



PRIMA INDUSTRIE

HALF YEAR REPORT AT 30 JUNE 2008

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Approved by Board of Directors on 28 August 2008

PRIMA INDUSTRIE S.p.A.	Share capital Euro 16,000,000 Registry of Business Enterprises of Turin under no. 03736080015 Turin R.E.A. no. 582421 Registered offices in 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 Pincirolì (Managing Director) ⁽³⁾ Secretary Massimo Ratti
General Manager	Ezio Basso
BOARD OF STATUTORY AUDITORS ⁽⁴⁾	Chairman Riccardo Formica Auditors Andrea Mosca Roberto Petrignani Alternate Auditors Roberto Coda Franco Nada
AUDITING COMPANY	Reconta Ernst & Young S.p.A. ⁽⁵⁾

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

(2) Independent director

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

(4) Appointed at the Stockholders' Meeting held on May 14, 2007 for the three-year period 2007-2009

(5) Appointed at the Stockholders' meeting held on 29 April 2008 for the nine-year period 2008-2016

POWERS RELATING TO COMPANY APPOINTMENTS

In terms of a resolution of 7 May 2008, the Board of Directors appointed Mr. Gianfranco Carbonato as the Chief Executive Officer and determined his powers.

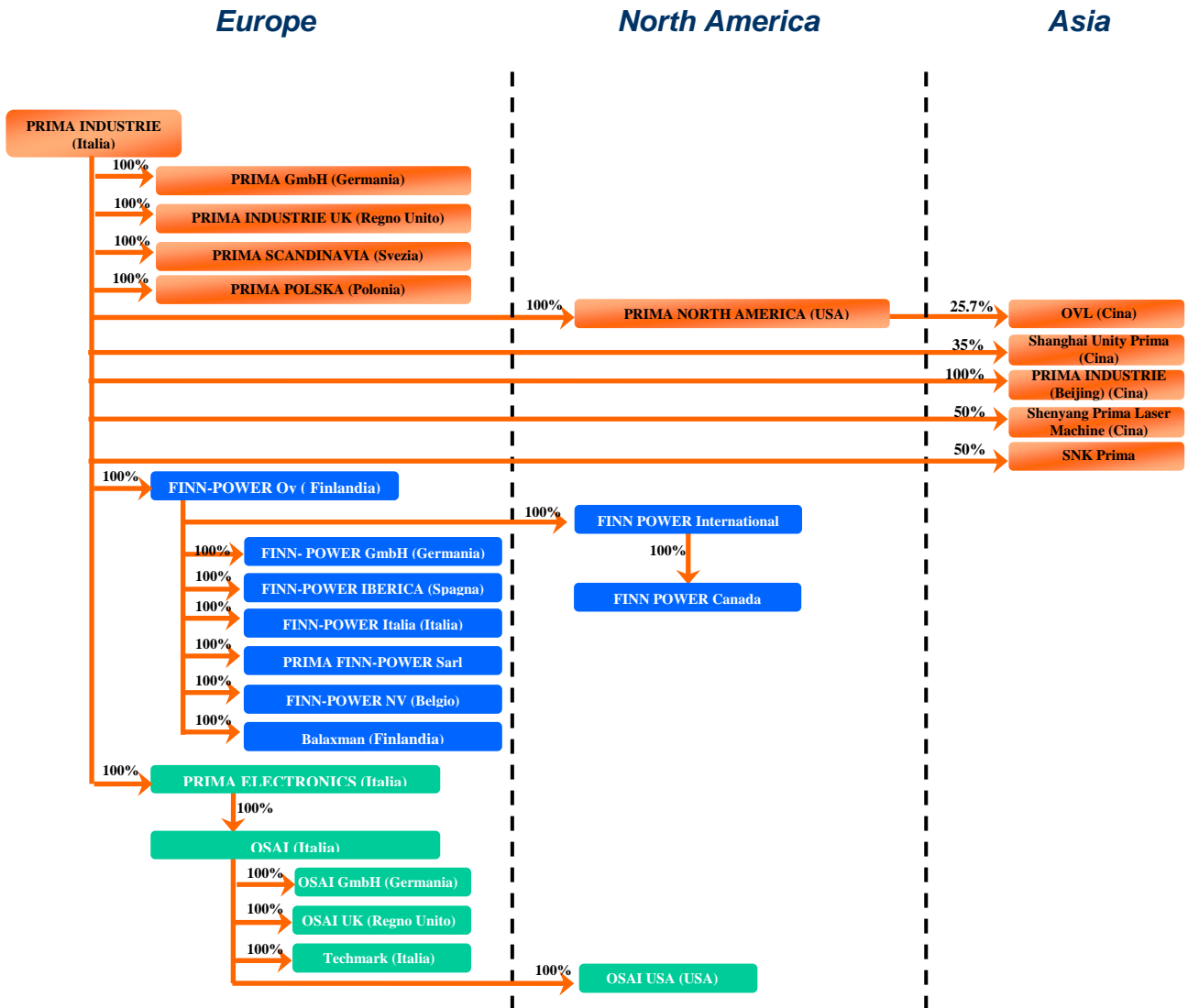
In terms of clause 25 of the Articles of Association, the Chairman and Chief Executive Officer is the legal representative of the company.

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1. STRUCTURE OF THE PRIMA INDUSTRIE GROUP AS OF 30/06/2008



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.



This half year report was approved by the Board of Directors on August 28, 008.

CONSOLIDATION AREA

The under mentioned companies fell within the scope of consolidation at 30/06/2008:

The main variations of the consolidation area are indicated below:

- entering in the consolidation area of FINN-POWER group as from February 2008;
- entering in the consolidation area of OSAI group as from July 2007.

SALES ACTIVITY

For a better comprehension of information given, in paragraphs “BUSINESS TREND” and “EXPLANATORY NOTES”, detailed information are provided:

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	Mölnålsvägen 30 C, Göteborg, SE	SEK 100.000	100%	line-by-line method
PRIMA INDUSTRIE UK LTD.	Unit 1, Phoenix Park, Bayton Road, Coventry CV7 9QN, 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 TRENDS

INCOME AND PROFITABILITY

It should be noted that, because PRIMA INDUSTRIE acquired the Finn-Power Group on 04/02/08, the information relative to the Consolidated Financial Statements for the first half of 2008 of the FINN-POWER Group also includes the information relating to the five months (1st February - 30th June) of the FINN-POWER Group.

In addition, the Osai Group is also included in the six months 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 02/07/2007.

Consolidated revenues at 30/06/2008, valued in accordance with IAS 18 (that provides for the recognition of revenue generally at the time of the end-customer's acceptance), amount to 181,329 thousand Euro.

Such revenues include within the area of consolidation:

- The newly acquired FINN-POWER Group for 91,750 thousand Euro;
- The Osai Group for 9,588 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 six months would have been 79,991 thousand Euro an increase of 9.1% (compared to the 73,308 thousand Euro at 30/06/2007), in confirmation of the positive organic growth trend for the Group. This growth is remarkable because it took place when market conditions were less favourable than in the past..

The geographical breakdown of the revenues at 30/06/2008 is as follow:

	1ST SIX MONTHS 2008		1ST SIX MONTHS 2007	
	THOUSANDS OF EURO	%	THOUSANDS OF EURO	%
ITALY	51,562	28.5	16,173	22.1
EUROPE	79,086	43.6	36,152	49.3
NORTH AMERICA	30,182	16.6	14,213	19.4
ASIA & REST OF WORLD	20,499	11.3	6,770	9.2
TOTAL	181,329	100.0	73,308	100.0

At a level of percentage growth, the growth in sales in Italy is significant, thanks both to the good market trend, above all in relation to the 3D systems of PRIMA INDUSTRIE S.p.A., and to the inclusion of FINN-POWER Italia S.r.l. and OSAI S.p.A. in the area of consolidation: a significant portion of these companies' sales is destined for the Italian market.

This is contrasted by a reduction on consolidated sales of the percentage weight of North America, despite the entry into the area of consolidation of the sales achieved on that market by the FINN-POWER Group (through the subsidiary FINN-POWER International), this fact substantially reflects the significant devaluation of the US currency compared to the first half of 2007.

Even though "Europe" grew significantly, compared to the same period of the previous financial year, the area contracted in percentage terms, balanced by a growing share of sales in Asia and the Rest of the World.

At a level of business segments, in the field of "Laser systems", the growth in the sector of 3D systems was confirmed; the important growth in the "Electronics" sector that started in earlier financial years continued, inter alia due to the acquisition of the OSAI Group; with the acquisition of FINN-POWER the "Plate processing machinery" sector now forms part of the group, which segment was previously unrepresented.

For more details in relation to information by business segment please refer to the paragraph headed "Segment Report" set out below.

The value of production at 30/06/2008 amounted to 189,772 thousand Euro.

Again in relation to this comparison, one must bear in mind the important contribution arising from the consolidation of the FINN-POWER Group (equal to 89,900 thousand Euro) and the OSAI Group (equal to 10,855 thousand Euro).

Thus, comparing the same area of consolidation and compared to 30/06/2007 one observes a growth of 10.1% compared to the same figure in the previous year (89,017 thousand Euro compared to 80,850 thousand Euro at 30/06/2007).

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 30/06/2007) as well as to the contribution of the consolidation of the OSAI and the FINN-POWER Group.

