



**PRIMA INDUSTRIE and FINN-POWER:
BOUND FOR WIDER HORIZONS. TOGETHER.**

STAR CONFERENCE – Milan - March 25th, 2009



A new leader is born in the world of laser and sheet metal fabrication

LEADING GLOBAL PLAYER IN:

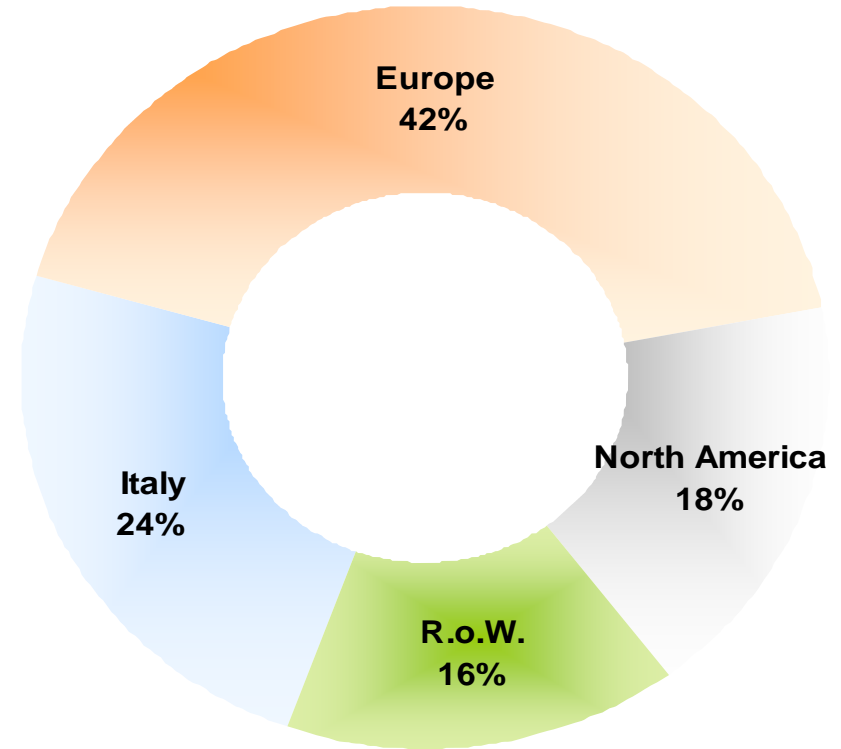
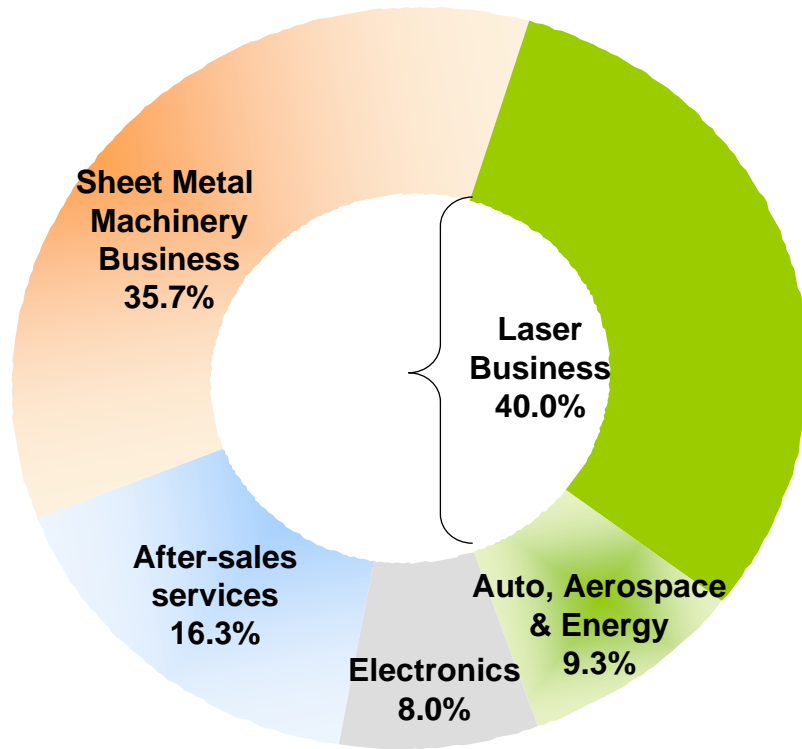
- ▣ laser systems
- ▣ laser sources
- ▣ punching
- ▣ shearing
- ▣ bending
- ▣ automation
- ▣ industrial electronics

