



PRIMA INDUSTRIE

QUARTERLY REPORT AT 31 MARCH 2008

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Approved by the Board of Directors on May 14, 2008

PRIMA INDUSTRIE S.p.A.

Nominal Capital Euro 11,875,000,
paid-in capital 11,500,000
Turin Companies' Register No
03736080015
Financial and Administrative Index (R.E.A.)
No. 582421
Head office: Collegno (Turin)
Via Antonelli, 32
Website: <http://www.primaindustrie.com>
e-mail: ir@primaindustrie.com

BOARD OF DIRECTORS ⁽¹⁾

Chairman and Managing Director
Gianfranco Carbonato

Directors

Sandro D'Isidoro ⁽²⁾
Michael R. Mansour
Rafic Y. Mansour
Mario Mauri ⁽²⁾
Domenico Peiretti
Marco Pinciroli (Consigliere Delegato) ⁽³⁾

Secretary

Massimo Ratti

General Manager

Ezio Basso

BOARD OF STATUTORY AUDITORS⁽⁴⁾

Chairman
Riccardo Formica

Auditors

Andrea Mosca
Roberto Petriagnani

Alternate auditors

Roberto Coda
Franco Nada

AUDITING COMPANY

Reconta Ernst & Young S.p.A.

⁽¹⁾ Appointed at the Stockholders' Meeting held on April 29, 2008, for the three-year period 2008-2010.

⁽²⁾ Independent director

⁽³⁾ Appointed by the Board of Directors on May 7, 2008 for the activities of *Mergers & Acquisitions* and *Investor relations*

POWERS RELATING TO COMPANY APPOINTMENTS

In terms of a resolution dated June 7, 2008 the Board of Directors appointed Gianfranco Carbonato as the Managing Director and determined his powers.

In terms of clause 25 of the Articles of Association, the Chairman and Managing Director is the legal representative of the Company.

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1. STRUCTURE OF THE PRIMA INDUSTRIE GROUP AS OF 3/31/08



2. INTRODUCTION

NORMATIVE FRAMEWORK

In application of European Regulation No.1606 of July 19, 2002, and in compliance with Section 82 of Issuers Regulation No. 11971, as amended by CONSOB resolution No. 14990 dated 14 April 2005, the PRIMA INDUSTRIE Group prepared the quarterly report at March 31, 2008 in accordance with the International Accounting Principles approved by the European Commission (hereinafter referred to individually as the IAS/IFRS or together as IFRS).

In accordance with paragraph 8 of IAS 34 ("Interim Financial Reporting"), the quarterly report at 3/31/2008 includes the following minimum components:

- a) abridged Balance Sheet;
- b) abridged Income Statement;
- c) abridged Statement of Changes in Stockholders' Equity;
- d) abridged Cash Flow Statement
- e) the specific explanatory notes required by paragraph 16 of IAS 34.

The quarterly information was not audited by the external auditors, because no mandate was given to them, as there was no duty to submit the quarterly Financial Statements for audit.

This quarterly report was approved by the Board of Directors on May 14, 2008.

The under mentioned companies did not fall within the scope of the consolidation at 3/31/2008:

SUBSIDIARIES	REGISTERED OFFICE	SHARE CAPITAL	STAKE	CONSOLIDATED METHOD
PRIMA ELECTRONICS S.p.A.	Strada Carignano 48/2, 10024 Moncalieri, Torino	€ 1.500.000	100%	line-by-line method
PRIMA North America, Inc.	CONVERGENT LASERS Divison & PRIMA LASER SYSTEMS Division: 711 East Main Street, Chicopee, MA 01020, U.S.A. ----- LASERDYNE SYSTEMS Division: 8600, 109th Av. North, Champlin, MN 55316, U.S.A.	USD 24.000.000	100%	line-by-line method
OSAI S.p.A	Via Torino 14, 10010 Barone Canavese, Torino	€ 1.172.000	100%	line-by-line method
OSAI-USA, LLC	105A West Dudley Town Road, Bloomfield, CT 06002, U.S.A.	USD 39.985	100%	line-by-line method
OSAI UK LTD.	Mount House - Bond Avenue, Bletchley, MK1 1SF Milton Keynes, UK	GBP 160.000	100%	line-by-line method
OSAI GmbH	Am Stegskeuz 6, 65719 Hofheim, Deutschland	€ 25.000	100%	line-by-line method
Techmark S.r.l.	Via Torino 14, 10018 Barone Canavese, Torino	€ 50.000	100%	line-by-line method
PRIMA INDUSTRIE GmbH	Lise-Meitner Strasse 5, Dietzenbach, Deutschland	€ 500.000	100%	line-by-line method

SUBSIDIARIES	REGISTERED OFFICE	SHARE CAPITAL	STAKE	CONSOLIDATED METHOD
PRIMA SCANDINAVIA AB	Mölnåsvägen 30 C, Göteborg, SE	SEK 100.000	100%	line-by-line method
PRIMA INDUSTRIE UK LTD.	Unit 1, Phoenix Park, Bayton Road, Coventry CV7 9ON, UK	GBP 1	100%	line-by-line method
PRIMA INDUSTRIE POLSKA Sp.z.o.o.	ul. Przemysłowa 25 - 32-083 Balice	PLN 350.000	100%	line-by-line method
PRIMA INDUSTRIE (Beijing) Company Ltd.	Rm.1 M, no. 1 Zuo Jiazhuang. Guomen Building, Chaoyang District Beijing, People's Republic of China	€ 500.000	100%	line-by-line method
FINN POWER Oy	Metallite 4, FI - 62200 Kauhava, FINLAND	€ 23.417.108	100%	line-by-line method
BALAXMAN Oy	Metallitie 4, FI-62200 Kauhava, FINLAND	€ 2.522	100%	line-by-line method
FINN - POWER GmbH	Lilienthalstrasse 2 a, Isar-Buro Park Am Soldermoos, D-85399 Hallbergmoos, GERMANY	€ 180.000	100%	line-by-line method
FINN - POWER Iberica S.L.	Ctra. Molins de Rei a Sabadell, km. 13,5 Nau 5, 08191 Rubi, Barcelona, SPAIN	€ 5.040.000	100%	line-by-line method
FINN - POWER Italia S.r.l.	Viale Finlandia 2, 37044, Cologna Veneta (VR), ITALY	€ 1.500.000	100%	line-by-line method
FINN - POWER NV	Tulpenstraat 3, B-9810 Eke-Nazareth, BELGIUM	€ 500.000	100%	line-by-line method
FINN - POWER Sarl	Techniparc, 5 rue Boole, F-91240 St. Michel-sur-Orge, FRANCE	€ 792.000	100%	line-by-line method
FINN - POWER International Inc.	555W Algonquin Rd., Arlington Heights, IL 60005, U.S.A.	USD 10.000	100%	line-by-line method
FINN - POWER Canada Ltd.	1040 Martingrove Road, Unit 11, Toronto, Ontario M9W 4W4, CANADA	CAD 200	100%	line-by-line method
SAMAT S.r.l in liquidation	Via Massimo d'Azeglio n. 61 25128 Brescia, ITALY	€ 19.890	100%	EQUITY METHOD

ASSOCIATED COMPANIES & JOINT VENTURES	REGISTERED OFFICE	SHARE CAPITAL	STAKE	CONSOLIDATED METHOD
Shenyang PRIMA Laser Machine Company Ltd	45 Huanghai Rd, Yuhong District	USD 2.000.000	50%	EQUITY METHOD
SNK PRIMA Company Ltd	Misaki Plant Fuke, Misak Sennan-Gun, Osaka Japan, Shanghai 201111	Yen 90.000000	50%	EQUITY METHOD
Shanghai Unity PRIMA Laser Machinery Co Ltd.	2019, Kunyang Rd., Shanghai 201111 - CHINA	Rmb 16.000.000	35%	EQUITY METHOD
Wuhan OVL Convergent Laser Co., Ltd.	Building No.1, Great Wall Technology Industry Park, no.1, Townson Lake Road, Wuhan East Lake High-Tech Development Zone Wuhan, 430223, Hubei, P.R. CHINA	USD 6.800.000	30%	EQUITY METHOD
Macro Meccanica S.p.A. in liquidazione	Via don Sapino 134, 10040 Venaria, Fraz. Savonera, Torino	L./mil. 630	35,5%	EQUITY METHOD

ALTERNATIVE PERFORMANCE INDICATORS

The Group and the Company, in measuring their income performance, in addition to the indicators envisaged in the layout of the Financial Statement prepared in accordance with International Accounting Standards, also use EBITDA ("Earnings before interest, taxes and depreciation and amortization), which is determined by adding the Operating Income, as per the Financial Statements, to the item "Amortization and Depreciation" and "Impairment and writedowns" and Working Capital, calculated by adding "Inventories" and "Trade receivables" net of "Trade payables" and "Advances".

3. BUSINESS TREND

INCOME AND PROFITABILITY

It should be noted that because PRIMA INDUSTRIE acquired the Finn-Power Group on 2/4/08, the information relative to the Consolidated Financial Statements for the first quarter of 2008 of the Finn-Power Group also includes the information relating to the two months (February and March) of the Finn-Power Group.

In addition, the Osai Group is also included in the quarter under review; this group was not included in the corresponding period of the previous financial year because it only formed part of the consolidation with effect from 7/02/2007.

Consolidated revenues at 3/31/2008, valued in accordance with IAS 18 (that provides for the recognition of revenue generally at the time of the end-customer's acceptance) and - in relation to a small percentage of the revenues of the Finn-Power Group - in accordance with IAS 11 (that requires the valuation of the revenues and the related costs, *pro rata* to the percentage completion of the job) amount to 75,706 thousand Euro. Such revenues include within the area of consolidation:

- The newly acquired Finn-Power Group for 32,962 thousand Euro
- The Osai Group for 4,698 thousand Euro (gross of the elisions in respect of other companies of the PRIMA INDUSTRIE Group)

Thus comparing the same area of consolidation, the turnover for the quarter would have been 38,046 thousand Euro (+8.6% compared to the 35,026 thousand Euro at 3/31/2007).

The geographical breakdown of the revenues at 3/31/2008 is as follow:

	1st Quarter 2008		1st Quarter 2007	
	thousands of Euro	%	thousands of Euro	%
ITALY	22,157	29.3	9,325	26.6
EUROPE	32,478	42.9	14,993	42.8
NORTH AMERICA	12,144	16.0	7,706	22.0
ASIA AND THE REST OF THE WORLD	8,927	11.8	3,002	8.6
TOTAL	75,706	100.0	35,026	100.0

At a level of percentage growth, the growth of Asia and the Rest of the World is significant, thanks to the Finn-Power Group's contribution to sales and to the continued general development of the Group's turnover in these areas.

The contraction in the percentage weight of the sales in North America must also be attributed to the strong depreciation of the dollar.

Even though "Europe" more than doubled as an absolute value, compared to the same period of the previous financial year, the area remained stable in percentage terms

confirming the weight that such area has for the laser systems and the plate processing machinery segments; Italy's weight grew slightly, mainly due to the sales in the electronics sector (mainly Osai S.p.A).