	1st six months 2008		1st six months 2007	
	thousands of Euro	%	thousands of Euro	%
EBITDA	18,142	10.0	9,316	12.7
EBIT	15,690	8.7	8,654	11.8
EBT	10,824	6.0	8,381	11.4
NET EARNINGS	7,832	4.3	4,028	5.5

The **EBITDA** of the Group amounted to 18,142 thousand Euro (10.0% of turnover).

In regard to the external growth:

- the contribution of the FINN-POWER Group amounted to 6,601 thousand Euro;
- the contribution of the OSAI Group amounted to 716 thousand Euro.

Thus the increase, comparing the same area of consolidation and the same period as the previous financial year, is 16.2% (10,825 thousand Euro as against 9,316 thousand Euro at 30/06/2007).

Consolidated **EBIT** as of 30/06/2008 was 15,690 thousand Euro, equal to 8.7% of sales. This includes:

- the contribution of the FINN-POWER Group, for 5,039 thousand Euro;
- the contribution of the OSAI Group for 611 thousand Euro.

Thus the structural growth (10,040 thousand Euro, compared to the 8,654 thousand Euro at 30/06/2007) was 16.0%.

The consolidated **EBT** at 30/06/2008 amounted to 10,824 thousand Euro (it was 8,381 thousand Euro at 30/06/2007); it should be borne in mind that unlike the 1st half of 2007, it includes the financial expenses arising from the loan stipulated for the acquisition of the FINN-POWER Group.

The **Net profit** at 30/06/2008 amounted to 7,832 thousand Euro (4.3% of the Group's turnover), compared to the 4,028 thousand Euro at 30/06/2007 (5.5% of turnover).

The impact of taxation for the six months reduced compared to the corresponding period of the previous financial year, both because the FINN-POWER Group benefits from substantial prior year tax losses, as well as because the Italian companies, compared to the previous financial year, benefit from reduced tax rates as well as the tax credit for Research and Development. As of 30 June 2008 the tax credit amounted to 1,130 thousand Euro.

ORDERS ACQUISITION AND THE ORDERS PORTFOLIO

The **orders acquisition** at 30/06/2008, relative to the "Laser systems" and "Electronics" segments (excluding after-sale services), amounted to 85,198 thousand Euro; in the corresponding period of the 2007 financial year, the figure was 81,487 thousand Euro.

During the six months, the orders collection reflected a recovery in the 3D sector, particularly in regard to the laser systems and sources, whereas as there were signs of a slow down in the 2D sector. The trend in the orders backlog in the electronics sector is satisfactory.

As regards the FINN-POWER Group, the orders acquisitions, compared to the last few months of 2007, slowed down in the months immediately after the acquisition, which must be mainly attributed to the impact of the reorganisation of the Group's sales network; the reorganisation was for the most part completed as at the date of approval of this report. The orders acquisition of the FINN-POWER Group in the first six-months of the financial year amounted to 70,920 thousand Euro.

The **Consolidated Orders backlog** as at 30/06/2008 must on the whole be considered to be satisfactory and was set at 141,377 thousand Euro (of which 71,295 thousand Euro related to the Finn-Power Group and 3,025 thousand Euro to the OSAI Group); at 30/06/2007 it amounted to 72,653 thousand Euro.

SALES ACTIVITY

During the first half of the year the Group took part in numerous important sector fairs and in particular:

- NORTEC (HAMBURG - GERMANY)
- SAMUMETAL (PORDENONE – ITALY)
- BIMU (BARI – ITALY)
- BIEMH (BILBAO - SPAIN)
- TECHNI SHOW (UTRECHT – THE NETHERLANDS)
- FINNTECH (HELSINKI – FINLAND)
- MACH (BIRMINGHAM – UK)
- LAMIERA (BOLOGNA – ITALY)
- INTER-FAIR (NITRA – SLOVAKIA)
- METALLOBRABOTKA (MOSCOW – RUSSIA)
- AUSTECH (SIDNEY – AUSTRALIA)
- MACH TOOL (POZNAN – POLAND)

NET FINANCIAL POSITION

At 30/06/2008 the net financial position was negative in an amount of 174,116 thousand Euro (compared to the positive position of 768 thousand Euro at 31/12/2007 and 2,635 thousand Euro as of 30/06/2007).

Amongst the phenomena which influenced this change we should mention:

- the raising of loans used to partially pay the consideration relating to the acquisition of the FINN-POWER Group (63,015 thousand Euro) and the repayment of FINN-POWER's pre-existing financial payables (for 75,669 thousand Euro),
- the creation of financial payables in favour of the seller (26,573 thousand Euro as of 30/06/2008 including interest due, net of certain charges debited back, because they pertained to the Seller, less the adjustment for the net financial position of the FINN-POWER Group at the date of the acquisition) for the portion of the consideration still to be paid,
- the take over of FINN-POWER's financial payables that had not been repaid, gross of the cash in the FINN-POWER Group at the time of the acquisition,
- the payment at 30/06/2008 of a good portion of the consultancy fees (totalling approx. 2,777 thousand Euro) tied to the acquisition of the equity investment in FINN-POWER, as well as the signing of the loan contract for the purposes of the acquisition;
- the distribution of a dividend to the stockholders of the Parent Company, as resolved upon at the meeting of 29th April 2008 for a total of 2,990 thousand Euro;
- the acquisition of the industrial land in the municipality of Collegno, for a sum of 3,553 thousand Euro, earmarked for the future construction of a new factory for the Laser division;
- the increase of PRIMA INDUSTRIE's stake in the Chinese JV, Shanghai Unity PRIMA, for an amount of approx. 833 thousand Euro.

	30/06/08	31/12/07	30/06/07
CASH	(25,299)	(21,551)	(21,858)
SHORT-TERM BORROWINGS	50,760	5,577	3,306
MEDIUM-, LONG-TERM BORROWINGS	148,655	15,206	15,917
TOTAL NET EXPOSURE	174,116	(768)	(2,635)

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

For better disclosure relating to the Consolidated Net Financial Position at 30/06/2008, the following must be borne in mind:

- the payables due to leasing companies amount to 8,994 thousand Euro and
- during July 2008, 25,000 thousand Euro of short-term financing was repaid pursuant to the increase in stockholders' equity arising from the finalisation of the capital increase operation.

RESEARCH AND DEVELOPMENT

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 companies of 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 companies' 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 assets are 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, the cost incurred will be reviewed annually to detect any losses in value.

The research and development carried out by the Group during the six months totalled 8,960 thousand Euro; of this the portion capitalised amounted to 2,962 thousand Euro.

In the first six months of the year R& D by the parent company **PRIMA INDUSTRIE** centred on the following activities.

- Design for the renovation of the MAXIMO; this product is the last product equipped with the earlier version of Numeric Control This design activity will be aimed at introducing the numeric control currently used on other products (P20L) on to this product as well, in addition to introducing other changes.

- The designing of the Tower Server PRIMA INDUSTRIE version was finalised derived from the current model produced externally, but made with electronics and controls internal to the Group (PRIMA ELECTRONICS). The first unit is available for delivery to the customer and a second unit is in production. In addition, the activities of support and assistance to PRIMA North America on the Compact Server - USA version project, continue.
- During the second quarter there was a lot of technical contact with FINN-POWER to define the guidelines relating to the integration of the different products of the two brands of the Group.
- As regards, in particular the 3D systems, R & D centred, on one hand, on the consolidation of the products from the point of view of their increased efficiency as a means of intensive production, and on the other, on studying solutions destined for the aeronautical sector.

As regards **PRIMA ELECTRONICS**, the design of a new family of I/O modules started (i.e. interface modules to convert the analogical signals into digital signals), to go with the numerical controls produced by OSAI. The first prototypes will be available in the second part of the year.

In addition, the development of the laser diode pilot electronic system generating the power beam of a new type of solid state laser source continued.

Finally, the development of the power, control and management software electronics of an inverter for application on an ecological vehicle, with full electrical drive, has been launched. The first prototypes are scheduled for the end of the current year whereas the preseries is expected for the end of the next year.

OSAI, together with the subsidiary PRIMA ELECTRONICS, has launched the analysis of the requirements of the FINN-POWER machines with the aim of defining a modular family of numerical controls, drives and I/O for application on the various types of plate processing machines produced by FINN-POWER. The new family of control units should have specifications that will allow them to be used inter alia on the Prima Industrie laser machines so as to obtain a unique line of integrated products.

The research and development in **PRIMA North America**, in the Convergent Lasers division concentrated on the Beta-tests of the CV5000 lasers installed at customers in Europe and North America and on integrating the laser on other machines (particularly, Sincrono and Optimo). In addition the integration plan of the CP lasers on to the FINN-POWER laser machines was developed, which plan should take effect during the current year.

The Lasedyne division started tests on a new control model for the piercing laser, in addition to developing improvements on the optical components of the machines in order to guarantee a greater degree of precision and on developing a second version of the mechanical drill destined for the larger components of the turbine motors.

In the first part of the year the **FINN-POWER** Group launched a new laser machine version (5kW power), which was presented at the "Metapro" fair in Belgium and then at the "Lamiera" fair in Bologna. A new generation combined machine, equipped with a loading a storage automation system, was launched at the "Lamiera" fair in Bologna. In addition,

again in relation to automation, a new large size storage system was developed with delivery to the customer scheduled to take place at the end of summer. A significant effort, in addition, was concentrated on certain new products to be presented at the more important fairs in the sector during the year (“EuroBLECH” which will be held in October), where the FINN-POWER Group will introduce new, innovative solutions for integrated boring-shearing and bending machines and for automation.