FACTS & FIGURES 2008:

- ▣ SALES : EUR 367.3 m
- ▣ EBITDA : EUR 31.8 m (8.6%)
- ▣ R&D expenses: 5.7% on sales
- ▣ Manufacturing facilities in Italy, Finland, USA and China
- ▣ Customers in over 60 countries



A new leader is born in the world of laser and sheet metal fabrication



Sales Breakdown 2008



A new leader is born in the laser and sheet metal treatment fabrication

Laser Business		<ul style="list-style-type: none">• Good performance until 3Q08• In 2H weakness of 2D systems due to the relevant end markets suffering (housing, white goods, HVAC, metal furniture...)• Good performance of 3D systems for the whole year.
Sheet Metal Machinery Business		<ul style="list-style-type: none">• Main market for Finn-Power products• Revenues under expectations due to both the economic situation and to Finn-Power reorganization after acquisition
Electronics		<ul style="list-style-type: none">• Less cyclical sector• Good performance until 3Q08• Afterwards, significant slowdown of some end-markets (machines for wood and glass treatment)
After-sale services		<ul style="list-style-type: none">• Important source of revenues during down turns of the economic cycle• Growing number of machines serviced due to the increased installed base• Finn-Power and Osai acquisitions increased substantially after-sales revenues



Main manufacturing facilities

	FACILITIES	COMPANY	LOCATION	PRODUCT RANGE
ITALY	 	Prima Industrie S.p.A	Collegno (TO) – Italy	2D & 3D Laser systems 
		Finn-Power Italia S.r.l.	Cologna (VR) – Italy	Panel Benders 
		Prima Electronics S.p.A.	New common location under definition	Electronics 
FINLAND		Finn-Power Oy	Kauhava – Finland	Punching, Punch/shear, punch/laser 
USA		Prima North America Inc.	Chicopee (MA) – USA	Laser generators (Convergent) 
CHINA		Shanghai Unity Prima (JV)	Shanghai – CHINA	2D Laser systems 



Direct sales & service in Europe

● = PI Group direct presence



Direct sales & service in North America, Asia & rest of the world



• Champlin • Toronto

• Chicago

• Chicopee

• Moskow

• Beijing

• Osaka

• U.A.E.

• Mumbai

• Shanghai

• Sao Paulo

• = PI Group presence



A selection from our customer list (*)

Automotive



Tier 1 Suppliers



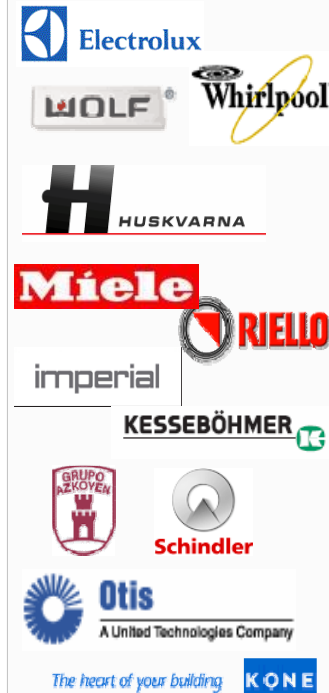
Aerospace



Trucks & Machinery



Housing & Sheet Metal Equipment



Energy





Profit & Loss 2008

	31/12/08 (*)	31/12/08 without FP	31/12/07 actual
K€			
SALES	367.276	183.078	176.391
VALUE OF PRODUCTION	376.408	192.183	183.047
EBITDA	31.761	24.641	25.108
<i>% on sales</i>	8.6%	13.5%	14.2%
EBIT	23.233	22.698	23.584
<i>% on sales</i>	6.3%	12.4%	13.4%
EBT	11.730	-	22.901
<i>% on sales</i>	3.2%	-	13.0%
NET INCOME	5.476	-	13.747
<i>% on sales</i>	1.5%	-	7.8%