At a level of business segments, in the field of laser systems, the growth in the sector of 2D systems was confirmed (in particular PLATINO); the growing importance of the electronics sector continued, *inter alia* due to the acquisition of the Osai Group, (with a contribution of 50% to the total sales relative to that segment); with the acquisition of Finn-Power the "Plate processing machinery" sector now forms part of the group, which segment was previously unrepresented.

The **value of production** at 3/31/2008 amounted to 88,541 thousand Euro.

Again in relation to this comparison, one must bear in mind the important contribution arising from the consolidation for

- two months of the Finn-Power Group (amounting to 40,036 thousand Euro), and that of the
- Osai Group (amounting to 5,644 thousand Euro).

Thus, compared to 3/31/2007 one observes a growth of 5.6% compared to the same period in the previous year (42,861 thousand Euro compared to 40,571 thousand Euro at 3/31/2007).

All the profitability ratios showed significant growth, in absolute value, compared to the previous year's figures; this is attributable to both the effect of the operating lever and the economies of scale (for the companies already included in the area of consolidation at 3/31/2007) as well as to the contribution of the consolidation of the Osai and the Finn-Power Group (the latter for two months).

	1st Quarter 2008		1st Quarter 2007	
	thousands of Euro	%	thousands of Euro	%
EBITDA	8,220	10.9	4,823	13.8
EBIT	7,210	9.5	4,498	12.8
EBT	4,459	5.9	4,096	11.7
NET PROFIT	3,356	4.4	2,136	6.1

The **EBITDA** of the Group amounts to 8,220 thousand Euro (10.9% of turnover). In regard to the external growth:

- the contribution of the Finn-Power Group amounted to 2,828 thousand Euro
- the contribution of the Osai Group amounted to 420 thousand Euro.

Thus the increase, comparing the same area of consolidation and the same period as the previous financial year, is 3.1% (4,972 thousand Euro as against 4,823 thousand Euro at 3/31/2007).

Consolidated EBIT as of 3/31/2008 was 7,210 thousand Euro, equal to 9.5% of sales. This includes:

- the contribution of the Finn-Power Group, 2,229 thousand Euro,
- the contribution of the Osai Group in an amount of 368 thousand Euro.

Thus the structural growth (4,613 thousand Euro, compared to the 4,498 thousand Euro at 3/31/2007) was 2.6%.

The increase in operating revenues was only partially reflected in the **result before tax** at 3/31/2008 which amounted to 4,459 thousand Euro, compared to the 4,096 thousand Euro at 3/31/2007, essentially due to the higher financial expenses as a result of the increase in borrowings because of the Finn-Power operation.

The **net result** at 3/31/2008 amounted to 3,356 thousand Euro (4.4% of the Group's turnover), compared to the 2,136 thousand Euro at 3/31/2007 (6.1% of turnover).

the impact of taxation reduced, both because the Finn-Power Group benefits from substantial prior year tax losses, both because the Group, in regard to the Italian companies, accounts for the tax credit for Research and Development referred to in the 2007 Finance Act, which had a positive effect of 820 thousand Euro.

ORDERS ACQUISITION AND ORDERS BACKLOG

At 3/31/2008 the **consolidated orders acquisition**, exclusively in relation to systems, machines and electronics, amounted to 72,304 thousand Euro. The acquisition amounted to 35,496 thousand Euro in the same period of 2007.

During the first quarter, the orders collection reflected a recovery in the 3D sector, particularly in regard to the laser systems and sources.

As regards the Finn-Power Group, acquisitions were very good in January 2008, thereafter slowing down (partially due to the immediate effects of PRIMA INDUSTRIE's acquisition); thereafter they reflected a recovery during April.

The **Consolidated Orders backlog** was satisfactory at 3/31/2008, which in relation to the systems and machines was set at 136,599 thousand Euro (of which 74,232 thousand Euro related to the Finn-Power Group and 3,753 thousand Euro to the OSAI Group), compared to the 59,835 thousand Euro at 3/31/2007.

SALES ACTIVITY

During the first quarter of the year the Group took part in the following important sector fairs:

- Nortec (Hamburg - Germany)
- Samumetal (Pordenone – Italy)
- BIMU (Bari – Italy)
- Biemh (Bilbao - Spain)
- Techni Show (Utrecht – the Netherlands)

NET FINANCIAL POSITION

The net financial position amounted to 168,945 thousand Euro at 3/31/2008.

The change compared to 12/31/2007 in particular takes into account:

- the raising of the loan used to partially pay the consideration relating to the acquisition of the Finn-Power Group (63,015 thousand Euro), the refund of Finn-Power's pre-existing financial payables (for 75,669 thousand Euro),
- the creation of financial payables in favour of the seller (30,000 thousand Euro) in relation to the consideration still to be paid and
- the take over of Finn-Power's financial payables that had not been repaid, gross of the cash in Finn-Power at the time of the acquisition.

	3/31/08	12/31/07	3/31/07
CASH	(32,001)	(21,551)	(24,041)
SHORT-TERM	13,615	5,577	4,261
MEDIUM/LONG-TERM PAYABLES	187,331	15,206	14,033
TOTAL NET FINANCIAL POSITION	168,945	(768)	(5,747)

The financial borrowings highlight the overall exposure to credit institutions and other lenders (including leasing charges).

RESEARCH

The costs of research are written to the Income Statement at the time that they are incurred. The costs of research incurred in relation to determined projects are capitalized only when the company/the Group can demonstrate the technical possibility of completing the intangible asset in such a way as to make it available for use or sale, the company's intention to complete the said asset for use or sale, the ways in which the asset will generate probable future economic benefits, the availability of technical/financial or other resources to complete the development and its capacity to assess in a reliable way the costs attributable to the asset during its development.

After the initial recognition the costs of research are assessed at cost reduced by any amortisation or accumulated loss. The amortisation of the asset starts at the time when the development is completed and the asset is available for use. The asset is depreciated over the period in which it is envisaged that the related project will generate revenues for the Group. During the period in which the asset is not yet in use it will be reviewed annually to detect any losses in value.

The total costs incurred by the Group in the period under review amounted to 3,648 thousand Euro of which 2,503 thousand Euro were expensed in the period.

In the first quarter of the year R&D by the parent company PRIMA INDUSTRIE centred on the following activities:

- the production of the first examples of the Domino Evoluzione (presented at Fabtech '08 in Chicago) with related deliveries to the customers.
- the official presentation of the new CV5000 laser source at Biemh in Bilbao with very positive results. In addition, the first unit was delivered to the customer.-
- during the first few months of the year the first technical contacts were made with Finn Power to initiate the integration of the different products of the two brands of the group.

- the re-design of the Compact Server (US version) was finalised and the support activities to allow PNA to produce this version in loco are underway.
- the experimental stages of a new control system relative to the optical alignment of the three-dimensional machines, essential to achieve and maintain the high levels of quality and cutting speed, were started.
- the activities relating to technological research particularly in regard to the cutting and welding operations in the aeronautical field, continued.

PRIMA ELECTRONICS created a new version of the operator console of the P20L numerical control, which was presented at the Biehm fair in Bilbao. This device contains many interesting innovations - many obtained from the customers' actual needs - that make the customers' work more intuitive and productive. Here too the feedback from the customer was very positive.

The Research and Development in CONVERGENT LASERS concentrated on the preparations for the installation and testing of the new CV5000 laser source on the PLATINO machine, in preparation for the delivery of the first units to the customers; research and development continued on the improvement of the CL50K, the Nd laser: Yag installed on the *LASERDYNE® systems*.

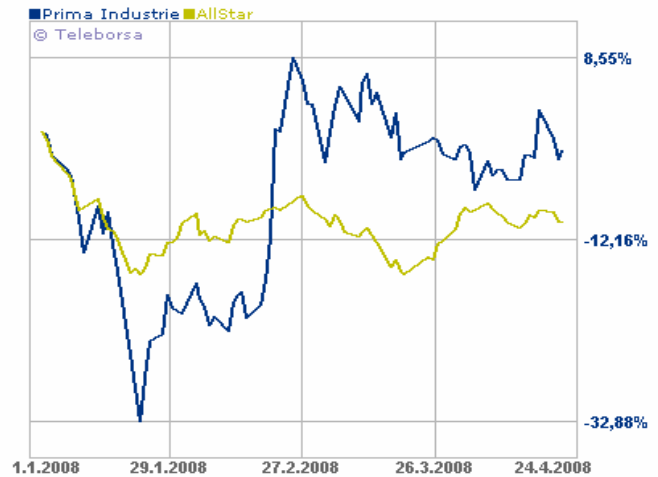
The LASERDYNE division completed the development of and launched the LASERDYNE 795 into production; this is one of the new generation LASERDYNE machines that contemplates a series of innovations aimed at increasing speed and precision.

The most significant activities in the Finn-Power Group related to the development of certain new products that are due to be launched onto the market in the short-term. These products are a family of integrated systems for punching and laser cutting as well as integrated systems for punching and shearing with increased productivity and reduced environmental impact thanks to the use of servo-electric technology.

THE STOCK TREND AND TREASURY STOCK

The stock trend compared to the *Allstar* reference index for the period 1/01/2008 to 4/24/2008 is set out below.

After an initial downturn with the share reaching a low of 20.25 Euro per share, it then experienced a strong increase, coinciding with the announcement to the market of the excellent results for the financial year ended 12/31/2007; the security reached a high of 32.75 Euro on 2/25/2008, once again being consistently placed above the reference index.



With regards to treasury stock and as of 3.31.08 and at the date of approval of this report, PRIMA INDUSTRIE S.p.A. did not hold any treasury stock.

In this regard, the Ordinary Meeting of Stockholders held on April 29 resolved to revoke the previous resolution dated 14 May 2007 and to adopt a new resolution governing the matter.

The motivation lies in the fact that the previous resolution lapsed after 18 months from the date that it was taken (i.e. on 11/14/08) and the company wished to be in a position to operate with a less limited time frame.

The new resolution, adopted in accordance with sections 2357 and 2357 *ter* of the Italian Civil Code, provides for the acquisition of a maximum of 80,000 treasury shares (with a par value of 2.5 Euro per share) (equal to a maximum of 4,800,000 Euro); the resolution is valid for 18 months from the date of the resolution of the General Meeting.

The minimum purchase and selling price was set as 2.5 Euro per share (par value) and the maximum purchase and selling price was fixed as 60 Euro; the maximum selling price can also be set at a greater figure, taking into account the *pro-tempore* market conditions applicable.

This resolution was taken in accordance with the commitments undertaken in this regard (in terms of the maximum number of shares and the counter-value) in the financing agreement stipulated on 1/31/2008 by PRIMA INDUSTRIE S.p.A. with Unicredit Banca d'Impresa S.p.A. (*Mandated Lead Arranger*, Financing Bank and Agent Bank) Banca Imi S.p.A. (*Mandated Lead Arranger*) and Intesa Sanpaolo S.p.A. (Financing Bank)

EARNINGS AND DIVIDEND PER SHARE

(a) *Basic earnings per share*

The basic earnings per share is determined by dividing the profit due to the stockholders of the Parent Company by the average number of shares in circulation during the period, excluding the ordinary stock acquired by the Parent Company, held as treasury stock in portfolio.