TREASURY SHARES AND THE SHARE TREND

The stock trend and the Allstar reference index for the period 01/01/2008 at 25/08/2008, are 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 31/12/2007, reaching a high of 32.75 Euro on 25/02/2008.

This positive trend was interrupted with effect from the second half of May, coinciding with the negative period that effected the world stock markets. The impact deriving from the previously announced capital increase was added to the adverse market condition; the price of the increase was fixed by the Board of Directors on 18/06/2008 at 14.25 Euro per share.

Towards the end of July, starting from the end of the offer period for the subscription rights, and coinciding with the announcement of the entry into the company's capital of a new Chinese partner, the share experienced a positive reaction and was fixed at around 18 Euro.



As of 30/06/2008 and as at the date of approval of this report, PRIMA INDUSTRIE S.p.A. did not and does 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 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 31/01/2008 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*)

SIGNIFICANT EVENTS THAT TOOK PLACE DURING THE SIX MONTHS

ACQUISITION OF THE FINN-POWER GROUP

Pursuant to a resolution to this effect dated 30/01/2008, PRIMA INDUSTRIE S.p.A. on 04/02/2008 perfected the acquisition of 100% of FINN-POWER Oy, a Finnish company with a long 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 present in 50 countries, with 8 factories in Italy, Finland and the USA as well as 2 factories in China belonging to the JV and with more than 1,600 employees around the world. The FINN-POWER Group, with registered office in Kauhava in Finland as well as production facilities in Finland and Italy as well as subsidiaries in Italy, Germany, France, Belgium, Spain, US and Canada, primarily operates in the sector of plate processing machinery (punching presses, punching press/shears cells and laser punching presses, automatic bending cells and related automation systems) and, to a minor degree, within the laser cutting machinery sector.

The reference market for FINN-POWER products is very vast and largely coincides with that in which the Prima Group operates: telecommunications, HVAC (*Heating, Ventilating, Air-Conditioning*), electrical devices, lighting systems, agricultural machines, household appliances and metallic furnishings.

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 fixed at 170 million Euro; The *equity value*, equal to the *Enterprise Value* net of the financial borrowings of FINN-POWER at the acquisition date, is 92 million Euro, as against a provisional book Stockholders' equity of 44 million Euro; consequently, the provisional amount of the goodwill before allocation amounts to 48

million Euro, to which one must add the goodwill originally recorded in the Financial Statements of the purchased entity of 77 million Euro.

Consequently the goodwill recorded amongst the intangible fixed assets amounts to a total of 125 million Euro and shall be finally allocated as envisaged by IFRS 3, by 31/12/2008 when the annual Financial Statements are prepared.

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, equal to 25 million Euro, was replaced, at the end of July 2008, by the increase in the capital stock resulting from the capital increase against payment, resolved upon by the Board of Directors on 18/06/2008, which brought 25.6 million Euro (gross of the related commissions) into the company's coffers. For further information relating to the financial and accounting impact of the operation in question, kindly refer to the paragraph entitled "Business Combination" in the Notes to the Financial Statements.

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

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

This agreement envisaged that by 30/06/2008, PRIMA INDUSTRIE would increase its share from 27.5% to 35%, disbursing a total of 9 million Rmb (i.e. about 833 thousand Euro at the exchange rate at 30/06/2008).

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, and as a result of which the Group holds a share of the Chinese market which is altogether significant (approx. 40%).

In particular, on 15/01/2008 the Board of Directors of Shanghai Unity Prima Joint Venture approved a capital increase and on 19/03/2008 the Chinese Ministry of Trade and Industry approved PRIMA INDUSTRIE's increased share in the JV. The payment of the relevant sum took place on 11/06/2008 and thus as of 30/06/2008, PRIMA INDUSTRIE's investment in the JV amounted to 35%.

CHANGE IN THE INVESTMENT IN THE WUHAN OVL JV

During April the local partners in the Chinese JV Wuhan OVL finalised a capital increase; pursuant to this operation the investment held by PRIMA North America Inc. decreased from 30% to 25.74%.

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

On 31/03/2008 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 31/12/2007 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).

CAPITAL INCREASE

The Stockholders' Meeting of 29/04/2008 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, for a nominal maximum sum of 4,500,000, in addition to any share premium, by issuing a maximum of 1,800,000 ordinary shares with a par value of 2.5 Euro per share.

This proposal and in particular the Board of Directors' power to resolve upon the capital increase to be offered as an option to the members, was necessitated by the company's need to realise an increase in the Stockholders' Equity of at least 25,000 thousand 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.

At the meeting of 14/05/2008 the Board of Directors of PRIMA INDUSTRIE S.p.A., in view of the power delegated to the Board itself by the Extraordinary Meeting of 29/04/2008, in terms of section 2443 of the Italian Civil Code, resolved to increase the capital against payment for a nominal maximum sum of 4,500,000 Euro in addition to the share premium, by issuing a maximum of 1,800,000 ordinary shares with a par value of 2.5 Euro per share, to be offered by way of an option to those entitled thereto, cum-coupon, with the obligation to pay the full amount at the time of subscribing for the issue; the Board deferred the determination to a further meeting so as to allow the price to be fixed on the basis of the most up-to-date market trends.

On 18/06/2008 the Board of Directors of PRIMA INDUSTRIE S.p.A. thereafter approved the conditions for the ordinary share issue forming the object of the said option being offered to the members.

Thus it was established that the capital increase would relate to 1,800,000 ordinary shares with a par value of 2.5 Euro each, for a total nominal amount of 4,500,000 Euro to be offered as an option, at a ratio of 9 ordinary shares for every 23 ordinary shares held, at a price of 14.25 Euro each, for a total value, including the share premium of 25,650 thousand Euro.

The Company, which is subject to the duty to publish the Prospectus for such operation, obtained *permission* from Consob on 19/06/2008.

The period for exercising the subscription rights was between 23/06/2008 and 11/07/2008 and trading on the stock exchange commenced on 23/06/2008 and ended on 4/07/2008. The subscription rights that were not exercised by 11/07/2008 (102,396 i.e. approx. 2.2% of the rights offered) were offered on the Stock Exchange by the Issuer, in terms of section 2441 para. 3 of the Italian Civil Code, for five sessions with effect from 21/07/2008.

At the end of this period, in fact, even the remaining 40,068 new ordinary shares were subscribed for (equal to circa 2.23% of the total ordinary shares offered) at a price of 14.25 Euro per share, for a total value of 571 thousand Euro.

The capital increase thus concluded with the entire 1,800,000 newly issued ordinary shares being subscribed for, for an amount of 25,650 thousand Euro without the intervention of the Guarantee Consortium, comprised of UniCredit Group (*Lead Manager and Guarantor of the Guarantee Consortium*) and Banca IMI S.p.A. (*Guarantor of the Guarantee Consortium*) becoming necessary.

The offer was supported by a guarantee by certain important members, i.e. Erste International s.a. (controlled by The Rashanima Trust) and Lestri Holding B.V. (controlled by Cambria Holding S.A.), that respectively hold 28.03% and 4.67% of the company, who guaranteed subscription of 100% of the rights to which they were entitled, as well as Gianfranco Carbonato, Chairman and Managing Director of the Company, and Domenico Peiretti, executive director, who respectively hold 3.79% and 3.00% of the Company, who each undertook to subscribe for 100% of the subscription rights to which they were entitled, directly or by procuring the subscription thereof by third parties. The operation was finally closed on 31/07/2008 on which date the company's capital stock amounted to 16,000,000 Euro divided into 6,400,000 ordinary shares with a par value of 2.5 Euro each.

STOCK OPTIONS PLAN

The Stockholders' Meeting of 29/04/2008 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 07/05/2008 set out the plan in detail; the plan provides that the beneficiaries 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 PINCIROLI** - 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 details relating to the plan and the related accounting impact on the abridged Half-yearly Financial Statements are set out in the Notes to the Financial Statements. For further information please refer to the company's website: www.primaindustrie.com

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.

APPOINTMENT OF THE NEW BOARD OF DIRECTORS

The Stockholders' Meeting held on 29/04/2008 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 31/12/2010.

The undermentioned directors were appointed:

▪ GIANFRANCO CARBONATO	GIANFRANCO CARBONATO (RECONFIRMED AS THE CHAIRMAN, AS WELL AS THE MANAGING DIRECTOR BY THE SUBSEQUENT MEETING OF THE B.O.D. HELD ON 7/05/2008)
▪ SANDRO D'ISIDORO	INDEPENDENT DIRECTOR
▪ MICHAEL R. MANSOUR	
▪ RAFIC Y. MANSOUR	
▪ MARIO MAURI	INDEPENDENT DIRECTOR
▪ DOMENICO PEIRETTI	
▪ MARCO PINCIROLI,	MANAGING DIRECTOR APPOINTED BY THE B.O.D. HELD ON 7/05/2008 FOR EXTRAORDINARY OPERATIONS AND INVESTOR RELATIONS

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.

MERGER OF TECHMARK AND OSAI S.p.A.

On 30/06/2008 Techmark S.r.l merged with the controlling company OSAI S.p.A..

The merger, which was resolved upon by the company on 18/04/2008, forms part of the plan to rationalize and reorganise the electronics segment of the Group's business.

ATYPICAL AND/OR UNUSUAL TRANSACTIONS

For the purposes of Consob Notice No. DEM/6064296 dated 28/07/2006 it should be noted that the Group did not effect any atypical and/or unusual transactions as defined in the aforesaid notice.