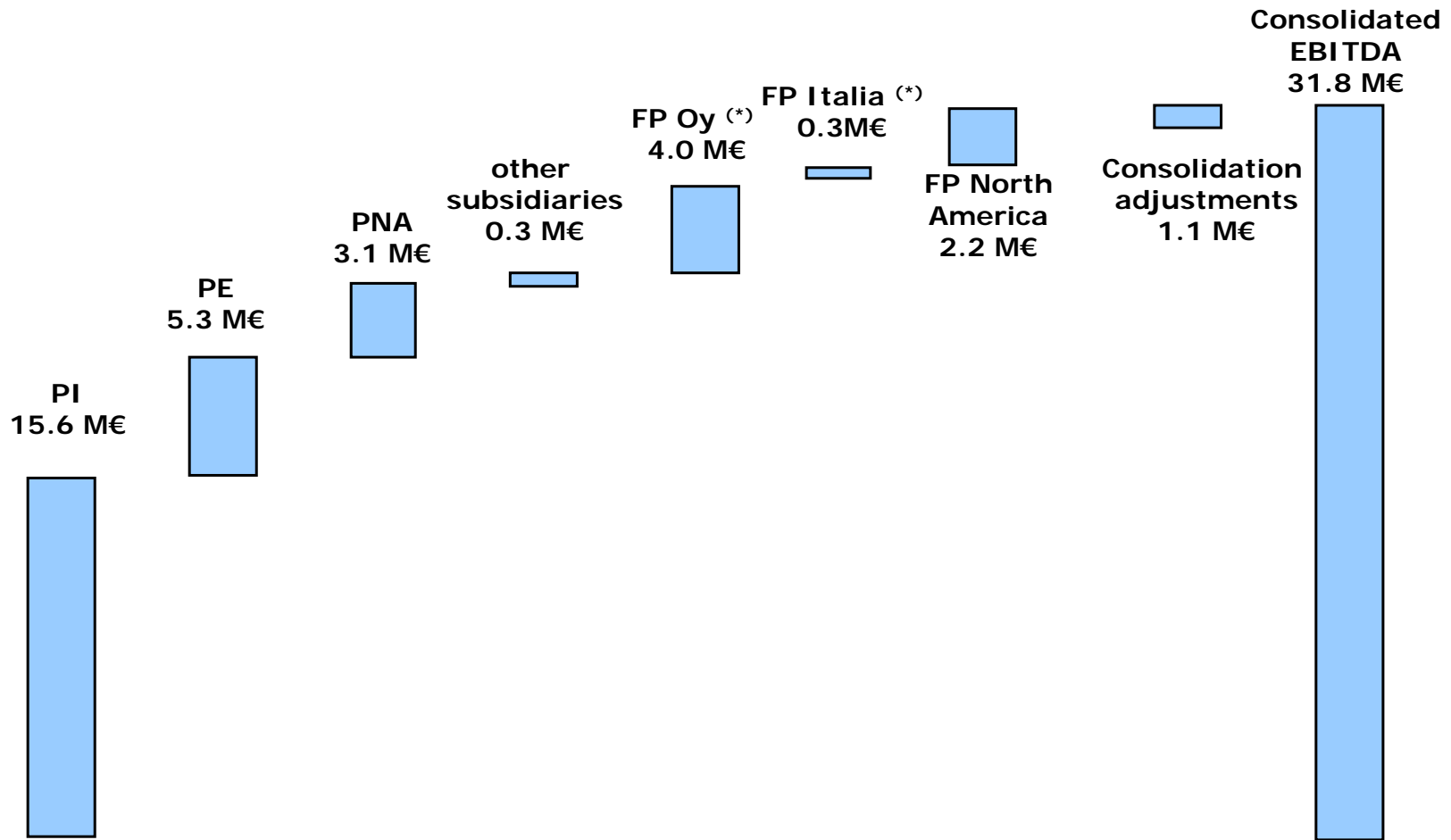


Balance Sheet 2008

	31/12/08	31/12/07
K€		
NON CURRENT ASSETS	202.060	26.178
CURRENT ASSETS	203.932	120.364
TOTAL ASSETS	405.992	146.542
EQUITY	75.087	51.441
NON CURRENT LIABILITIES	69.044	24.717
CURRENT LIABILITIES	261.861	70.385
TOTAL LIABILITIES & EQUITY	405.992	146.543