During the financial period, the stock in circulation amounted to 4,600,000, shares, (of which 3,000 are treasury stock held by the company until 2/28/2008); thus the earnings

per share for the first quarter of 2008 amounted to 0.73 Euro per share (compared to 0.46 Euro per share in 2007).

<i>Earnings per share</i>	<i>March 31, 2008</i>	<i>March 31, 2007</i>
Earnings due to stockholders (Euro/1,000)	3,356	2,136
Weighted average - number of ordinary shares	4,598,000	4,597,167
Basic earnings per share (Euro)	0.73	0.46

(b) Diluted earnings per share

The diluted earnings per share are determined by dividing the profit due to the stockholders of the Parent Company by the average number of shares in circulation during the period, corrected by the potential share number, represented by the pre-emptive rights. The estimate of the potential share number is determined as an estimate of the number of shares that can be subscribed for, at the exercise price, given the value of the option.

From 3/31/2008, no subscription rights on PRIMA INDUSTRIE's shares were in circulation and thus the calculation of diluted earnings per share was not applicable.

(c) Dividend per share

On 4/29/08 the Stockholders' Meeting resolved to distribute a gross dividend per share on the 2007 profit of 0.65 Euro (i.e. equal to the previous financial year), to be paid to all the shares in circulation, excluding treasury stock held in portfolio, at the cut-off date for the payment of the said dividend (5/26/2008). Thus, because as at date hereof the company does not hold treasury stock, the amount of the dividend to be distributed will be 2,990,000 Euro.

The payment date was set as 5/29/2008.

EVENTS WHICH TOOK PLACE DURING THE QUARTER

ACQUISITION OF THE FINN-POWER GROUP

Pursuant to a resolution to this effect, on January 30, 2008, PRIMA INDUSTRIE S.p.A. perfected on February 4, 2008 the acquisition of 100% of Finn-Power Oy, a Finnish company with a 25-year history of growth and innovation in the sector of machinery and systems for plate processing .

This operation thus created a global group within the laser systems and plate processing sector with pro-forma 2007 revenues of more than 415 million Euro; the group is represented in 50 countries, with 10 production plants in Italy, Finland, USA and China and more than 1,600 employees throughout the world. The Finn-Power Group, with registered office in Kauhava in Finland as well as production facilities in Finland and Italy and subsidiaries in Italy, Germany, France, Belgium, Spain, the US and Canada, primarily operates in the sector of plate processing machinery (punching presses, punching press/shears cells and laser punching presses, automatic folding cells and related automation systems) and, to a minor degree, within the laser cutting machinery sector.

The reference market for the Finn-Power products is very wide and to a large extent coincides with that in which the Prima Group already operates: telecommunications, HVAC (Heating, Ventilating, Air-Conditioning), electrical equipment, lighting installations, farming machinery, household electrical appliances and metal furnishing.

The operation fully meets the strategic plan of the Prima Industrie Group for growth, *inter alia* in sectors that are complementary to those in which it currently operates.

More particularly PRIMA INDUSTRIE S.p.A. acquired 100% of the shares in Finn-Power Oy, of which 91.64% was held by the fund: Private Equity EQT III Limited and the remaining share was owned by certain minority stockholders.

The *Enterprise Value* was equal to 170 million Euro, including the financial debt of Finn-Power Oy on the Closing Date.

The operation was financed by a credit line, (mainly medium-long-term, for a total amount of 183.5 million Euro, of which 20 million Euro is a working capital facility), supplied by a pool of banks organised by Banca IMI (Mandated Lead Arranger), Unicredit Banca di Impresa (Mandated Lead Arranger) and Intesa Sanpaolo (Financing Bank).

Part of the financing is to be replaced by 2/4/09 by an increase in stockholders' equity which is to be implemented by way of a capital increase against payment; in this regard the Extraordinary Meeting of Stockholders held on April 29, 2008 gave a mandate to the Board of Directors to so act and this mandate was exercised on 5/14/2008.

The capital increase does not exceed a maximum par value of 4,500,000 (corresponding to a maximum of 1,800,000 shares with a par value per share of 2.5 Euro) over and above any share premium, with a consequent increase of stockholders' equity of not less than 25 million Euro.

INCREASE OF THE EQUITY INVESTMENT IN THE SHANGHAI UNITY PRIMA JOINT VENTURE

As previously announced in the last quarter of 2007, PRIMA INDUSTRIE S.p.A. reached an agreement with its partners in the Chinese joint venture, Shanghai Unity Prima, for the organizational restructuring of the latter.

This agreement envisaged that by 6.30.08 PRIMA INDUSTRIE would increase its share from 27.5% to 35%, disbursing a total of 9 million Rmb (i.e. about 812 thousand Euro at the exchange rate at 3/31/08).

The agreement reflects the strategic intention of PRIMA INDUSTRIE to strengthen its presence within the Chinese market by aiming towards greater influence in the Shanghai JV.

It should be noted that the Group *inter alia* and mainly through the JV has a share in the Chinese market, which is totally significant (about 40%).

In particular, on 1/15/2008 the Board of Directors of Shanghai Unity Prima Joint Venture approved a capital increase and on 3/19/2008 the Chinese Ministry of Trade and Industry approved PRIMA INDUSTRIE's increased share in the JV. Thus at 3/31/2008 PRIMA INDUSTRIE's stake in this JV amounted to 35%. The capital increase will be paid for shortly.

EARN-OUT PAYMENT TO THE SELLERS OF OSAI S.p.A. and ACQUISITION OF MINORITIES IN OSAI UK Ltd.

On 3/31/08 the Stockholders' Meeting of OSAI S.p.A, a subsidiary of PRIMA ELECTRONICS S.p.A, by recording the consolidated result of the OSAI Group for the financial year ended December, 31 2007, fixed the earn-out payment to be paid to the sellers, in an amount of 795 thousand Euro (defined in the purchase contract as 3 times the growth in the EBITDA between 2006 and 2007, with a floor of zero and a cap of 1.5 million Euro). The aforesaid sum was paid in April 2008.

Again in relation to the OSAI Group, at the end of March, OSAI S.p.A. acquired the minorities relating to OSAI UK Ltd. (18%), previously in the hands of management.

Pursuant to this operation OSAI S.p.A. now holds a 100% of the stock.

The payment made to acquire the third party equity, which at that date amounted to 174 thousand Pound Sterling (220 thousand Euro), amounted to 203 thousand Pounds (equivalent to 257 thousand Euro).

SUBSEQUENT EVENTS

STOCK OPTIONS PLAN

The Stockholders' Meeting of 4/29/08 approved the realisation of a stock option plan, aimed at the executive directors of PRIMA INDUSTRIE S.p.A., PRIMA ELECTRONICS S.p.A. and Finn-Power Oy, as well as at the Group financial manager and the General manager of PRIMA INDUSTRIE S.p.A., in their capacity as executives with the power to adopt strategic decisions.

The subsequent meeting of the Board of Directors held on 5/07/08 set out a detailed definition of the plan, which provides that the beneficiaries and the number of options to be allocated to each person shall be as follows:

- Gianfranco Carbonato, Chairman and Managing Director of PRIMA INDUSTRIE S.p.A.
- Domenico Peiretti, Managing Director of PRIMA ELECTRONICS S.p.A.
- Marco Pincioli, Managing Director of PRIMA INDUSTRIE S.p.A.
- Tomas Hedenborg, Managing Director of Finn-Power Oy
- Ezio Basso, General Manager of PRIMA INDUSTRIE S.p.A.
- Massimo Ratti, Group Financial Manager.

The main features of the plan are as follows:

- The issue price of the shares was determined as the arithmetic mean of the official prices (as defined by the Borsa Italiana S.p.A. rules) recorded by the Stock in the MTA market (or in the market in which the shares are to be quoted *pro tempore*) in the period that runs from the date of allocation of the Options to the same date in the preceding calendar month, increased by 20%. This figure amounts to 34.96 Euro per share and shall be subject to adjustment (on the basis of the AIAF factor) if a capital increase should take place after the allocation of the options.
- the options give the right to subscribe to an equal number of newly issued shares in PRIMA INDUSTRIE S.p.A.;
- the plan is a medium/long-term plan, envisaging a “vesting period” of three years from the date of the allocation of the Options. This aspect takes into consideration the time period necessary to establish positive progress in relation to the process of integration of the PRIMA INDUSTRIE and the Finn-Power Groups;
- the Options allocated to each Beneficiary can be exercised after a period of three years has elapsed from the allocation date, from June 1, 2011 and by June 30, 2014 (the date on which the Plan expires) during the undermentioned two periods of each year until the expiry of the Plan:
 - 1st June – 30th June;
 - 1st October - 30th October.
- The individual beneficiaries can exercise, in each of the two monthly periods prescribed in each year, up to a maximum of one third of the total of the Options allocated to them.

The Plan aims at further developing, in the management of the PRIMA INDUSTRIE Group, a culture which is strongly orientated at the creation of value for the Company, the Group and the members of the Company.

In this regard the aims of the Plan are:

- to create a variable incentivization mechanism in line with the directions contained in the Code of Self-regulation promoted by Borsa Italiana S.p.A.;
- to align the interests of the beneficiaries with the interests of the stockholders in the logic of value creation;
- to insure the motivation of the beneficiaries towards strategic success factors in the medium-term;
- to promote the beneficiaries' loyalty towards the Group.

At the subsequent Extraordinary Meeting held on 4/29/08 a capital increase for the purpose of the stock option plan was resolved upon, with a maximum nominal value of 375,000 Euro, being a maximum of 150,000 new ordinary shares in PRIMA INDUSTRIE S.p.A., with a par value of 2.50 Euro per share; the pre-emptive right was excluded (in terms of section 2441, IV paragraph, point two of the Italian Civil Code) reserving the right to subscribe to the issue to the beneficiaries of the Plan. Such capital increase is divisible in terms of section 2439 of the Italian Civil Code, in order to take into account the time frame during which the options can be exercised.

For further information please refer to the company's website www.primaindustrie.com.

APPOINTMENT OF THE NEW BOARD OF DIRECTORS

The Stockholders' Meeting held on 4/29/08 appointed the new Board of Directors of PRIMA INDUSTRIE S.p.A., composed of 7 members, who are to remain in office until the date of approval of the Financial Statements at 12/31/2010.

The undermentioned directors were appointed:

- Gianfranco Carbonato (reconfirmed as the Chairman, as well as the Managing Director by the subsequent meeting of the B.o.D. held on 5/07/2008)
- Sandro D'Isidoro
- Michael R. Mansour
- Rafic Y. Mansour
- Mario Mauri
- Domenico Peiretti
- Marco Pincioli (Managing Director appointed by the B.o.D. held on 5/07/2008 for extraordinary operations)

APPOINTMENT OF A NEW EXTERNAL AUDITING COMPANY

Because the three-year period of the mandate to the auditing company PricewaterhouseCoopers S.p.A. had expired, the Stockholders' Meeting conferred on the company Reconta Ernst & Young S.p.A. the mandate to audit the Financial Statements, including the Consolidated Financial Statements, for the period 2008-2016, as per the proposal motivated by the Board of Statutory Auditors that took into account the standing of the auditing company, the audit plan presented, the organisation and technical suitability in relation to the mandate to be performed, as well as the annual remuneration believed to be reasonable for the work to be performed.

