000)	2.818	(3.133)
Weighted average - number of ordinary shares	8.641.429	8.640.431
Basic result per share (Euro)	0,33	(0,36)

(b) Diluted result 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	30/09/12	30/09/11
Result due to shareholders (Euro/000)	2.818	(3.133)
Weighted average - number of ordinary shares	8.641.429	8.640.431
Corrected average number of ordinary shares	10.981.018	10.981.836
Diluted result per share (Euro)	0,26	(0,29)

Those shares attached to stock option plans and to warrants which might be taken up before 16 December 2013 were considered as potential ordinary shares with dilutive effect,

In relation to the stock option plan, see the paragraph in this document specifically dedicated to this topic.

NOTE 6.29 - INFORMATION ON RELATED PARTIES

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

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

OPERATIONS WITH RELATED PARTIES	SHANGHAI UNITY PRIMA LASER MACHINERY	SNK - PRIMA COMPANY Ltd.	STRATEGIC MANAGEMENT	BOARD OF STATUTORY AUDITORS	TOTAL
RECEIVABLES AS OF 01/01/2012	1.192.982	4.530	-	-	1.197.512
RECEIVABLES AS OF 30/09/2012	541.377	6.468	-	-	547.845
PAYABLES AS OF 01/01/2012	-	-	363.074	105.000	468.074
PAYABLES AS OF 01/01/2012	-	-	315.899	78.750	394.649
REVENUES 01/01/2012 - 30/09/2012	1.445.178	19.963	-	-	1.465.141
COSTS 01/01/2012 - 30/09/2012	-	-	1.124.232	78.750	1.202.982
VARIATIONS IN RECEIVABLES					
01/01/2012 - 30/09/2012	(651.605)	1.938	-	-	(649.667)
VARIATIONS IN PAYABLES					
01/01/2012 - 30/09/2012	-	-	(47.175)	(26.250)	(73.425)

NOTE 6.30 - SEGMENT REPORTING

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

Information sheet by sector of activity

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

The operational sectors of the group are the following two:

- PRIMA POWER
- PRIMA ELECTRO

The principal sector details are supplied below.

Sector profit as of 30/09/2012	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)
Revenues	217.244	28.135	-	245.379
EBITDA	14.549	5.180	-	19.729
EBIT	7.469	3.770	-	11.239
Net financial costs/income	(5.800)	(932)	-	(6.732)
Income/costs from affiliates and Joint Ventures	844	-	-	844
Profit before taxes	-	-	-	5.351
Taxes	-	-	(2.533)	(2.533)
Net result	-	-	-	2.818

Sector assets and liabilities as of 30/09/2012	PRIMA POWER	PRIMA ELECTRO	Items not allocated	TOTAL
Assets	290.740	60.455	27.950	379.145
Affiliates, J/V and other equity investments	8.640	833	-	9.473
Total assets	299.380	61.288	27.950	388.618
Liabilities	116.491	18.030	172.157	306.678

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

Sector profit as of 30/09/2011	PRIMA POWER	PRIMA ELECTRO	Items not allocated	TOTAL
Total sector revenues	172.979	41.761	-	214.740
(Inter-sector revenues)	(77)	(11.256)	-	(11.333)
Revenues	172.902	30.505	-	203.407
EBITDA	7.689	5.271	-	12.960
EBIT	1.372	4.227	-	5.599
Net financial costs/income	(6.457)	(594)	-	(7.051)
Income/costs from affiliates and Joint Venture	373	-	-	373
Profit before taxes	-	-	-	(1.079)
Taxes	-	-	(2.054)	(2.054)
Net result	-	-	-	(3.133)

Sector assets and liabilities as of 30/09/2011	PRIMA POWER	PRIMA ELECTRO	Items not allocated	TOTAL
Assets	288.076	58.625	29.619	376.320
Affiliates, J/V and other equity investments	7.842	836	-	8.678
Total assets	295.918	59.461	29.619	384.998
Liabilities	113.431	20.066	178.090	311.587

Information sheet by geographic area

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

NOTE 6.31 - 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 debits and credits, deriving from the operational activity.

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

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

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

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

Interest rate risk

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

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

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

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

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

- Interest rate \longrightarrow Management/Hedging

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

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

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

Exchange rate risk

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

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

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

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

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

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

- Exchange rate \longrightarrow Management/Hedging

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

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

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

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

Credit risk

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

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

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

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

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

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

Liquidity risk

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

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

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

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

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

NOTE 6.32 - EVENTS SUBSEQUENT TO THE PERIOD

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

On behalf of the Board of Directors
The Chairman



Gianfranco Carbonato

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30/09/2012

Declaration pursuant to ex art.154 bis clause 2-part IV, title III, item II, section V bis, of Legislative Decree No 58 of February 24, 1998: Unified text of provisions on financial brokerage pursuant to sections 8 and 21 of Law No 52 dated February 6, 1996.

Massimo Ratti, the director appointed to draw up the corporate accounting documents of the PRIMA INDUSTRIE Group, certifies in terms of the second paragraph of section 154 bis, part IV, title III, item II, section V bis, of Legislative Decree No. 58 dated February 24, 1998, that the accounting disclosure contained in this Interim Report on Operations corresponds with the documentary situation, as well as with the accounting books and entries.