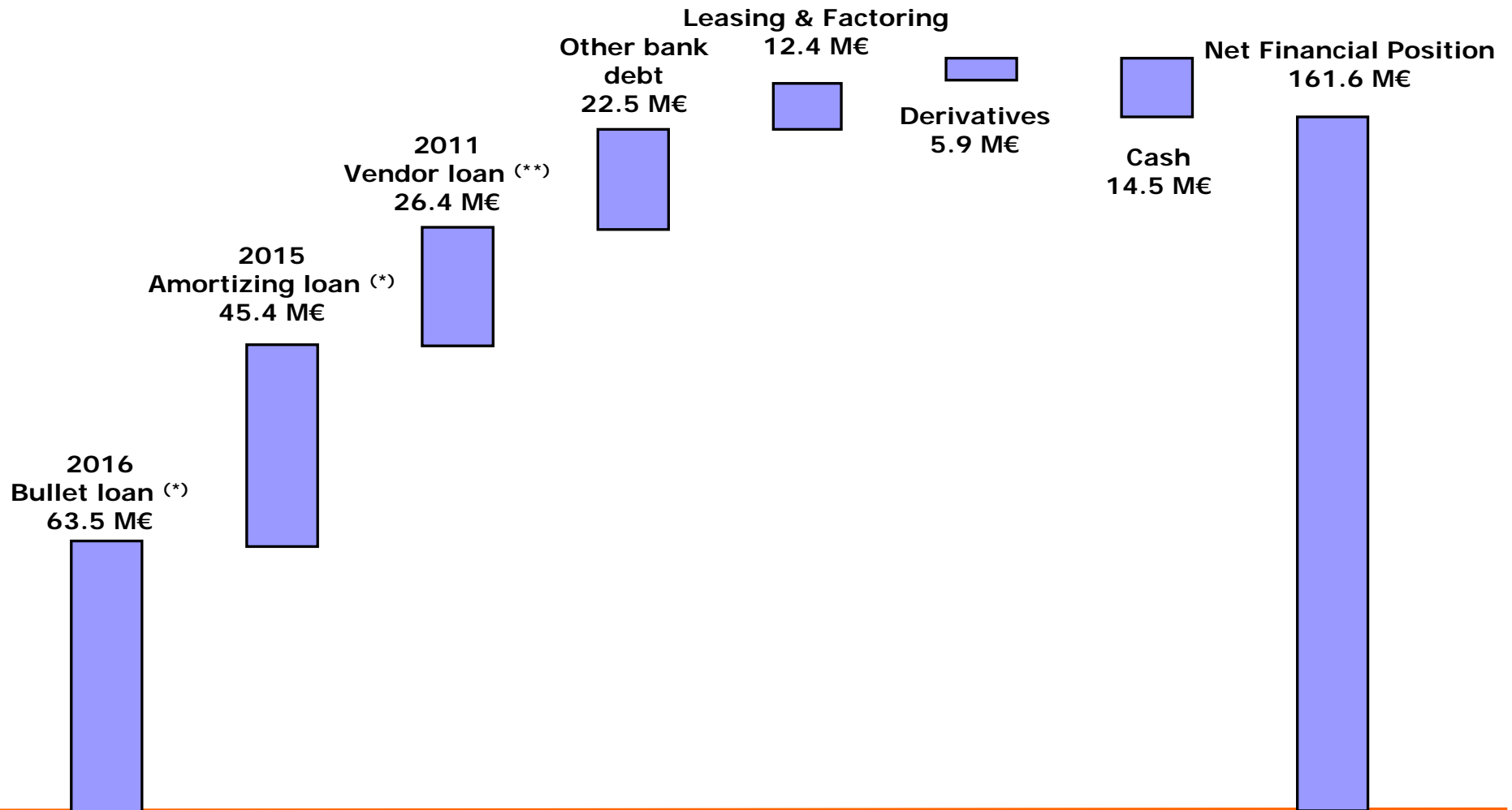


Walk across EBITDA at 31/12/2008





Walk across Net Financial Position at 31/12/2008



March 25, 2009

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(*) = Average spread: ~ 200 bps.