PRINCIPAL RISKS AND UNCERTAINTIES FOR THE REMAINING SIX MONTHS OF THE FINANCIAL YEAR

The principal risks and uncertainties that could influence the future development of the Group's operations, over an even longer period than that of the next six months of the 2008 financial year, relate to the areas set out hereinbelow.

- ◆ **THE INTEGRATION PROCESS IN RESPECT OF THE FINN-POWER GROUP WITHIN THE PRIMA INDUSTRIE GROUP AND THE RELATED FINANCIAL BORROWINGS:** the process of integrating the FINN-POWER Group into the PRIMA INDUSTRIE Group involves the typical risks of integrating two large independent groups; it should be noted that the incurring of significant and unforeseen investments and integration costs, or rather the absence of the full implementation of the aforesaid integration in the times and in the ways hypothesised, could have negative effects on the financial situation of the PRIMA INDUSTRIE Group.

As regards the borrowings connected to the acquisition (for a description, the reader is referred to the paragraph entitled "Business Combination" in the Notes) it should be borne in mind that the loan contract resulted in a significant increase in the Group's borrowings. Within the scope of this contract PRIMA INDUSTRIE undertook to comply with certain financial soundness parameters, with reference to the Consolidated annual Financial Statements, with effect from the financial year ending 31/12/2008; if these parameters are not met the financing banks may request the immediate return of the full amount of the loan, a fact which might have significant negative effects on the financial situation of the Group. A further negative impact is tied to the possible increase of the Euribor rates which might cause an increase in the cost of the loan with a consequent reduction in the Group's profitability.

- ◆ **RISKS CONNECTED TO THE CYCLIC NATURE OF THE REFERENCE MARKET, THE TREND OF THE MACRO-ECONOMIC FACTORS AND THE SECTORS IN WHICH THE GROUP OPERATES:** the Group operates in the capital goods market which is cyclic in nature, with specific reference to the more developed markets: in particular in the last 30 years, cycles with an average duration of ten years have been recorded, characterised by two/three years with a negative trend and seven/eight years with a positive one. If the trend of the reference market should undergo a rapid deterioration, in particular during the course of the integration process of the FINN-POWER Group, there may be a negative impact on the business and on the financial results of the PRIMA INDUSTRIE Group.

4. PERFORMANCE OF GROUP COMPANIES

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.		PRIMA North America Inc.		Finn-Power Group (2)		OSAI Group (2)		Other Subsidiary Co.(3)									
	30/06/08		30/06/07		30/06/08		30/06/07		30/06/08		30/06/07									
	K€	%	K€	%	K€	%	K€	%	K€	%	K€	%								
Sales	59.084	100%	50.246	100%	14.031	100%	15.168	100%	20.210	100%	23.269	100%	91.750	100%	9.588	100%	11.124	100%	8.952	100%
MOL (EBITDA)	7.121	12,1%	4.304	8,6%	2.608	18,6%	3.089	20,4%	1.795	8,9%	4.113	17,7%	6.601	7,2%	716	7,5%	(262)	-2,4%	(507)	-5,7%
Operating results (EBIT)	6.668	11,3%	3.956	7,9%	2.400	17,1%	2.909	19,2%	1.699	8,4%	4.009	17,2%	5.039	5,5%	611	6,4%	(291)	-2,6%	(536)	-6,0%

(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 and due to the inclusion in the table of only the more important results.

(2) The information as of 30/06/2008 of the FINN-POWER Group and the OSAI Group was not considered because at that date they did not form part of the Group.

(3) The values relate to PRIMA INDUSTRIE UK Ltd., PRIMA SCANDINAVIA AB and PRIMA INDUSTRIE GmbH and for the first half 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	
	30/06/2008	30/06/2007	30/06/2008	30/06/2007
US DOLLAR	1.530885	1.3293	1.5764	1.3505
POUND STERLING	0.775267	0.6747	0.79225	0.6740
SWEDISH KRONA	9.375317	9.2234	9.4703	9.2525
POLISH ZLOTY	3.49028		3.3513	
CANADIAN DOLLAR	1.5403		1.5942	
CHINESE RMB	10.80115		10.8051	

PRIMA INDUSTRIE S.p.A.

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

Sales as of 30/06/2008 (59,084 thousand Euro) in fact grew by more than 17% compared to 30/06/2007 (50,246 thousand Euro).

Even more obvious is the improvement at a level of operating profit which as of 30/06/2008 grew to 6,668 thousand Euro (equal to 11% on sales) compared to the 3,956 thousand Euro at 30/06/2007 with an increase in the absolute value of 68%.

This improvement reflects above all an improvement in the margins realised on the systems sold, due in addition to a positive trend in the selling prices to the increased weight of the sales of 3D systems, characterised by greater profitability.

As regards the financial management the half-yearly 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 3,146 thousand Euro), and the proceeds of the financing granted by PRIMA INDUSTRIE to the subsidiaries 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 183,500 thousand Euro, (of which 20,000 thousand Euro is a *working capital facility*), as of 30/06/2008 was utilized in cash for an amount of 138,500 thousand Euro.

After 30/06/2008 this debt was partially reduced thanks to the capital increase against payment resolved upon by the Board of Directors of the company on 18/06/2008 pursuant to the mandate given to it in terms of section 2443 of the Italian Civil Code by the Extraordinary Meeting of Stockholders held on 29/04/2008.

The capital increase was finalised on 31/07/2008 with 1,800,000 newly issued ordinary shares being fully subscribed for, for a figure of 25,650 thousand Euro, of which 25,000 thousand Euro was used to repay a tranche of the aforesaid loan.

The net result for the six months, which went from 4,208 thousand Euro to 6.386 thousand Euro (+52%), 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 in an amount of approximately 632 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, taking into account orders relating to systems, at 30/06/2008, amounted to 35.942 thousand Euro.

PRIMA ELECTRONICS S.p.A.

Sales for the first half of the financial year amounted to 14,031 thousand Euro a decrease of 7.5% compared to the 15,168 thousand Euro as of 30/06/2007, which period however benefited from a non-recurring but particularly significant order.

The decline in sales was reflected on the EBIT for the period, which went to 2,400 thousand Euro, (it was 2,909 thousand Euro as of 30/06/2007), even though in percentage terms it remained very good in relation to sales (in excess of 17%).

PRIMA NORTH AMERICA Inc.

In the course of the first half of 2008 PRIMA North America Inc. achieved sales of 20,210 thousand Dollars a decline compared to sales in the same period of 2007.

In reality this is solely attributable to the fact that, compared to the first half of the previous financial year, the dollar/euro exchange rate has depreciated by 15%. Sales expressed in US dollars were in fact 30,939 thousands, against the 30,933 thousand Euro for the first half of 2007.

The EBIT for the period amounted to 1.7 million Euro, equal to 8.4% of the sales (it was 4 million Euro at 30/06/2007, equal to 17% of sales).

In addition to the aforesaid exchange factor, that in itself caused the aforesaid contraction of more than 15%, the lower results compared to the corresponding period of the previous financial year are due to the increase in the costs of certain parts of the laser sources (in particular those bought from European suppliers, that suffered more than others from the unfavourable dollar/euro exchange) in addition to a mix of factors, including a greater number of laser source kits with low margins destined to the Wuhan OVL JV.

FINN-POWER GROUP

The trend for the five months (from 01/02/2008 to 30/06/2008) included in the half-yearly Consolidated Financial Statements reflected sales of 91,750 thousand Euro (that includes a part of the revenues expressed in dollars, equal to USD 27,802 thousand, negatively influenced by the depreciation of the currency compared to the Euro) with EBITDA and EBIT of 6,601 thousand Euro (equal to 7.2% of the sales) and 5,039 thousand Euro respectively (equal to 5.5% of sales).

The OSAI GROUP

The OSAI Group which formed part of the consolidation from the second half of 2007, generated sales of 9,588 thousand Euro in the first half of 2008, with EBITDA and EBIT respectively amounting to 716 thousand Euro (7.5% of sales) and 611 thousand Euro (6.4% of sales).

OTHER SUBSIDIARY COMPANIES

Amongst the other subsidiaries of the Group, the fair performance of PRIMA INDUSTRIE GmbH should be noted; the subsidiary recorded a very positive start for the first part of the financial year, both from the point of view of sales (equal to 6,734 thousand Euro, a growth of more than 22% compared to same period in 2007) as well as from the point of view of orders backlog, in respect of which as of 30/06/2008 the subsidiary has a portfolio of 11,096 thousand Euro. Nonetheless this improvement has not yet been reflected on the operating result as of 30/06/2008, which is still negative in an amount of 270 thousand Euro, inter alia because many systems had not been accepted by the end customers at that date.

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 79.3 million Rmb during the first half of 2008 (equal to approx. 7.3 million Euro) with an increase of 25% compared to the 63.2 million Rmb (equal to approx. 6.2 million Euro) of the first six months of 2007.

In addition and as at 30/06/08, the company showed a very high return that brought the net profit for the period to 11.3 million Rmb, (about 1 million Euro), equal to 14.2% of sales.