MANDATE TO THE BOARD OF DIRECTORS FOR THE CAPITAL INCREASE AGAINST PAYMENT

The Stockholders' Meeting of 4/29/08 gave a mandate to the Board of Directors to increase the capital against payment, in terms of sections 2441 and 2443 of the Italian Civil Code, in one or more instalments for a maximum of five years from that date and for a nominal maximum sum of 4,500,000, in addition to any share premium. The increase/s will be achieved by the issue of a maximum of 1,800,000 ordinary shares with a par value of 2.5 Euro per share.

This proposal and in particular the attribution of the mandate to the Board of Directors with the power to resolve upon the capital increase to be offered as an option to the members is necessitated by the company's need to realize an increase in the Stockholders' Equity of at least 25,000,000 Euro (including the nominal value and the share premium) by February 4, 2009, as required by the agreement with the financing banks in relation to the operation for the acquisition of Finn-Power.

In addition a wider mandate was requested in such a way as to permit, if necessary and as a consequence of the stock market conditions, a more extensive capital increase or subsequent capital increases aimed at improving the debt/equity ratio of the company. The assignment of a mandate to increase the capital will allow the company to take advantage of possible favourable market situations to find financial resources that could be characterised by special dynamism and immediacy and will enable the company to overcome the technical times provided for the convocation of the Stockholders' Meeting, the adoption of the necessary resolutions and their execution.

The aforesaid mandate was exercised by the Board of Directors on 5/14/2008, on terms that were substantially in accordance with those prescribed by the Stockholders' Meeting.

ATYPICAL AND/OR UNUSUAL TRANSACTIONS

There were no atypical and/or unusual transactions during the period.

**RECONCILIATION BETWEEN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY AND
THE CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2008 RELATIVE TO STOCKHOLDERS' EQUITY AND
PROFIT**

	Stockholders' equity at 31/12/2007	Capital increase	Increases/ decreases Stockholders' equity	Profit/loss for the fin. Year	Stockholders' equity at 31/03/2008
As per Parent Company's Financial Statements	36.670.803		92.560	4.071.322	40.834.685
Parent co. shares held by companies of the group					
Financial statements - companies consolidated using net asset method	35.238.851		43.610.401	1.544.601	80.393.853
Adjustments to conform with IAS-IFRS accounting principles:					
- Adjustments on intangible fixed assets & related depreciation	(654.308)		45.146		(609.162)
- Adjustment to the value of MLTA equity investment held by PRIMA ELECTRONICS	-				-
Consolidation adjustments:					
- Elimination of book value of equity investments	(23.588.123)		(96.051.160)		(119.639.283)
- Goodwill on the acquisition of the OSAI Group	4.125.231		36.770		4.162.001
- Goodwill per acquisizione gruppo OSAI			48.310.431		48.310.431
- reversal of infra-group & JV margins	(3.352.665)		91.631	267.970	(2.993.064)
- reversal of dividends from group companies	-		2.497.293	(2.497.293)	-
- Other minor items	-				-
- Correction JV valuation to Net Equity	1.570.782		(5.673)	167.993	1.733.102
- Net deferred taxes on consolidation adjustments	1.430.144		(16.360)	(198.292)	1.215.492
- Minority share of equity and result	(237.134)		237.134		-
As per consolidated Financial Statements	51.203.581		(1.151.827)	3.356.301	53.408.055

4. PERFORMANCE OF THE MAIN COMPANIES OF THE GROUP

SUMMARY OF THE MOST SIGNIFICANT INCOME PARAMETERS AND RATIOS ⁽¹⁾

(THE INFORMATION RELATES TO THE FINANCIAL STATEMENTS RECLASSIFIED ON THE BASIS OF IAS/IFRS ACCOUNTING PRINCIPLES)

	PRIMA INDUSTRIE S.p.A.				PRIMA ELECTRONICS S.p.A.(2)				PRIMA North America Inc.				Finn-Power Group (3)				OSAI Group(4)				Other Subsidiary Co.(5)			
	31/03/08		31/03/07		31/03/08		31/03/07		31/03/08		31/03/07		31/03/08		31/03/07		31/03/08		31/03/07		31/03/08		31/03/07	
	K€	%	K€	%	K€	%	K€	%	K€	%	K€	%	K€	%	K€	%	K€	%	K€	%	K€	%	K€	%
Sales	28.319	100,0%	24.576	100,0%	6.603	100,0%	6.654	100%	8.149	100,0%	12.314	100,0%	32.962	-	-	-	4.698	100,0%	-	-	6.625	100,0%	3.436	100,0%
MOL (EBITDA)	3.165	11,2%	2.706	11,0%	1.090	16,5%	1.102	16,6%	503	6,2%	2.263	18,4%	2.828	8,6%	-	-	420	8,9%	-	-	-104	-1,6%	-206	-6,0%
Operating result (EBIT) (1)	2.969	10,5%	2.533	10,3%	992	15,0%	1.016	15,3%	454	5,6%	2.211	18,0%	2.229	6,8%	-	-	368	7,8%	-	-	-121	-1,8%	-221	-6,4%

(1) The individual amounts of the sales and the individual results (in the table) differ from the consolidated operating result due to the consolidation adjustments.

(2) The information at 3/31/08 and 3/31/07 also includes the business of M.L.T.A., which merged with PRIMA ELECTRONICS S.p.A from the second half of 2007.

(3) The information as of 3/31/2007 of the Finn-Power Group was not considered because at that date it did not form part of the Group.

(4) The information as of 3/31/2007 of the Osaï Group was not considered because at that date it did not form part of the Group.

(5) The values relate to PRIMA INDUSTRIE UK Ltd., PRIMA SCANDINAVIA AB and PRIMA INDUSTRIE GmbH and for the first quarter of 2008 only, to PRIMA INDUSTRIE POLSKA Sp.z.o.o.

EXCHANGE RATES USED FOR THE CONVERSION OF NON-EURO CURRENCIES

CURRENCY	AVERAGE EXCHANGE RATE FOR THE PERIOD		CURRENT EXCHANGE RATE AT THE END OF THE PERIOD	
	3/31/2008	3/31/2007	3/31/2008	3/31/2007
	US DOLLAR	1.49976	1.31049	1.5812
POUND STERLING	0.757709	0.670540	0.7959	0.6798
SWEDISH KRONA	9.399183	9.189427	9.397	9.3462
POLISH ZLOTY	3.574073		3.522	

PRIMA INDUSTRIE S.p.A.

In the first quarter of the financial year, the parent company, PRIMA INDUSTRIE S.p.A. also achieved constant improvement both in sales, as well as profitability.

The sales achieved at 3/31/2008 (28,319 thousand Euro) in fact show a growth of 15% compared to 3/31/2007 (24,576 thousand Euro).

Even more obvious is the improvement at a level of operating profit which at 3/31/2008 grew to 2,969 thousand Euro (equal to 10.5% on sales) compared to the 2,533 thousand Euro at 3/31/2007 with an increase of 17%.

This improvement reflects above all an improvement in the margins realised on the systems sold, due both to a positive trend in the selling price as well as to important economies of scale and learning.

As regards the financial management the quarterly information takes into account as a positive factor, the dividends received from the subsidiaries PRIMA ELECTRONICS S.p.A. and PRIMA North America Inc. (in total 2,511 thousand Euro), and, as a negative factor, the financial expenses connected to the significant loan provided by a *pool* of banks organised by Banca IMI (*Mandated Lead Arranger*), Unicredit Banca di Impresa (*Mandated Lead Arranger*) and Intesa Sanpaolo (Financing Bank) in support of the acquisition of the Finn-Power Group. This loan, which totals 183.5 million Euro, of which 20 million Euro is a working capital facility, was utilized in cash for an amount of 138.5 million Euro at 3/31/2008.

In the months to come this loan should be considerably reduced thanks to the capital increase against payment, in respect of which the Stockholders' Meeting held on 4/29/08 has already given a mandate to the Board of Directors to see to its realisation.

The net result for the 2007 financial year, which went from 3,110 thousand Euro to 4,071 thousand Euro (+31%), benefited from both the lower tax rates applied to dividends distributed by the subsidiaries (5% compared to the higher average tax rate of the company), as well as from the recording of the tax credit on Research and Development incurred in 2007 and in the first quarter of 2008, in an amount of approximately 460 thousand Euro.

The good performance of the parent company, PRIMA INDUSTRIE S.p.A. should also continue in the next few months thanks to the orders backlog from third party customers that at 3/31/2008, amounted to 37,234 thousand Euro - a growth of more than 8.6% compared to the 34,277 thousand Euro at 3/31/2007).

PRIMA ELECTRONICS S.p.A.

Sales for the first quarter of the financial year amounted to 6,603 thousand Euro substantially in line with the 6,654 thousand Euro as at 3/31/2007 (the 2007 information is calculated taking into account the contribution of M.L.T.A. S.r.l., which with effect from the second half of 2007 merged with PRIMA ELECTRONICS S.p.A.).

The EBIT for the period was 992 thousand Euro, equal to 15% of turnover) (it was 1,016 thousand Euro at 3/31/2007).

PRIMA NORTH AMERICA Inc.

In the course of the first quarter of 2008 PRIMA North America Inc. achieved sales of 12.2 million Dollars compared to the 16.1 million Dollars in the same period of 2007.

The EBIT for the period amounted to 0.7 million Dollars, equal to 5.6% of the sales (it was 2.9 million Dollars at 3/31/2007, equal to 18% of sales).

The lower results compared to the corresponding period of the previous financial year are mainly due to the postponement to subsequent quarters of installations (and the consequent acceptance by customers) of machines in the PRIMA Systems and LASERDYNE divisions.

Finally, it must be pointed out that, compared to the first quarter of the 2007 financial year, the dollar/euro exchange depreciated by 14.4%, a factor which resulted in the contraction of revenues and margins where they are expressed in Euro.

FINN-POWER Group

The trend for the two months (February and March) included in the Consolidated Financial Statements of the Group reflected turnover of 32,962 thousand Euro (that includes a part of the revenues originally expressed in dollars and that were negatively influenced by the depreciation of the currency compared to the Euro) and EBITDA and EBIT respectively of 2,828 thousand Euro (equal to 8.6% of the turnover) and 2,229 thousand Euro (equal to 6.8% of the turnover).

OSAI Group

The OSAI Group which formed part of the consolidation from the second half of 2007, generated sales of 4,698 thousand Euro in the first quarter of 2008, with EBITDA and EBIT respectively amounting to 420 thousand Euro (8.9% of turnover) and 368 thousand Euro (7.8% of turnover).

OTHER SUBSIDIARIES

The subsidiary PRIMA INDUSTRIE UK at 3/31/2008 recorded a lower turnover than that recorded in the same period of the previous financial year (about 1.4 million Euro against 1.8 million Euro) with negative EBIT of 125 thousand Euro (it was + 13 thousand Euro at 3/31/2007), due to the impact of the fixed costs on a reduced turnover and significant exchange losses linked to the worsening of the Pound/Euro exchange rate.