Covenants at 31/12/08 and 31/12/09 have been renegotiated.

(**) = Vendor loan is under discussion with EQT.



Acquisition Financing

The Finn-Power acquisition financing was coordinated by Unicredit and Intesa Sanpaolo as follows:

- 25 million euros capital increase completed on July 2008;
- 25 million euros *vendor loan* (due in 3 years) from EQT, also as a warranty of the SPA (Share Purchase Agreement);
- 64.2 million euros 8 years bullet loan;
- 49.3 million euros 7 years *amortizing loan*;
- 20 million net working capital facility (*back-up credit line for financial flexibility*)

183.5 million euros

Outstanding bank debt as at 31/12/08: 109 million euros



The Rationales of Finn-Power acquisition

- Total complementarity of product range: now Prima offering is comparable/wider than competition
- Significant strengthening of the geographical coverage (60 countries served)
- Size increase: gap between Prima and main competitors substantially narrowed
- Important cost/revenues synergies to be exploited
- Acquisition of a strong brand in sheet metal machinery



SYNERGIES

- In-sourcing of highly technological components:
 - Laser generators from Convergent
 - CNC & electronics from Prima Electronics
- Cost savings in SG&A: i.e. joint participation at exhibitions





Group reorganization after Finn-Power Acquisition

ACCOMPLISHED IN 2008

- ✓ Reorganization of sales force including agents and distributors
- ✓ Merging and relocation to a common facility of existing branches in Spain
- ✓ Merging of existing branches in France (relocation planned within June 2009)
- ✓ First joint participation to Euroblech 2008 exhibition (world wide reference event in our market)
- ✓ Prima lasers on Finn-Power combi machines
- ✓ Supplier base rationalization and relevant costs savings

IN PROGRESS IN 2009

- ✓ Merging of existing branches in Germany
- ✓ Integration of Prima Systems division into Prima Finn-Power North America
- ✓ Common Prima and Finn-Power product image
- ✓ Joint participation to most world trade shows
- ✓ Integration of Finn-Power laser machine L6 into Prima laser systems product range
- ✓ Starting application of Prima Electronics components on Finn-Power machines



The impact of world crisis in our business

✓ Last quarter 2008 vs 2007 Machine Tools orders (Source: UCIMU):

- ITALY: -44%
- GERMANY: -54%
- SPAIN: -57%
- USA: -40%
- JAPAN: -54%

✓ Last quarter 2008 vs 2007 Laser systems sales: -20% (Source: Optech Consulting)

✓ 2009 is second difficult year for laser technology (the first: 1992) after 38 years of strong growth but market “to come roaring back quickly” (Source: Laser Institute of America)

✓ Mid-term growth potential of Prima Group unchanged
2009 forecast quite complex but also supported by:

- 1/1/09 backlog of 94.7 million euros
- strong after-sales business (about 60 million euros in 2008) thanks to a wide installed base



Our response to the crisis

REORGANIZATION ACTIONS TO SUBSTANTIALLY LOWER BREAK-EVEN POINT:

- Closing of Villpula factory in Finland and relocation to main plant in Kauhava
- Unification of Electronics business (currently in two owned plants) into a common rented facility
- Headcount downsizing in Italy, Finland and USA
- Working capital optimization
- SG&A expenses reduction and discipline in spending

REVENUE DRIVEN USE OF SOCIAL SECURITY CUSHIONS IN ITALY AND FINLAND

“The Chinese use the same word to describe the concepts of crisis and opportunity. What they mean to say is that an every crisis lies an opportunity, depending on how it is looked at.”

John F. Kennedy