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

**5. CONSOLIDATED FINANCIAL STATEMENTS
AT JUNE 30, 2008≈
ACCOUNTING STATEMENTS**

THE PRIMA INDUSTRIE GROUP CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2008

CONSOLIDATED BALANCE SHEET

VALUES IN EURO	Note	30/06/2008	related parties	31/12/2007	related parties
Tangible fixed assets	1	34.061.731		10.165.878	
Intangible fixed assets	2	143.490.846		6.713.046	
Property Investments	3	2.700.000			
Investments accounted for using the equity method	4	3.413.565	3.413.565	2.234.917	2.234.917
Other assets		801.885		801.885	
Other financial assets		437.893		1.133.223	
Investments in other companies		6.860.889		5.073.208	
Deferred tax assets		411.269		30.126	
Derivative financial instruments	5	49.068		25.902	
Medium /Long term trade receivables	7	26.472			
TOTAL NON CURRENT ASSETS		192.253.618		26.178.185	
Inventory	6	113.242.459		41.967.051	
Trade receivables	7	89.993.928	174.226	51.703.785	379.963
Other receivables	8	10.786.506		2.564.642	
Other tax assets		4.143.319		5.373.666	
Derivative financial instruments		-		-	
Trading securities valued at fair value		-		-	
Cash and cash equivalents	9	25.299.277		21.551.369	
TOTAL CURRENT ASSETS		243.465.489		123.160.513	
Non current assets held for sale		-		-	
TOTAL ASSETS		435.719.107		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		21.467.706		17.018.984	
CTA reserve		(3.806.227)		(2.559.891)	
Profits (Losses) carried forward		15.510.512		9.303.872	
Profit (losses) for the year		7.831.651		13.728.496	
Total Group stockholders' equity		54.803.642		51.203.581	
Minority interests		-		237.134	
TOTAL NET EQUITY	10	54.803.642		51.440.715	
Borrowings from Banks and other financial institutions	9	148.654.452		15.205.862	
Employee benefits		8.844.165		7.561.363	
Deferred tax liabilities		1.684.951		1.905.744	
Provisions for risks and charges		42.735		44.235	
Derivative financial instruments		-		-	
TOTAL NON CURRENT LIABILITIES		159.226.303		24.717.204	
Trade payables	11	90.332.029	46.611	33.727.779	
Advances	11	38.173.298		10.545.432	
Other payables	11	24.692.717	223.982	9.883.075	286.738
Borrowings from Banks and other financial institutions	9	49.959.912		5.577.448	
Tax payables		7.470.422		7.976.815	
Provision for risks and charges	12	10.259.876		5.470.230	
Derivative financial instruments	5	800.908		-	
TOTAL CURRENT LIABILITIES		221.689.162		73.180.779	
Liabilities due to non current assets held for sale		-		-	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		435.719.107		149.338.698	

THE PRIMA INDUSTRIE GROUP CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2008

CONSOLIDATED INCOME STATEMENT

VALUES IN EURO	Note	30/06/2008	related parties	30/06/2007	related parties
Net revenues from sales and services	13	181.328.785	1.470.401	73.308.282	158.079
Other operating income		2.304.974	-	1.217.319	
Changes in inventories of semifinished and finished products		2.377.299	-	6.212.189	
Increases in fixed assets for internal work		3.761.257	-	112.703	
Use of raw materials, consumables, supplies and goods		(89.299.103)	-	(36.960.723)	
Personnel cost		(43.826.796)	977.284	(16.309.277)	553.228
Depreciation & Amortization		(2.452.401)	-	(661.817)	
Impairment & Writedowns		-	-	-	
Other operating costs		(38.504.401)	390.453	(18.264.323)	569.782
OPERATING INCOME		15.689.614		8.654.353	
Financial income		960.916	-	361.047	
Financial expenses	14	(5.696.249)	-	(632.646)	
Net income from transactions in foreign exchange		(485.566)	-	29.247	
Net income from associated companies & joint ventures	15	355.510	355.510	(31.450)	31.450
		-	-	-	
INCOME BEFORE TAX		10.824.225		8.380.551	
Current and deferred taxes		(2.992.574)	-	(4.352.856)	
NET PROFIT		7.831.651		4.027.695	
Income from assets held for disposal		-	-	-	
NET PROFIT		7.831.651		4.027.695	
- Group Stockholders' net profit		7.831.651	-	4.027.695	
- Minorities net profit		-	-	-	
EARNING PER SHARE (euro)		1,70		0,88	

THE PRIMA INDUSTRIE GROUP CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2008

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

from January 1st, 2007 to June 30th, 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	CTA reserve	30/06/07
Share Capital	11.500.000	-	-	-	-	-	-	-	-	-	11.500.000
Treasury stock	(109.034)	-	21.154	-	-	-	-	-	-	-	(87.880)
Treasury stock owned by Subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	15.664.893	-	-	-	-	-	-	-	-	-	15.664.893
Legal reserve	2.300.000	-	-	-	-	-	-	-	-	-	2.300.000
Other reserve	1.184.141	-	-	-	-	169.950	-	-	-	-	1.354.091
Conversion reserve	(639.537)	-	-	-	-	-	-	-	-	(368.525)	(1.008.062)
Profit / (loss) carried forward	(1.307.575)	21.524	-	25.000	(1.146)	10.547.921	-	-	-	-	9.285.724
Income for the year	13.705.921	-	-	-	-	(10.717.871)	(2.988.050)	4.027.695	-	-	4.027.695
Net Equity	42.298.809	21.524	21.154	25.000	(1.146)	-	(2.988.050)	4.027.695	-	(368.525)	43.036.461
Minorities' interest	60.266	(60.266)	-	-	-	-	-	-	-	-	-
Total Net Equity	42.359.075	(38.742)	21.154	25.000	(1.146)	-	(2.988.050)	4.027.695	-	(368.525)	43.036.461

from January 1st, 2008 to June 30th, 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	CTA reserve	30/06/08
Share Capital	11.500.000	-	-	-	-	-	-	-	-	-	11.500.000
Treasury stock	(87.880)	-	87.880	-	-	-	-	-	-	-	-
Treasury stock owned by Subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	15.664.893	-	-	-	-	-	-	-	-	-	15.664.893
Legal reserve	2.300.000	-	-	-	-	-	-	-	-	-	2.300.000
Capital increase expenses	-	-	-	-	-	-	-	-	(150.735)	-	(150.735)
Stock option reserve	-	-	-	-	-	-	-	-	72.234	-	72.234
Other reserve	1.354.091	-	-	-	-	4.527.223	-	-	-	-	5.881.314
Conversion reserve	(2.559.891)	(44.744)	-	-	-	-	-	-	-	(1.201.592)	(3.806.227)
Profit / (loss) carried forward	9.303.872	(9.313)	-	4.680	-	6.211.273	-	-	-	-	15.510.512
Income for the year	13.728.496	-	-	-	-	(10.738.496)	(2.990.000)	7.831.651	-	-	7.831.651
Net Equity	51.203.581	(54.057)	87.880	4.680	-	-	(2.990.000)	7.831.651	(78.501)	(1.201.592)	54.803.642
Minorities' interest	237.134	(257.410)	-	-	-	-	-	-	-	20.276	-
Total Net Equity	51.440.715	(311.467)	87.880	4.680	-	-	(2.990.000)	7.831.651	(78.501)	(1.181.316)	54.803.642

THE PRIMA INDUSTRIE GROUP CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2008

CONSOLIDATED STATEMENT OF CASH FLOW

values in euro	30/06/2008	30/06/2007
Profit (Loss) before tax	10.824.225	8.380.551
Adjustments	7.529.477	1.024.790
Amortization for the financial year	2.452.401	661.817
Provisions raised to Employees' severance fund	139.453	89.171
Loss (Profit) on foreign currency transactions	485.566	(29.247)
Loss (Income) from equity investments	(355.510)	31.450
Stock Options costs	72.234	-
Financial (income)	5.696.249	632.646
Financial (expenses)	(960.916)	(361.047)
	18.353.702	9.405.341
(Increase) /Decrease in trade and other receivables	3.327.462	(434.703)
(Increase) /Decrease in inventories	(8.689.293)	(13.392.555)
Increase / (Decrease) in trade payables	10.814.229	14.348.626
Increase / (Decrease) in other payables	(5.768.483)	(3.821.623)
Cash flow from typical activity	18.037.617	6.105.086
Current taxes paid	(1.790.940)	(1.490.595)
Cash flow derived from operating activity	16.246.677	4.614.491
<i>Cash flow derived from investment activity</i>		
Acquisition FINN-POWER Group (net of cash acquired)	(86.485.076)	-
Purchase OSAI UK minorities	(256.525)	-
Purchase of tangible fixed assets	(4.773.636)	(767.152)
Purchase of intangible fixed assets	(3.254.333)	(373.836)
Sale /(Purchase) of financial assets (at cost)	840.523	-
Investments accounted for using the equity method	(823.625)	5.505
Interest encashed	960.916	361.047
Cash in from assets investments	143.425	13.260
Net cash flow derived from investment activity	(93.648.331)	(761.176)
<i>Cash flow derived from financing activity</i>		
Variation of CTA reserve	(1.382.313)	(407.267)
(Purchase)/sale of treasury stock	87.880	45.008
Variations of other financial liabilities	(510.934)	(30.656)
Loan agreements	170.874.547	4.000.000
Repayments of loans and financing	(78.794.543)	(2.321.779)
Repayments of leasing	(438.826)	(362.668)
Interest payments	(5.696.249)	(632.646)
Dividends paid	(2.990.000)	(2.988.050)
Net Cash flow derived from financing activity	81.149.562	(2.698.058)
Increase (decrease) in the cash and cash equivalents	3.747.908	1.155.257
Cash and cash equivalents at start of year	21.551.369	20.702.707
Cash and cash equivalents at year end	25.299.277	21.857.964

6. EXPLANATORY NOTES

GROUP ACTIVITIES

PRIMA INDUSTRIE S.p.A. has been listed on the Italian Stock Exchange since October 1999 (MTA – STAR segment) and has its registered and operating office in Collegno (Turin), Via Antonelli 32. The company's corporate object 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 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;
- Prima FINN-POWER France Sarl carries out distribution and after-sales services for the products of the PRIMA INDUSTRIE group 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;
- 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 01/07/2005 pursuant to the acquisition of the business unit from Matra, relative to the distribution of the PRIMA INDUSTRIE 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 01/04/2008 and will manage, promote and provide assistance for PRIMA INDUSTRIE products on the Chinese market.