The subsidiary PRIMA SCANDINAVIA recorded turnover of 1 million Euro, as at 3/31/2008, an overall recovery compared to the 236 thousand Euro as at 3/31/2007, achieving an EBIT of 25 thousand Euro (it was negative in an amount of 77 thousand Euro on 3/31/2007). The company nevertheless has a good portfolio as at 3/31/2008 permitting one to hold an optimistic view for the future.

PRIMA INDUSTRIE GmbH recorded a very positive start for the financial year both from the point of view of a growth in volumes, as well as from the point of view of an increase in profitability, achieving turnover during the financial period of 4.2 million Euro, three times more than the turnover in the same period in 2007 (1.4 million Euro), and EBIT of 27 thousand Euro (it was negative in an amount of 157 thousand Euro at 3/31/2007).

PRIMA INDUSTRIE POLSKA S.p.z.o.o. has just started its activities and its results for the period are not yet significant.

This is also applicable to PRIMA INDUSTRIE (Beijing) which should become operative with effect from 4/01/08.

ASSOCIATED COMPANIES AND JOINT VENTURES

Particular mention should be made of the continued growth of the Chinese JV Shanghai Unity PRIMA; the JV achieved sales of 47.1 million Rmb during the first quarter of 2008 (equal to approx. 4.4 million Euro) with an increase of 49.5% compared to the 31.5 million Rmb (equal to approx. 3.0 million Euro) of the first quarter of 2007.

In addition and as at 3/31/2008, the company showed a very high return that brought the net profit for the period to 5.8 million Rmb, (about 0.54 million Euro), equal to 12.3% of sales, a net growth compared to the 4.7 million Rmb (approx. 0.45 million Euro) as at 3/31/2007.

There are no particularly significant results in the other 2 Chinese JV: Wuhan OVL and Shenyang PRIMA Laser Machine Company; the stakes in these JV are recorded in the Financial Statements, for various reasons, at zero.



PRIMA INDUSTRIE S.p.A.

**CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2008≈
ACCOUNTING STATEMENTS**

THE PRIMA INDUSTRIE GROUP CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2008

CONSOLIDATED BALANCE SHEET AT 31 MARCH 2008 AND 31 DECEMBER 2007

VALUES IN EURO	NOTE	31/03/2008	31/12/2007
Tangible fixed assets		28.976.519	10.165.878
Intangible fixed assets		142.065.650	6.713.046
Investimenti immobiliari non strumentali		2.700.000	
Equity investments valued using the equity method		3.208.969	2.234.917
Altre partecipazioni		801.885	801.885
Other financial assets		304.707	1.133.223
Tax assets for prepaid taxes		5.824.886	5.073.208
Tax assets for prepaid taxes		1.829.684	30.126
Other receivables		4.612	25.902
Derivative financial instruments	2	24.152	
TOTAL NON CURRENT ASSETS		185.741.064	26.178.185
Inventories	1	123.118.145	41.967.051
Trade receivables	2	81.632.921	51.703.785
Other receivables	3	9.828.237	2.564.642
Other tax assets		6.505.070	5.373.666
Derivative financial instruments		-	-
Trading securities valued at fair value		-	-
Cash and cash equivalents		32.000.790	21.551.369
TOTAL CURRENT ASSETS		253.085.163	123.160.513
Non current assets held for sale		-	-
TOTAL ASSETS		438.826.227	149.338.698
Share Capital		11.500.000	11.500.000
Treasury stock		-	(87.880)
Treasury stock owned by subsidiaries		-	-
Legal reserve		2.300.000	2.300.000
Other reserve		17.018.984	17.018.984
Conversion reserve		(3.863.424)	(2.559.891)
Profits (Losses) carried forward		23.096.194	9.303.872
Profit (losses) for the year		3.356.301	13.728.496
Total Group stockholders' equity		53.408.055	51.203.581
Minority interests		-	237.134
TOTAL NET EQUITY		53.408.055	51.440.715
Loans		187.330.741	15.205.862
Employee benefits		8.738.762	7.561.363
Deferred tax liabilities		1.860.873	1.905.744
Provisions for risks and charges	5	952.103	44.235
Derivative financial instruments		-	-
TOTAL NON CURRENT LIABILITIES		198.882.479	24.717.204
Trade payables	4	90.631.915	33.727.779
Advances	4	39.383.705	10.545.432
Other payables	4	25.945.952	9.883.075
Amounts due to banks and in respect of loans		12.300.006	5.577.448
Tax liabilities - current taxes		8.652.112	7.976.815
Provision for risks and charges	5	8.306.815	5.470.230
Derivative financial instruments		1.315.188	-
TOTAL CURRENT LIABILITIES		186.535.693	73.180.779
Liabilities due to non current assets held for sale		-	-
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		438.826.227	149.338.698

THE PRIMA INDUSTRIE GROUP CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2008

CONSOLIDATED INCOME STATEMENT AT 31 MARCH 2008 AND 31 MARCH 2007

VALUES IN EURO	NOTE	31/03/2008	31/03/2007
Net revenues from sales and services		75.706.283	35.025.870
Other operating income		2.636.228	874.991
Changes in inventories of semifinished and finished products		8.535.004	4.614.616
Increases in fixed assets for internal work		1.664.185	55.148
Use of raw materials, consumables, supplies and goods		(42.876.713)	(19.363.713)
Personnel cost		(19.867.776)	(7.941.669)
Amortization		(1.010.097)	(325.462)
Impairment & Writedowns		-	-
Other operating costs		(17.577.543)	(8.441.400)
OPERATING INCOME		7.209.571	4.498.381
Financial income		275.659	138.281
Financial expenses		(2.618.536)	(289.839)
Net income from transactions in foreign exchange		(575.509)	(11.385)
Net income from associated companies & joint ventures		167.993	(239.212)
		-	-
INCOME BEFORE TAX		4.459.178	4.096.226
Current and deferred taxes		(1.102.877)	(1.960.528)
NET PROFIT		3.356.301	2.135.698
Income from assets held for disposal		-	-
NET PROFIT		3.356.301	2.135.698
- Group Stockholders' net profit		3.356.301	2.135.698
- Minorities net profit		-	-
EARNING PER SHARE (euro)		0,73	0,46

THE PRIMA INDUSTRIE GROUP CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2008

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY AT 31 MARCH 2007 AND 31 MARCH 2008

FROM 1 JANUARY 2007 TO 31 MARCH 2007

VALUES IN EURO	01/01/07	Variation of consolidation area	Purchase/Sale of treasury stock	Gains on disposal of treasury stock	Losses on disposal of treasury stock	Allocation of Previous Financial Year's income	Dividends Distribution	Profit of the period	Other	Conversion Reserve	31/03/07
Share capital	11.500.000										11.500.000
Treasury shares	(109.034)		21.154								(87.880)
Treasury shares owned by subsidiaries	-		(77.809)								(77.809)
Share premium reserve	15.664.893										15.664.893
Legal reserve	2.300.000										2.300.000
Other reserves	1.184.141										1.184.141
Conversion reserve	(639.537)									(179.869)	(819.406)
Earnings (losses) carried forward	(1.307.575)			25.000	(1.146)	13.705.921			36.542		12.458.742
Income for the year	13.705.921					(13.705.921)		2.135.698			2.135.698
Net Equity	42.298.809	-	(56.655)	25.000	(1.146)	-	-	2.135.698	-	(179.869)	44.258.379
Minorities' interest	60.266								(60.266)		-
Total Net Equity	42.359.075	-	(56.655)	25.000	(1.146)	-	-	2.135.698	(60.266)	(179.869)	44.258.379

FROM 1 JANUARY 2008 TO 31 MARCH 2008

VALUES IN EURO	01/01/08	Variation of consolidation area	Purchase/Sale of treasury stock	Gains on disposal of treasury stock	Losses on disposal of treasury stock	Allocation of Previous Financial Year's income	Dividends Distribution	Profit of the period	Other	Conversion Reserve	31/03/08
Share capital	11.500.000										11.500.000
Treasury shares	(87.880)		87.880								-
Treasury shares owned by subsidiaries	-		-								-
Share premium reserve	15.664.893										15.664.893
Legal reserve	2.300.000										2.300.000
Other reserves	1.354.091										1.354.091
Conversion reserve	(2.559.891)	(44.744)								(1.258.789)	(3.863.424)
Earnings (losses) carried forward	9.303.872	59.146		4.680		13.728.496				-	23.096.194
Income for the year	13.728.496					(13.728.496)		3.356.301			3.356.301
Net Equity	51.203.581	14.402	87.880	4.680	-	-	-	3.356.301	-	(1.258.789)	53.408.055
Minorities' interest	237.134	(257.410)								20.276	-
Total Net Equity	51.440.715	(243.008)	87.880	4.680	-	-	-	3.356.301	-	(1.238.513)	53.408.055

THE PRIMA INDUSTRIE GROUP CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2008

CONSOLIDATED CASH-FLOW STATEMENT AT 31 MARCH 2008 & 31 MARCH 2007

THOUSAND OF EURO	31/03/2008	31/03/2007
Profit (Loss) before tax	4.459.178	4.096.226
Adjustments	3.790.452	755.740
Amortization for the financial year	1.010.097	325.462
Provisions raised to Employees' severance fund	29.962	28.123
Loss (Profit) on foreign currency transactions	575.509	11.385
Loss (Income) from equity investments	(167.993)	239.212
Financial expenses	2.618.536	289.839
Financial (income)	(275.659)	(138.281)
	8.249.630	4.851.966
(Increase) /Decrease in trade and other receivables	5.064.346	(4.399.458)
(Increase) /Decrease in inventories	(14.226.301)	(8.462.167)
Increase / (Decrease) in trade payables	16.633.696	12.418.770
Increase / (Decrease) in other payables	(4.205.253)	(588.370)
Cash flow from typical activity	11.516.118	3.820.741
Interest payment	(2.618.536)	(241.078)
Tax payment	-	-
Cash flow derived from operating activity	8.897.582	3.579.663
<i>Cash flow derived from investment activity</i>	(95.694.636)	-
Acquisition OSAI Group	5.507.753	-
Cash at the time of OSAI acquisition	-	(83.906)
Acquisition MLTA	(856.357)	(388.212)
Purchase of tangible fixed assets	(1.148.775)	(86.608)
Purchase of intangible fixed assets	-	-
Sale /(Purchase) of financial assets (at cost)	973.709	-
Sale /(Purchase) investments in associates	(806.059)	1.465
Sale/ (Purchase) of treasury stock at fair value	-	-
Receipts from sales of fixed assets	527.756	14.754
Interest encashed	275.659	138.281
Cash flow derived from investing activity	- 91.220.950	- 404.226
<i>Cash flow derived from financing activity</i>		
Variation in the conversion reserve		
(Purchase)/sale of treasury stock	170.323.843	2.000.000
Variation area for OSAI minorities	(76.090.059)	(1.281.569)
Variation of other reserves	(119.837)	(262.861)
Changes in balance- derivative instruments (FV)	-	(56.327)
Loan agreements	47.802	(71)
Repayments of loans and financing	-	-
(Repayments)/ Raising of financial leases	(1.258.789)	(179.869)
(Repayments)/ Raising of Sabatini transactions	92.560	(32.801)
Dividends paid	(222.732)	(23.724)
Net Cash flow derived from financing activity	92.772.788	162.778
Increase (decrease) in the cash and cash equiv.	10.449.421	3.338.215
Cash and cash equivalents at start of year	21.551.369	20.702.707
Cash and cash equivalents at year end	32.000.790	24.040.922

5. EXPLANATORY NOTES

GROUP ACTIVITIES

PRIMA INDUSTRIE S.p.A.'s corporate mission is the design, manufacture and sale of electrical and electronic equipment, instruments, machines and mechanical systems and the related software programs for use in industrial automation or in other sectors in which the Company's technology may be usefully employed.