FORM AND CONTENT

The abridged Half-yearly Consolidated Financial Statements of the PRIMA INDUSTRIE Group is given in Euro, which is also the applicable currency in the economies in which the Group mainly operates. The foreign subsidiaries are included in the abridged half-yearly Consolidated Financial Statements in accordance with the principles described in the Note entitled "Accounting Principles" in the Consolidated Financial Statements as of 31/12/2007.

The abridged half-yearly Consolidated Financial Statements of the PRIMA INDUSTRIE Group as of 30 June 2008 were prepared in accordance with the IFRS issued by the International Accounting Standards Board and ratified by the European Union ("IFRS") and the legislative and regulatory provisions in force in Italy.

During the first six months of 2008 the Group did not implement any IFRS in advance.

"IFRS" means the International Accounting Standards (IAS) still in force, as well as all the interpretational documents issued by the International Financial Reporting Interpretations Committee ("IFRIC") previously known as the Standing Interpretations Committee ("SIC").

These abridged half-yearly Consolidated Financial Statements were prepared, in an abridged form in accordance with IAS 334 "Interim Financial Statements". These abridged half yearly Financial Statements thus do not include all the information required in the annual Financial Statements and must be read together with the annual Financial Statements prepared for the year ended 31/12/2007.

The preparation of the interim Financial Statements requires management to make estimates and assumptions that have an effect on the revenue values, as well as on the costs and the assets and liabilities in the Financial Statements and on the report relating to the potential assets and liabilities at the date of the interim Financial Statements. In the future should these estimates and assumption that are based on management's best assessment, differ from the actual circumstances, they will be changed in an appropriate way in the period in which the circumstances themselves change.

In particular and at the time of preparing the abridged half-yearly Consolidated Financial Statements as of 30/06/2008, the income taxes for the six months for the individual consolidated enterprises were determined on the basis of the best estimate possible in relation to the information available and on the reasonable estimate of the trend for the financial year until the end of the tax period.

For comparative purposes the Balance sheet information as of 31/12/2007 has been presented, as well as the Income Statement and the Cash Flow Statement for the first six months of 2007; the movements in stockholders' equity for the first six months of 2007 has also been given, in application of IAS 1 (Presentation of the Financial Statements). As set out herein on 04/02/2008 PRIMA INDUSTRIE S.p.A. perfected the purchase of all the

capital stock of FINN-POWER OY and its subsidiaries. As a result of this operation the information contained in the consolidated abridged half-yearly Consolidated Financial Statements as of 30/06/2008 cannot be compared with the data relating to the previous consolidated Financial Statements nor with the data relative to the abridged half-yearly Consolidated Financial Statements for the first half of the previous financial year.

ACCOUNTING PRINCIPLES

The same accounting standards as those used for the Consolidated Financial Statements for the year ended 31/12/2007, were applied for the preparation of the interim Financial Statements. In this regard, the reader is referred to the Annual Financial Statements for further information.

In the first six months of the 2008 financial year, the Group carried out operations with the minority stockholders and for the detail in this regard the reader is referred to the paragraph entitled "Business Combination" in the Notes to the Financial Statements. For the purposes of the accounting treatment of the purchases and sales of the minority shares in the subsidiary companies, the PRIMA INDUSTRIE Group adopted the "*Parent entity extension method*", which provides that the difference between the purchase price of the minority share acquired and the value of same included in the Consolidated Financial Statements at the date of the acquisition must be treated as an operation with third parties and thus disclosed as a change in the value of goodwill. Similarly the effects of the sales are set out in the Income Statement.

New standards and interpretations enacted by the EU, which come into effect on 1 January 2008.

As required by IAS 8 (Accounting standards, changes in the accounting estimates and errors) we set out and briefly explain the IFRS in force with effect from 1 January 2008.

IFRIC 11 (IFRS 2 – Operations with treasury and Group shares)

On 1 June 2007 Regulation CE n. 611-2007 was published which implemented at a Community level the interpretational document IFRIC 11 (IFRS 2 – Share-based payments).

This interpretation emphasizes, inter alia, that the share-based payment scheme through which the company receives services (e.g. from employees) in exchange for treasury stock must be accounted for as a capital instrument, notwithstanding the fact that the entity chooses to acquire, or is required to acquire, these instruments representing capital from a third party to absolve the obligations vis-a-vis his employees.

The application of this interpretation had no effect on the abridged half-yearly consolidated Financial Statements as of 30 June 2008.

New standards and interpretations enacted by the EU, but not yet in force

IFRS 8 (Segmental Reporting).

On 21 November 2007 Regulation CE no. 1358-2007 was published which implemented IFRS 8 at a Community level (Segmental Reporting).

This standard requires an entity to prepare information (quantitative and qualitative) regarding the relative sectors in the report (reportable segments). The reportable segments are parts of an entity (operating segments or aggregations of operating segments) for which distinct financial information is available, object of periodic valuation by the so-called Chief Operating Decision Maker (CODM) for the purposes of allocating the resources to the

sector and assessing the results. As a general rule, the financial report must be represented in the same way and using the same criteria in the internal reporting directed at the CODM.

IFRS 8 becomes effective with effect from the 2009 financial year and shall replace IAS 14 (Segment report). In the first financial year of its introduction the Segment data for the previous financial year that is presented as comparative information must be redetermined in the light of the current IFRS, unless the necessary information is not available or its preparation is too onerous.

ACCOUNTING STATEMENT FORMAT

As far as the lay-out of the Financial Statements is concerned, the Company has elected to use the lay-out described hereinbelow:

- 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 unrealized items;
 - the changes in inventories, receivables and payables generated by the operating activities;
 - other elements where the financial flows are generated from investment activities and from financing.

These Financial Statement were authorised for publication by the Board of Directors on 28/08/2008.

BUSINESS COMBINATIONS

FINN-POWER Oy

On 04/02/2008 PRIMA INDUSTRIE S.p.A. perfected the acquisition of all the capital stock of FINN-POWER OY and its subsidiary companies (the FINN-POWER Group).

The purchase price amounted to 91,993 thousand Euro and is structured as set out hereinbelow.

Description		<i>in 000's of Euro</i>
Enterprise value	(a)	170.000
Net Financial Position	(b)	(80.784)
Equity value	(a+b)	89.216
Ancillary charges		2.777
Price paid		91.993

The effect on the result for the period, arising from the acquisition described herein is positive in an amount of 1,733 thousand Euro.

The net value of the assets and liabilities, amounting to 43,790 thousand Euro includes goodwill of 76,599 thousand Euro, the accounting value of which was written off. In view of the fact that the establishment of the fair value of the assets, liabilities and potential liabilities acquired is, at date hereof, still in progress, we have taken advantage of the right accorded in paragraph 62 of IFRS 3 that regulates the methods of recording the business aggregations allowing the company to complete the definition of the fair value of the assets and liabilities acquired within 12 months of the date of the acquisition.

The determination of the fair value of the assets and liabilities acquired will be finalised with the preparation of the consolidated Financial Statements as of 31 December 2008.

The amount of 124,802 thousand Euro was provisionally allocated to the item "Goodwill", included amongst the "Intangible fixed assets".

The final valuation of the fair value of the assets and liabilities has been entrusted to an independent expert and will in the future give rise to an adjustment of the values recorded as of 30/06/2008. These adjustments will have an influence on the determination of the result for the 2008 financial year through the amortisation quotas applicable to the financial year related to the fair value of the assets acquired.

The cost of the aggregation, in an amount of 63,015 thousand Euro, was paid to the seller, whereas a debit balance of 25,969 thousand Euro was recorded as of 30/06/2008, increased by the financial charges which matured during the six months in an amount of 604 thousand Euro.

The parent company procured the financial resources necessary for the acquisition and repayment of the financial borrowings of the acquired Group by way of a loan of 183.5 million Euro made up of a credit line, of which as of June 2008 138.5 million Euro was employed, partially for the payment of the purchase price to the seller (63 million Euro) and a portion for the partial extinction of the financial payable of the acquired Group.

The fair value of the assets and liabilities acquired are set out in the schedules hereinbelow.

Description	Net book value	Fair value at the acquisition date
Property, plant and equipment	23.572	23.572
Intangible assets	86.166	9.567
Investment and other fixed assets	-	-
Financial assets - non current	145	145
Deferred income tax assets	2.248	2.248
Inventory	62.586	62.586
Trade receivables	39.829	39.829
Other receivables and current assets	8.728	8.728
Cash and cash equivalents	5.508	5.508
Financial liabilities - non current	(10.293)	(10.293)
Provisions for other liabilities and charges	(5.811)	(5.811)
Deferred income tax liabilities	-	-
Other liabilities - non current	(1.442)	(1.442)
Financial liabilities - current	(77.186)	(77.186)
Trade payables	(72.932)	(72.932)
Other payables and current liabilities	(17.328)	(17.328)
Net assets acquired	43.790	(32.809)
Equity acquired	43.790	(32.809)
Goodwill arising on the business combination	48.203	124.802
Cost of the business combination	91.993	91.993
Net cash flow paid		
<i>Payment to shareholders</i>	<i>(63.015)</i>	
<i>Deferred payment</i>	<i>(26.201)</i>	
<i>Additional charges</i>	<i>(2.777)</i>	

OSAI UK Ltd.

During the first half of the financial year OSAI S.p.A. acquired the remaining minority share (18%) in OSAI UK Ltd. the price paid amounted to 257 thousand.

As set out in the section entitled "Accounting Principles" the difference between the purchase price of the minority share acquired and the value of the said share as at the acquisition date (220 thousand Euro) was recorded as an increase in Goodwill.

OSAI UK Ltd, insofar as it is a subsidiary company, was already totally consolidated in the Consolidated Financial Statements of the Group as at 31 December 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.

EXPLANATORY NOTES

Some details relative to the more important changes in the items of the Financial Statements are provided below. The figures are expressed in thousands of Euro unless stated to the contrary.

Note 1.

Tangible fixed assets	Lands and buildings	Plants & machinery	Industrial & commercial toolings	Other fixed assets	Assets under construction	TOTAL
Net value at 31 december 2007	5.967	2.038	840	1.077	244	10.166
Net value at 30 june 2008	25.609	4.267	1.943	2.243	-	34.062

The increase in the tangible fixed assets is mainly due to the entry of the FINN-POWER Group into the area of consolidation, which has a net book value of tangible fixed assets amounting to 20,136 thousand Euro as of 30/06/2008.

The net investments for the period amount to 4.8 million Euro and mainly relate to the acquisition of industrial land in the municipality of Collegno (3.6 million Euro).

Note 2.

Intangible fixed assets	Goodwill	other assets	TOTAL
Net value at 31 december 2007	6.351	362	6.713
Net value at 30 june 2008	131.052	12.439	143.491

As at 30/06/2008, goodwill is made up as follows:

- 124,802 thousand Euro relates to the acquisition of the FINN-POWER Group; for greater detail the reader is referred to the section entitled "BUSINESS COMBINATION";
- 4,162 thousand Euro relates to the acquisition of the OSAI Group, which took place in the previous financial year; this goodwill increased during the period by 37 thousand Euro as a result of the acquisition of the minority interest in OSAI UK Ltd.;
- 1,935 thousand Euro relates to the acquisition in 2000 and 2001 of the LASERDYNE SYSTEMS and CONVERGENT LASERS which formed PRIMA North America, Inc.;
- 153 thousand Euro relates to the goodwill recorded in PRIMA ELECTRONICS pursuant to the merger of MLTA.

The item "Other assets" is made up of development and patent costs and software licences. The increase in this category compared to 31/12/2007 is attributable to the entry of the FINN-POWER Group into the area of consolidation (9.6 million Euro).

Note 3.

The item includes the figure in respect of the land owned by a company of the Group and is not instrumental to the business operations.

Note 4.

The item includes the valuation of the stockholders' equity of the JVs. The figure mainly relates to the Shanghai Unity PRIMA JV (3,270 thousand Euro); during the first six months of 2008 the Parent company's stake was increased by 7.5% (rising from 27.5% to 35%), by way of an investment of 833 thousand Euro. Thus the increase in the value of the equity investments compared to 31/12/2007 reflects the aforesaid increase in the Shanghai Unity Prima JV, the portion of the result relative to the Group and the effect of the exchange rate.

Note 5.

The derivative financial instruments as of 30/06/2008 relate to the three Interest Rate Swap contracts (IRS); the valuation of these derivative instruments includes the fair value of the instruments put into place to meet the interest rate risk.

Note 6.

Inventories	30/06/2008	31/12/2007
Raw materials	49.713.050	18.869.781
(Prov. for writedown of raw materials)	(3.599.664)	(2.811.880)
Semifinished products	26.461.605	11.995.656
(Prov. for writedown of semifinished products)	(60.000)	
Finished products	43.578.016	15.399.209
(Prov. for writedown of finished products)	(2.850.548)	(1.485.715)
Stock advances		
TOTAL	113.242.459	41.967.051

The breakdown of the inventories at 30/06/2008 highlights a significant increase in all items, mainly due to the entry into the area of consolidation of the FINN-POWER Group, which as at 30/06/2008 has an effect of approximately 57 million Euro; in addition insofar as inventories constitute a flywheel for the increase in the volume of production of machinery, it further increased in an amount of 14 million Euro compared to 31/12/2007.

Note 7.

Trade receivables - non current part	30/06/2008	31/12/2007
Trade receivables - non current part	26.472	-
Allowance for doubtful accounts	-	-
Net trade receivables - non current part	26.472	-
Current trade receivables	30/06/2008	31/12/2007
Trade receivables - non current part	92.731.935	54.240.634
Allowance for doubtful accounts	(2.912.233)	(2.916.812)
Net trade receivables - current part	89.819.702	51.323.822
Amounts due by correlated parties	174.226	379.963
Loans granted to correlated parties		
Total current trade receivables	89.993.928	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 30/06/2008, relative to the current portion, amounted to 43 million Euro; without taking this effect into account, the balance of the receivables would reflect a reduction off approximately 4 million Euro compared to the figure at 31/12/2007; The increased receivables as of 31/12/2007 reflect the increased sales volume in the last part of the 2007 financial year.

As regards the allowance for doubtful accounts, there are no significant changes, in view of the fact that the receivables acquired with the FINN-POWER Group do not show any significant problems in regard to collectibility.

Note 8.

Other receivables	30/06/2008	31/12/2007
Receivables for grants to be received	374.189	395.269
Other short-term receivables	6.752.882	1.945.451
Prepayments and accrued income	3.659.435	223.922
Total	10.786.506	2.564.642

As previously mentioned in relation to trade receivables, the increase in Other receivables of approx. 8 million Euro must be almost exclusively attributed to the broadening of the area of consolidation. Other receivables mainly relate to advances to suppliers and receivables due by inland revenue.

Note 9.

	30/06/08	31/12/07	30/06/07
CASH	(25,299)	(21,551)	(21,858)
SHORT-TERM BORROWINGS	50,760	5,577	3,306
MEDIUM-, LONG-TERM BORROWINGS	148,655	15,206	15,917
TOTAL NET EXPOSURE	174,116	(768)	(2,635)

We set out hereunder the detailed breakdown of the Net Financial Position.

in thousands of Euro	30/06/2008	31/12/2007
A CASH	25.299	21.551
B OTHER CASH AND CASH EQUIVALENTS		
C SECURITIES HELD FOR TRADING		
D LIQUIDITY (A+B+C)	25.299	21.551
E CURRENT FINANCIAL RECEIVABLES		
F CURRENT BANK PAYABLES	933	359
G CURRENT PORTION OF NON CURRENT BORROWINGS	46.726	4.135
H OTHER CURRENT FINANCIAL PAYABLES	3.101	1.083
I CURRENT FINANCIAL BORROWINGS (F+G+H) (LIQUIDITY)	50.760	5.577
J NET CURRENT FINANCIAL BORROWINGS / (LIQUIDITY) (I-E-D)	25.461	(15.974)
K NON-CURRENT BANK PAYABLES	114.119	13.805
L DEBENTURES ISSUED		
M OTHER NON-CURRENT RECEIVABLES	34.536	1.401
N NET NON CURRENT FINANCIAL BORROWINGS (K+L+M)	148.655	15.206
O NET FINANCIAL BORROWINGS (J+N)	174.116	(768)

As of 30/06/2008 the Net Financial Position was negative in an amount of 174,116 thousand Euro and was significantly influenced by the loan signed for the acquisition of the FINN-POWER Group. The financial cover for the purchase of the FINN-POWER Group was ensured by various medium/long-term credit lines (113.5 million Euro), granted by UniCredit Corporate Banking S.p.A. and Intesa Sanpaolo, and by a short-term credit line (25 million Euro) granted by the same financial institutions, that was repaid in July 2008, using capital coming from the capital increase.

Stock options plan

The Stockholders' Meeting of 29/04/2008 approved the creation 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 the financial director of the Group and the General Manager of PRIMA INDUSTRIE S.p.A., being executives with the power to adopt strategic decisions.

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) pursuant to the capital increase that took place;
- 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 01/06/2011 and by no later than 30/06/2014 (the date on which the Plan expires) during the two undermentioned 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.

At the subsequent Extraordinary Meeting held on 29/04/2008 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.

This plan is configured as an operation with payment based on regulated shares with instruments that represent the capital and was the object of an assessment entrusted to an independent expert, who proceeded to perform the valuation of the fair value of the instruments allocated.

In view of the nature of the option, for valuation purposes the numeric procedure of the binomial trees was adopted, which incorporates the windows for the exercise of the option in accordance with the provisions of the rules of the stock option plan.

The following assumptions were made for the purposes of the valuation:

- Volatility: 42.66%
- Free risk rate: 4.16%
- Expected dividend: 0.65 Euro in 2008 and 0.47 Euro for the subsequent years.