The Company is also capable of providing industrial services of a technical, design and organizational nature in the field relating to the production of capital goods and industrial automation.

The main activity is focused in the cutting and welding laser machines sector.

PRIMA ELECTRONICS S.p.A.'s corporate mission is the design, manufacture and sale of mechanical, electrical and electronic equipment, systems and installations and the relevant software programs.

In particular, thanks to the merger of M.L.T.A. S.r.l, the Company also possesses special expertise in the power electronics sector.

The company may also acquire and grant manufacturing licences.

PRIMA NORTH AMERICA Inc. (incorporated in terms of American law) has three divisions:

- CONVERGENT LASERS DIVISION: which designs, manufactures, sells and renders assistance in respect of industrial lasers throughout the world.
- LASERDYNE SYSTEMS DIVISION: which designs, manufactures, sells and provides assistance in respect of Laserdyne systems throughout the world. These systems are specialized in the use of lasers for the production of components for aeronautic motors and turbines for the generation of energy.
- PRIMA SYSTEMS DIVISION: which is engaged in the sale and installation in North America of PRIMA INDUSTRIE'S products, as well as the provision of technical assistance in respect thereof.

The FINN-POWER Group with headquarters in Finland, and with productive sites in both Finland and Italy and subsidiary companies in Italy, Germany, France, Belgium, Spain, the USA and Canada, operates mainly in the sector of machines for the plate processing (punching machines, punching-shearing cells and punching machines-lasers, automatic bending cells and the related automation systems) and to a lesser extent, in the sector of laser cutting machines, a sector in which the PRIMA INDUSTRIE Group *is a leader*.

Finn-Power products are positioned within the average to high range and are characterized by elevated versatility and size as well as a high degree of automation: The company is renowned for its Flexible Production systems operating throughout the whole production unit.

The Group is made up as follows:

- Finn Power Oy, the parent company, has two production facilities in Finland (in which the majority of the Group's products are made, with particular focus on punching presses, automatic plate treatment systems and 2D laser machines) and markets its products directly in Finland and abroad via subsidiary and distribution companies.

- Finn-Power Italia has a productive facility in which panelling machines are made and in addition, via a sales office, it carries out distribution and after-sales services for the Finn Power products on the Italian market;
- Finn-Power-GmbH carries out distribution and after-sales services in respect of the Finn Power Group's products on the German market;
- Finn-Power Iberica carries out distribution and after-sales services in respect of the Finn Power Group's products on the Spanish and Portuguese markets;
- Finn-Power-NV carries out distribution and after-sales services in respect of the Finn Power Group's products on the Benelux markets, in addition it carries out activities that are of benefit to the whole Group in relation to Research and Development and distribution of spare-parts;
- Finn-Power-Sarl carries out activities of distribution and after-sales services in respect of the Finn Power Group's products on the French market;
- Finn-Power-International, which has a series of offices in the USA carries out activities of distribution and after-sales services in respect of the Finn Power Group's products on the American market;
- Finn-Power-Canada carries out activities of distribution and after-sales services in respect of the Finn Power Group's products on the Canadian market;
- Balaxman Oy (formerly Jetair Oy) is the holder of a good portion of the intellectual property rights of the Finn Power Group.

The Osai Group includes the following companies:

- OSAI S.p.A. has as its main business the production of numerical controls destined for machines for the processing of marble, wood and glass.
- Techmark S.r.l. distributes electronic products in Italy.
- OSAI USA Inc. (incorporated in terms of American law) OSAI UK Ltd. (incorporated in terms of English law) and OSAI GmbH (incorporated in terms of German law) carry out management, promotional activities and provide assistance for OSAI's products on the North American, English and German markets.

PRIMA INDUSTRIE GmbH, (a company incorporated in terms of German law), is primarily engaged in providing after-sales services. The company recommenced operations with effect from 7/01/2005 pursuant to the acquisition of the business unit from Matra, relative to the distribution of the PRIMA machines on the German market.

PRIMA SCANDINAVIA AB (incorporated in terms of Swedish law) carries out management and promotional activities and also provides assistance for PRIMA INDUSTRIE'S products on the Scandinavian market.

PRIMA INDUSTRIE UK LTD. (incorporated in terms of English law) carries out management and promotional activities and also provides assistance for PRIMA INDUSTRIE's products on the English and neighbouring markets.

PRIMA INDUSTRIE POLSKA S.p.z.o.o. (incorporated in terms of Polish Law) which started its activities in the second half of 2007 manages, promotes and provides assistance for PRIMA INDUSTRIE products on the Polish and neighbouring markets.

PRIMA INDUSTRIE (Beijing) Company Ltd. (incorporated in terms of Chinese Law) is operative from 04/01/2008 and will manage, promote and provide assistance for PRIMA INDUSTRIE products on the Chinese market.

VALUATION CRITERIA

The same accounting standards as those used for the consolidated accounts for the year ended December 31, 2007 were applied for the preparation of the quarterly Financial Statements. In this regard, the reader is referred to the Annual Financial Statements for further information.

DISCLOSURE OF ACCOUNTING STATEMENT FORMAT

As far as the lay-out of the Financial Statements is concerned, the Company has elected to use the same lay-out for both the Consolidated Financial Statements as well as the separate Financial Statements of the Parent Company.

More precisely:

- a) as regards the Balance Sheet the Company has adopted the lay-out which reflects the assets and liabilities distinguishing between “current” (i.e. liquid/due within one year) and “non current” (i.e. illiquid/due beyond one year);
- b) as regards the Income Statement, the Company has adopted the lay-out that provides for the allocation of costs according to their nature;
- c) as regards the statement of changes in Stockholders' Equity, the Company adopted the lay-out that reconciles the opening and closing balances of each item of equity both for the period underway as well as for the previous one;
- d) as regards the Cash Flow Statement the Company elected the so-called “indirect” method, in which one determines the financial flow net of operating activities adjusting the profit and loss for the effects of:
 - non monetary elements such as depreciation, impairment, profits and losses on exchange and associated unrealised items;
 - the changes in inventories, receivables and payables generated by the operating activities;
 - other elements where the financial flows are generated by investment activities and financing.

EXPLANATORY DETAILS

Some details relative to the more important changes in the items of the Financial Statements are provided below.

Note 1.

Inventories	31/03/2008	31/12/2007
Raw Materials	47.062.787	18.869.781
(Prov. for writedown of raw materials)	(2.730.211)	(2.811.880)
Semifinished products	23.186.020	11.995.656
Finished products	39.430.031	15.399.209
(Prov. for writedown of finished products)	(1.502.877)	(1.485.715)
Work in progress on order	17.672.395	
TOTAL	123.118.145	41.967.051

The breakdown of the inventories at 03/31/2008 highlights a significant increase in all items, mainly due to the increase in the area of consolidation pursuant to the acquisition of the Finn-Power Group; the latter as at 3/31/2008 has an effect of approx. 72 million Euro; In particular, the 18 million Euro of the Work in progress on order represents the progress status of the work relating to the projects on order.

Note 2.

Trade receivables - non-current portion	31/03/2008	31/12/2007
Trade receivables - non-current portion	24.152	-
Allowance for doubtful accounts	-	-
Net Trade receivables - non-current portion	24.152	-
Trade receivables - current	31/03/2008	31/12/2007
Trade receivables	84.125.735	54.240.634
Allowance for doubtful accounts	(2.884.009)	(2.916.812)
Trade receivables - current portion	81.241.726	51.323.822
Amounts due to associated parties	391.195	379.963
Loans granted to associated parties		
Total current trade receivables	81.632.921	51.703.785

The increase in the trade creditors must be attributed to the broadening of the area of consolidation of the Group. the contribution of the Finn-Power Group at 3/31/2008, relative to the current portion amounted to 34 million Euro; thus, comparing the same area of consolidation as of 12/31/2007, an improvement of the credit position was recorded.

Note 3.

Other receivables	31/03/2008	31/12/2007
Receivables for grants to be received	413.351	395.269
Other short-term receivables	8.772.013	1.945.451
Prepayments and accrued income	642.873	223.922
Total other payables	9.828.237	2.564.642

As previously mentioned in relation to trade receivables, the increase in Other receivables, of approx. 7 million Euro must be mainly attributed to the broadening of the area of consolidation.

Note 4.

Trade & other payables	31/03/2008	31/12/2007
Trade payables	90.631.915	33.727.779
Amounts due by associated parties		
Total trade payables	90.631.915	33.727.779
Advances from customers	39.383.705	10.545.432
Total advances from customers	39.383.705	10.545.432
Social security and welfare payables	3.065.919	2.176.455
Amounts due to employees	10.450.917	4.172.425
Other short-term payables(1)	1.611.901	622.245
Accrued expenses & deferred income	10.817.215	2.911.950
Total other payables	25.945.952	9.883.075
TOTAL	155.961.572	54.156.286

(1) of which 561,417 Euro is payables due to customers for contract work

The increase in trade and other payables, as already pointed out in relation to inventories and receivables, reflects the Group's expansion. In particular, as of 3/31, the Finn-Power Group contributed approx. 47 million Euro amongst trade receivables, approx. 28 million Euro amongst the customer advances and about 15 million Euro amongst Other payables, which also include the amounts due to customers for work on order.

Note 5.

Medium/long-term prov. for risks	Provisions- agents' customers indemnities	Guarantee fund	Provision for litigation risks	Restructuring prov.	Other minor items	TOTAL
01/01/2007	33.500	-	-	-	-	33.500
Amounts to the Income Statement:						
- Provisions	10.035					10.035
- Re-transfer of excess provisions						-
Draw-downs for the period						-
Amts assumed through acquisitions	700					700
Exchange differences						-
31/12/2007	44.235	-	-	-	-	44.235
Amounts to the Income Statement:						
- Provisions						-
- Re-transfer of excess provisions						-
Draw-downs for the period	(1.500)	(205.863)				(207.363)
Amts assumed through acquisitions		1.115.231				1.115.231
Exchange differences						-
31/03/2007	42.735	909.368	-	-	-	952.103

Short-term prov. for risks	Guarantee fund	Provision for litigation risks	Profit sharing prov.	Restructuring prov.	Others	TOTAL
01/01/2007	4.316.684		35.000	144.875	213.338	4.709.897
Amounts to the Income Statement:						
- Provisions	3.231.103	100.000	55.000		252.700	3.638.803
- Re-transfer of excess provisions						
Draw-downs for the period	(2.635.928)		(10.000)	(144.875)	(51.372)	(2.842.175)
Amts assumed through acquisitions	132.360					132.360
Exchange differences	(168.655)					(168.655)
31/12/2007	4.875.564	100.000	80.000	-	414.666	5.470.230
Amounts to the Income Statement:						
- Provisions	2.402.544		20.000			2.422.544
- Re-transfer of excess provisions						-
Draw-downs for the period	(2.847.263)				(19.450)	(2.866.713)
Amts assumed through acquisitions	2.929.928	444.428				3.374.356
Exchange differences	(93.602)					(93.602)
31/03/2007	7.267.171	544.428	100.000	-	395.216	8.306.815

The medium/long-term part of the Guarantee Fund increased exclusively due to the entrance of Finn Power; in relation to the short-term portion, the Fund records draw-downs and provisions raised by almost all the companies of the group as well as a net contribution of approx. 3 million Euro by Finn-Power.

the increase in the Provision for litigation risks, of 444 thousand Euro, is due to the contribution of the Finn-Power Group.

Note 6. Transactions with associated parties

The transactions with associated parties, in addition to the remuneration to strategic management, were mainly connected to the supply of laser systems and components to the Joint Ventures in the Far East. The aforesaid supplies were made at market price.

A table that summarises the equity and financial effects of these transactions is set out hereunder.

Period: 1/01/08 to 3/31/08

Transactions with assoc. parties	SHENYANG PRIMA LASER MACHINE CO.LTD	SHANGHAI UNITY PRIMA LASER MACHINERY CO. LTD	SNK PRIMA CO. LTD	WUHAN OVL CONVERGENT	STRATEGIC MANAGEMENT	TOTAL
RECEIVABLES AT 01/01/08	379.963	-	-	-		379.963
RECEIVABLES AT 3/31/2008	365.709			25.486		391.195
PAYABLES AT 01/01/08	-	-	-		286.738	286.738
PAYABLES AT 3/31/2008	-	-	-		697.873	697.873
REVENUES 01/01/08 - 3/31/2008	87.297	2.825	-	503.241		593.363
COSTS 01/01/08 - 3/31/2008	-	-	-		895.190	895.190
CHANGE IN RECEIVABLES 01/01/08 - 3/31/2008	(14.254)	-	-	25.486		11.232
CHANGE IN PAYABLES 01/01/08 - 3/31/2008	-	-	-	-	411.135	411.135
CHANGE IN RECEIVABLES 01/01/08 - 3/31/2008	-	-	-	-	-	0
CHANGE IN PAYABLES 01/01/08 - 3/31/2008	-	-	-	-	-	0

Note 7. Significant non recurring events

During the period under review the only significant non recurring event was the acquisition of the Finn-Power Group. For more detail please refer to the paragraph headed “Events that took place in the Quarter – acquisition of the Finn-Power Group”, as well as the document prepared in terms of clause 71 of the Issuers' Regulations available on the Company's website www.primaindustrie.com.

Note 8. Atypical and/or unusual positions or transactions during the period

There were no atypical and/or unusual operations, positions or transactions during the period.

Note 9. NET FINANCIAL POSITION

We set out hereunder the detailed breakdown of the Net Financial Position. Kindly refer to the appropriate section of the Directors' Report on Operations for the relevant comments.

in thousands of Euro	09/30/2007	12/31/2006
A CASH	32.001	21.551
B OTHER CASH AND CASH EQUIVALENTS		279
C SECURITIES HELD FOR TRADING		
D LIQUIDITY (A+B+C)	32.001	21.830
E CURRENT FINANCIAL RECEIVABLES		
F CURRENT BANK PAYABLES	276	359
G CURRENT PORTION OF NON CURRENT BORROWINGS	9.764	4.135
H OTHER CURRENT FINANCIAL PAYABLES	3.575	1.083
I CURRENT FINANCIAL BORROWINGS (F+G+H) (LIQUIDITY)	13.615	5.577
J NET CURRENT FINANCIAL BORROWINGS / (LIQUIDITY) (I-E-D)	(18.386)	(15.974)
K NON-CURRENT BANK PAYABLES	149.449	13.805
L DEBENTURES ISSUED		
M OTHER NON-CURRENT PAYABLES	37.882	1.401
N NET NON CURRENT FINANCIAL BORROWINGS (K+L+M-N)	187.331	15.206
O NET FINANCIAL BORROWINGS (J+O)	168.945	(768)

The main part of the medium-term borrowings, envisage “covenants”, normally based on the ratio between the Net Financial Position and Ebitda, and on the ratio between the Net Financial Position and Stockholders' Equity. In particular the loans entered into for the acquisition of the Finn-Power Group envisage that the company comply with the following “covenants” defined in the contract itself, related to the consolidated Financial Statements of the Group.

RATIO EBITDA / NET FINANCIAL EXPENSES ON CONSOLIDATED BASE NOT LESS THAN:	4.0x at December 31, 2008 4.1x at December 31, 2009 3.5x at December 31, 2010 4.5x at December 31, 2011 6.9x at December 31 of the subsequent years
RATIO OF NET FINANCIAL BORROWINGS/ EBITDA ON CONSOLIDATED BASE NOT EXCEEDING:	3.6x at December 31, 2008 3.8x at December 31, 2009 4.3x at December 31, 2010 3.3x at December 31, 2011 2.3x at December 31 of the subsequent years
RATIO OF NET FINANCIAL BORROWINGS/ EQUITY ON CONSOLIDATED BASE NOT EXCEEDING:	1.9x at December 31, 2008 1.7x at December 31, 2009 1.5x at December 31, 2010 1.2x at December 31, 2011 0.9x at December 31 of the subsequent years

Note 10. Information in terms of § 116 et seq. of IAS-IFRS 1

The preparation of the Financial Statements requires Management to make a series of subjective assumptions and estimates based on past experience.

The application of these estimates and assumptions influences the amount of the assets and liabilities recorded in the Balance Sheet, as well as the costs and income disclosed in the Income Statement. The actual results can differ significantly from the estimate made, in view of the natural uncertainty that surrounds the assumptions and conditions on which the estimates are based.

We set out hereunder a list of the main accounting entries whose formulation required management to formulate to a greater extent subjective assumptions and estimates.

Impairment of goodwill

The goodwill relative to the Laserdyne and Convergent Lasers divisions of PRIMA North America, as well as the OSAI Group, is periodically subject to the impairment test on the basis of the forecasted cash flows generated by the said business units.

The estimates of the cash flows are based on the best forecast of the future results and require a series of assumptions relative to the trend of the reference markets, the competitive situation and the costs of production.

In the event that the estimates are found to be inadequate, a re-determination of the value of the goodwill recorded in the Financial Statements will be made, with possible negative effects on income.

Deferred taxes

The deferred tax assets and liabilities recorded in the Financial Statements are determined by applying to the differences between the value attributed to an asset or a liability

according to Statutory criteria and the value attributed to that asset or liability for tax purpose, the tax rates that one presumes will be applicable in the different countries in the year in which one expects the timing difference to cease.

The deferred taxes relating to fiscal losses that can be carried forward to future financial years are recorded in the Financial Statements only if and to the extent that management believes that in future financial years the company concerned will achieve a positive tax result that will allow the deferred tax loss to be absorbed.

If after the estimate was made, circumstances intervene that result in a change to the estimates or the rate used for the calculation of the deferred taxes changes, the items recorded in the Financial Statements will be adjusted.

Allocation of the value of the assets and liabilities derived from business combinations

In the case of a business combination the purchaser is required to effect a valuation of the assets and liabilities acquired, attributing a fair value to them, which may differ significantly from their book value.

In determining the fair value the purchaser is required to make a series of valuations that take into account the future cash flows, the economic and market outlook and a series of factors that may be useful in order to determine the correct value.

The actual results may differ materially from the estimates made, thus requiring an adjustment to the amounts recorded in the Financial Statements in relation to the assets and liabilities acquired.

Provisions for inventory obsolescence

In determining the provision for inventory obsolescence the Group companies effect a series of estimates relative to the future demand for the various types of products and materials in stock, on the basis of the production plan and past experience of customer demand.

If these estimates are found to be inappropriate, this will be translated into an adjustment to the provision for obsolescence with the related impact in the Income Statement.

Provisions raised to the allowance for doubtful accounts

The provisions raised to the allowance for doubtful accounts are determined on the basis of an analysis of the individual debt positions in the light of the relationships with the individual customers.

If there is an unexpected worsening of the financial situation of an important customer, this could result in the need to adjust the allowance for doubtful accounts, with the consequent negative effects on the Income Statement.

Employee benefits

In many companies of the Group (particularly in Italy and Germany) benefit programmes are in existence, prescribed by labour agreements or by law.

Benefits are received on the termination of the working relationship. The determination of the amount to be recorded in the Financial Statements requires actuarial estimates to be made that take into account a series of presumptions relating to parameters such as the annual rate of inflation, the growth in wages, the annual rate of staff turn-over and other variables.

Any change in these parameters requires a re-adjustment of the actuarial estimates and consequently an adjustment of the amounts disclosed in the Financial Statements.

BUSINESS COMBINATION

Finn.Power Oy

As regards the Finn-Power Group Business Combination, the difference between the purchase price of 95,695 thousand Euro and the net value of the assets and liabilities of 47,384 thousand Euro, was provisionally allocated to the item "Goodwill" included amongst the "Intangible Fixed Assets".

It should be noted that the valuation of the assets and liabilities acquired on the basis of the relative *fair-value* has not yet been carried out because as at date hereof the relative data is not yet available. In this regard, it should be noted that this situation complies with the provisions of paragraph 62 of IFRS 3, which governs the methods of accounting for business combinations. In particular the accounting standard in question provides that, in the case in which the market value of the assets and liabilities acquired, including potential assets and liabilities, is not yet available, the company shall proceed to an interim allocation of the purchase price and in any event complete the valuation within a period of 12 months from the date of acquisition.

In this case, therefore, the final determination of the goodwill could change with respect to that recorded, due to the final definition of the purchase price and the definition of the fair-value of the assets and liabilities acquired at the date of acquisition of the Group in question.

Osai UK Ltd.

The company OSAI UK Ltd, insofar as it is a subsidiary company, was already totally consolidated in the Consolidated Financial Statements of the Group as at 12/31/2007 and thus it is not believed to be necessary to provide the declaration required by IFRS 3 paragraphs 67 et seq., nor to proceed to recalculate the value of the net assets that can be recorded in the Financial Statements.

Hence the difference between the purchase price and the Stockholders' Equity of 37 thousand Euro, was recorded as an increase to the item "Goodwill".

SEGMENT REPORT

With effect from 2/04/2008, pursuant to the acquisition of the Finn-Power Group, a third business sector has been identified, namely the segment dedicated to "Plate processing machinery".

The infra-sector revenues were determined on the basis of the market price using the "cost plus" method.

As regards the performance of the business sectors, one can observe that the "Laser systems" sector, reflects a growth at 3/31/2008 of 11.3% compared to 3/31/2007, whereas the "Electronics" segment achieved, again net of intersectoral revenues, a growth of 86% mainly as a consequence of the acquisition of the OSAI Group.

No comparative data is available in relation to the segment "Plate processing machinery".

(in thousands of Euro)

Sector result - 3/31/2008	Laser systems	Electronics	Plate processing machinery	Unallocated	Group
Total sector revenues	33.829	11.111	32.962	-	77.902
(Infra-sector revenues)	(410)	(1.786)	-	-	(2.196)
Revenues	33.419	9.325	32.962	-	75.706
Operating result	4.180	801	2.229	-	7.210
Net financial income/expenses	(1.033)	(217)	(1.668)	-	(2.918)
Income/exp. from assoc. co. & joint ventures	167	-	-	-	167
Operating profit/loss before tax	-	-	-	-	4.459
Taxes	-	-	-	-	(1.103)
Net profit/loss	-	-	-	-	3.356
Sector result - 3/31/2007	Laser systems	Electronics	Plate processing machinery	Unallocated	Group
Total sector revenues	30.013	6.482	-	-	36.495
(Infra-sector revenues)	-	(1.469)	-	-	(1.469)
Revenues	30.013	5.013	-	-	35.026
Operating result	3.900	598	-	-	4.498
Net financial income/expenses	(169)	6	-	-	(163)
Income/exp. from assoc. co. & joint ventures	(239)	-	-	-	(239)
Operating profit/loss before tax	-	-	-	-	4.096
Taxes	-	-	-	-	(1.960)
Net profit/loss	-	-	-	-	2.136

(in thousands of Euro)

Sector result - 3/31/2008	Laser systems	Electronics	Plate processing machinery	Unallocated	Group
Depreciation of tangible fixed assets	201	141	395	-	737
Deprec.&impairment of intang. fixed assets	60	9	204	-	273
Total	261	150	599	-	1.010

Sector result - 31/03/2007	Laser systems	Electronics	Plate processing machinery	Unallocated	Group
Depreciation of tangible fixed assets	191	85	-	-	276
Deprec.&impairment of intang. fixed assets	48	1	-	-	49
Total	239	86	-	-	325

Sector result - 31/3/2008	Laser systems	Electronics	Plate processing machinery	Unallocated	Group
Assets	134.390	35.605	220.179	44.641	434.815
Associated Companies & Joint Ventures	3.261	750	-	-	4.011
Total assets	137.651	36.355	220.179	44.641	438.826
Liabilities	58.193	19.518	96.248	211.459	385.418

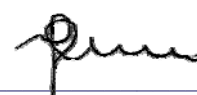
Sector result - 31/03/2007	Laser systems	Electronics	Plate processing machinery	Unallocated	Group
Assets	79.677	17.390	-	34.904	131.971
Associated Companies & Joint Ventures	1.547	-	-	-	1.547
Total assets	81.224	17.390	-	34.904	133.518
Liabilities	52.141	8.961	-	28.158	89.260

Declaration in terms of section 154 bis paragraph 2-part IV, title III, item II, section V bis, of Legislative Decree No. 58 dated February 24 1998: Consolidated provisions on financial brokerage in terms of sections 8 and 21 of Act No. 52 dated February 6, 1996.

I, the undersigned, Massimo Ratti, the person appointed to prepare the corporate accounting documents of the PRIMA INDUSTRIE Group confirm, in accordance with 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 Quarterly Report corresponds with the documentary accounting results, as well as the accounting books and records.

On behalf of the Board of Directors

Chairman



Gianfranco Carbonato



PRIMA INDUSTRIE S.p.A.

FINANCIAL STATEMENTS AT 31 MARCH 2008

FINANCIAL STATEMENTS AT 31 MARCH 2008

BALANCE SHEET AT 31 MARCH 2008 AND 31 DECEMBER 2007

VALUES IN EURO	31/03/08	31/12/07
Tangible fixed assets	3.634.246	3.587.179
Intangible fixed assets	620.042	315.277
Equity investments in subsidiaries	108.728.369	12.933.734
Equity investments valued using the equity method	1.475.867	664.135
Equity investments valued using the cost method	51.832	51.832
Financial assets -financing to subsidiaries	66.759.461	5.126.000
Other financial assets	14.339.913	1.133.223
Tax assets for prepaid taxes	2.586.127	2.730.129
Derivative financial instruments	4.612	25.902
Other receivables	1.679.476	10.049
TOTAL NON CURRENT ASSETS	199.879.945	26.577.460
Inventories	28.565.600	22.968.611
Trade receivables	36.744.383	39.535.587
Other receivables	2.437.023	1.608.323
Other tax assets	6.309.834	4.893.032
Derivative financial instruments		
Trading securities valued at fair value	15.646.933	12.188.897
TOTAL CURRENT ASSETS	89.703.773	81.194.450
Non current assets held for sale	-	-
TOTAL ASSETS	289.583.718	107.771.910
Share Capital	11.500.000	11.500.000
Treasury stock		(87.880)
Legal reserve	2.300.000	2.300.000
Other reserve	17.018.984	17.018.984
Profits (Losses) carried forward	5.944.379	(1.577.524)
Profit (losses) for the year	4.071.322	7.517.223
Total Group stockholders' equity	40.834.685	36.670.803
TOTAL NET EQUITY	40.834.685	36.670.803
Loans	176.913.832	11.938.677
Employee benefits	3.287.571	3.369.756
Deferred tax liabilities	42.735	42.735
Provisions for risks and charges	1.033.268	1.093.251
Derivative financial instruments	-	-
TOTAL NON CURRENT LIABILITIES	181.277.406	16.444.419
Trade payables	35.240.761	28.256.140
Advances	9.254.749	8.554.554
Other payables	5.485.602	3.884.770
Amounts due to banks and in respect of loans	7.459.936	4.543.011
Tax liabilities - current taxes	7.330.579	6.604.213
Provision for risks and charges	2.700.000	2.814.000
Derivative financial instruments	-	-
TOTAL CURRENT LIABILITIES	67.471.627	54.656.688
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	289.583.718	107.771.910

FINANCIAL STATEMENTS AT 31 MARCH 2008

INCOME STATEMENT AT 31 MARCH 2008 AND 31 MARCH 2007

VALUES IN EURO	31/03/08	31/03/07
Net revenues from sales and services	28.318.659	24.576.056
Other operating revenues	517.902	908.509
Change in inventories of semifinished and finished products	2.671.368	2.341.127
Increases in fixed assets for internal work	298.865	38.148
Use of raw materials, consumables, supplies and goods	(15.908.821)	(14.533.610)
Personnel cost	(5.218.382)	(4.280.599)
Amortization	(195.744)	(172.723)
Impairment & Writedowns		-
Other operating costs	(7.515.132)	(6.344.146)
OPERATING INCOME	2.968.715	2.532.762
Financial income	3.515.479	2.379.970
Financial expenses	(1.953.710)	(265.243)
Net result from transactions in foreign exchange	69.963	18.871
Net result from associated companies & joint ventures		(345.659)
net result from financial activities available for sale	-	-
RESULT BEFORE TAXES	4.600.447	4.320.701
Current and deferred taxes	(529.125)	(1.211.139)
NET PROFIT/ (LOSS)	4.071.322	3.109.562

FINANCIAL STATEMENTS AT 31 MARCH 2008

CHANGE IN SHAREHOLDERS' EQUITY AT 31 MARCH 2008 AND 31 MARCH 2007

from 1st January 2007 to March 31 2007

VALUES IN EURO	01/01/2007	Purchase/ Sale of treasury shares	Gains on treasury shares	Losses on treasury shares	Allocation of previous year's income	Distribution of dividends	Net earnings	31/03/2007
Share Capital	11.500.000							11.500.000
Treasury stock	(109.034)	21.154						(87.880)
Share premium reserve	15.664.893							15.664.893
Legal reserve	2.300.000							2.300.000
Other reserve	1.184.141	-						1.184.141
Conversion reserve	-							-
Profit / (loss) carried forward	(1.601.378)	-	25.000	(1.146)	3.158.000			1.580.476
Income for the year	3.158.000				(3.158.000)	-	3.109.562	3.109.562
Net Equity	32.096.622	21.154	25.000	(1.146)	-	-	3.109.562	35.251.192

from 1st January 2008 to March 31 2008

VALUES IN EURO	01/01/2008	Purchase/ Sale of treasury shares	Gains on treasury shares	Losses on treasury shares	Allocation of previous year's income	Distribution of dividends	Net earnings	31/12/2008
Share Capital	11.500.000							11.500.000
Treasury stock	(87.880)	87.880						-
Share premium reserve	15.664.893							15.664.893
Legal reserve	2.300.000							2.300.000
Other reserve	1.354.091							1.354.091
Conversion reserve	-							-
Profit / (loss) carried forward	(1.577.524)		4.680		7.517.223			5.944.379
Income for the year	7.517.223				(7.517.223)		4.071.322	4.071.322
Net Equity	36.670.803	87.880	4.680	-	-	-	4.071.322	40.834.685

FINANCIAL STATEMENTS AT 31 MARCH 2008

CASH-FLOW STATEMENT AT 31 MARCH 2008 AND 31 MARCH 2007

VALUES IN EURO	31/03/2008	31/03/2007
Earnings before tax	4.600.447	4.320.701
Adjustments for non-monetary elements	(1.429.528)	(1.597.219)
Amortization during period	195.744	172.723
Allocation to Employees' Severance Fund	6.460	17.997
Losses (profit) on foreign currency transactions	(69.963)	(18.871)
Total shareholding losses (income)	(2.511.802)	(1.922.600)
Financial expenses	1.953.710	265.243
Financial (income)	(1.003.677)	(111.711)
	3.170.919	2.723.482
(Increase) /Reduction in trade and other receivables	689.704	(1.585.505)
(Increase) /Reduction in stock	(5.596.989)	(5.101.446)
Increase / (Reduction) in trade payables	7.684.816	6.399.058
Increase / (Reduction) in other payables	1.535.445	(917.952)
Cash flow from typical activity	7.483.895	1.517.637
Interest payments	(1.883.747)	(246.372)
Taxes	-	-
Cash flow from operating activities	5.600.148	1.271.265
Cash flow from investment activities		
Acquisition of tangible fixed assets	(181.531)	(120.465)
Purchase of intangible fixed assets	(366.045)	(81.996)
Sale / (Purchase) of financial assets	(76.509.578)	-
Sale / (Purchase) of stakes in shareholders' equity	(95.794.635)	-
Sale/ (Purchase) of participations at net equity	(811.732)	-
Receipts from sales of fixed assets	-	-
Dividends paid	2.511.802	2.268.259
Financial income	1.003.677	111.711
Net cash flow derived from financing activity	(170.148.042)	2.177.509
<i>Cash flow derived from financing activity</i>		
Variation in the conversion reserve	-	-
(Purchase)/sale of treasury stock	92.560	45.008
Variation area for OSAI minorities	21.290	(71)
Variation of other reserves	169.311.732	2.000.000
Changes in balance- derivative instruments (FV)	(1.370.799)	(1.411.922)
Loan agreements	(48.853)	(56.327)
Repayments of loans and financing		(143.376)
(Repayments)/ Raising of financial leases		(1.500.000)
(Repayments)/ Raising of Sabatini transactions		-
Net Cash flow derived from financing activity	168.005.930	(1.066.688)
Increase (decrease) in the cash and cash equivalents	3.458.036	2.382.086
Cash and cash equivalents at start of year	12.188.897	14.470.160
Cash and cash equivalents at year end	15.646.933	16.852.246

On behalf of the Board of Directors
The Chairman