The application of this model for the valuation provided the results set out hereunder:

- Value of the option: 9.979 Euro
- Number of subscription rights: 150,000
- Equivalent value: 1,496,850

The abridged half-yearly consolidated Financial Statements contain the portion of the cost of the plan applicable to the period, amounting to 72 thousand Euro.

Note 11.

Debiti verso fornitori ed altri debiti	30/06/2008	31/12/2007
Debiti verso fornitori	90.332.029	33.727.779
Debiti verso parti correlate		
Totale debiti commerciali	90.332.029	33.727.779
Acconti da clienti	38.173.298	10.545.432
Totale acconti da clienti	38.173.298	10.545.432
Debiti previdenziali ed assistenziali	3.251.055	2.176.455
Debiti v/so dipendenti	10.133.635	4.172.425
Altri debiti a breve	599.170	622.245
Ratei e risconti passivi	10.708.857	2.911.950
Totale altri debiti	24.692.717	9.883.075
TOTALE	153.198.044	54.156.286

The increase in the Trade payables and Other payables, as already highlighted for the items previously explained, reflects the entry of the FINN POWER Group into the area of consolidation. As of 30/06/2008, the FINN-POWER Group influenced trade payables by 44 million Euro, customer advances by 25 million Euro and Other payables by 15 million Euro. The customer advances mainly refer to the advances received on the machines ordered and/or installed and machines delivered but not yet accepted (and thus not accounted for as revenue in terms of IAS 18).

Note 12.

Fondi rischi a medio/lungo	Fondo ind.cl.agenti	Fondo garanzia	Fondo rischi contenzioso	Fondo ristrutturaz.	Altri	TOTALE
1 gennaio 2007	33.500	-	-	-	-	33.500
Importi a conto economico:	-					-
- Accantonamenti	10.035					10.035
- Rigiro di fondi eccedenti						-
Utilizzi del periodo		-	-	-		-
Importi assunti mediante acquisizioni	700					700
Differenze di cambio						-
31 dicembre 2007	44.235	-	-	-	-	44.235
Importi a conto economico:	-					-
- Accantonamenti	-					-
- Rigiro di fondi eccedenti						-
Utilizzi del periodo	(1.500)					(1.500)
Importi assunti mediante acquisizioni						-
Differenze di cambio						-
30 giugno 2008	42.735					42.735

Fondi rischi a breve	Fondo garanzia	Fondo rischi contenzioso	Fondo premi dipendenti	Fondo ristrutturaz.	Altri	TOTALE
1 gennaio 2007	4.316.684		35.000	144.875	213.338	4.709.897
Importi a conto economico:						
- Accantonamenti	3.231.103	100.000	55.000		252.700	3.638.803
- Rigiro di fondi eccedenti						-
Utilizzi del periodo	(2.635.928)		(10.000)	(144.875)	(51.372)	(2.842.175)
Importi assunti mediante acquisizioni	132.360					132.360
Differenze di cambio	(168.655)					(168.655)
31 dicembre 2007	4.875.564	100.000	80.000	-	414.666	5.470.230
Importi a conto economico:						
- Accantonamenti	2.333.567		164.604			2.498.171
- Rigiro di fondi eccedenti					27.733	27.733
Utilizzi del periodo	(2.225.315)	(396.381)	(253.471)		(581.481)	(3.456.648)
Importi assunti mediante acquisizioni	3.952.007	548.955	289.256		1.020.351	5.810.569
Differenze di cambio	(90.179)					(90.179)
30 giugno 2008	8.845.644	252.574	280.389		881.269	10.259.876

The short-term portion of the Guarantee Fund reflect provisions raised and draw-downs by almost all the companies of the Group, as well as a net contribution of approx. 4 million Euro by FINN-POWER The increase of 153 thousand Euro in the Provision for litigation risks is due to the FINN-POWER Group. The item Other reserves (equal to 881 thousand Euro as of 30/06/2008) mainly includes the liabilities relating to the onerous contracts arising from the purchase of the FINN-POWER Group.

Note 13.

As of 30/06/2008 consolidated revenues amount to 181,329 thousand Euro and the significant increase recorded, due to the growth of the business and to the change in the area of consolidation, is fully discussed herein.

Note 14.

This item refers to interest paid on the overdraft on the current account and on the medium/long-term financial borrowings and reflects an important increase tied to the growth in the net financial payables, as fully discussed.

Note 15.

365 thousand Euro of this item relates to the pro rata result achieved in the six months by the Shanghai Unity PRIMA JV and 10 thousand Euro relates to the loss for the six months in the SNK PRIMA JV.

Note 16. 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 30/06/08

Transactions with assoc.pties	SHENYANG PRIMA LASER MACHINE CO.LTD	SHANGHAI UNITY PRIMA LASER MACHINERY CO. LTD	WUHAN OVL CONVERGENT	STRATEGIC MANAGEMENT	TOTAL
RECEIVABLES - 01/01/08	379.963	-	-	-	379.963
RECEIVABLES - 30/06/2008	174.226	-	-	-	174.226
PAYABLES - 01/01/08	-	-	-	286.738	286.738
PAYABLES - 30/06/2008	46.611	-	-	223.982	270.593
REVENUES 1/01/08-30/06/2008	287.433	5.535	1.177.433	-	1.470.401
COSTS 01/01/08 - 30/06/2008	-	-	-	1.367.738	1.367.738
CHANGES IN RECEIVABLES 01/01/08 - 30/06/2008	(205.737)	-	-	-	(205.737)
CHANGES IN PAYABLES 01/01/08 - 30/06/2008	46.611	-	-	(62.756)	46.611

Note 17. 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 six months – acquisition of the FINN-POWER Group”, as well as to the document prepared in terms of clause 71 of the Issuers’ Regulation, or to the Prospectus available on the Company’s website www.primaindustrie.com.

Note 18. Atypical and/or unusual positions or transactions during the period

For the purposes of Consob Notice No. DEM/6064296 dated 28/07/2006 it should be noted that during the first half of 2008 the Group did not effect any atypical and/or unusual transactions as defined in the aforesaid notice.

Note 19. Information pursuant to § 116 et seq. of IAS-IFRS

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.

With effect from the date of preparation of the Financial Statements for the 2008 financial year any goodwill recorded as a result of the acquisition of the FINN-POWER Group will be subjected to the impairment test.

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 income-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.

SEASONAL NATURE OF BUSINESS

The Group's business is characterised by seasonality tied to the dynamics of the capital goods market. In particular the first and third quarters are usually weaker than the second and third quarters.

EARNINGS PER SHARE AND DIVIDEND PER SHARE

(a) *Basic earnings per share*

The basic earnings per share is determined by dividing the earnings 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 period, the stock in circulation amounted to 4,600,000, shares, (of which 3,000 are treasury stock held by the company until 28/02/2008); thus the earnings per share for the first half of 2008 amounted to 1.70 Euro per share (compared to 0.88 Euro per share compared to the first half of 2007).

	30/06/08	30/06/07
EARNINGS DUE TO STOCKHOLDERS (EURO/1,000)	7,832	4,028
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	4,599,000	4,597,083
BASIC EARNINGS PER SHARE (EURO)	1.70	0.88

(b) Diluted earnings per share

The diluted earnings per share is determined by dividing the earnings allocated to the stockholders of the Parent Company by the average number of shares in circulation during the period, corrected to take into account the effects of the potential ordinary shares with dilutive effect.

Those shares tied to the stock option, as well as those shares linked to the capital increase concluded on 31/07/2008, were considered as shares with a dilutive effect.

	30/06/08	30/06/07
EARNINGS DUE TO SHAREHOLDERS (EURO/1,000)	7,832	4,028
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	4,599,000	4,597,083
CORRECTED AVERAGE NUMBER OF ORDINARY SHARES	6,549,000	4,597,083
DILUTED EARNINGS PER SHARE	1.20	0.88

In relation to the capital increase and the stock option plan the reader is referred to the specific paragraphs dedicated to these subjects in this document.

(c) Dividend per share

On 29/04/2008 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 by the company itself) at the cut-off date for the payment of the said dividend (26/05/2008). The total amount of the dividend distributed, with payment date being the 29/05/2008, amounts to 2,990 thousand Euro.

SUBSEQUENT EVENTS

RESOLUTION TO EFFECT A MERGER OF OSAI S.P.A. AND PRIMA ELECTRONICS S.P.A.

On 25/07/2008 the Board of Directors of PRIMA ELECTRONICS S.p.A. and OSAI S.p.A. resolved to effect a merger of the subsidiary with the parent company, PRIMA ELECTRONICS S.p.A..

The merger answers the need to rationalize and simplify the company structure in the electronics segment, simultaneously reducing the general and administrative costs, as well as the fixed costs.

The Extraordinary meeting of the two companies called to resolve upon the matter is convened for 09/09/2008. The merger should nonetheless take effect on 01/01/2009

CAPITAL INCREASE

The capital increase, resolved upon on 29 April 2008, was finalised on 31/07/2008 with 1,800,000 newly issued ordinary shares being fully subscribed for, for a value of 25,650 thousand Euro; the intervention of the Guarantee Consortium, made up of UniCredit Group (*Lead Manager and Guarantor of the Guarantee Consortium*) and Banca IMI S.p.A. (*Guarantor of the Guarantee Consortium*) was not necessary.

As of 31/07/2008 the capital of the company amounted to 16,000 thousand Euro, divided into 6,400,000 ordinary shares with a par value of 2.5 each.

SEGMENT REPORT

With effect from this semester, 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" segment, net of intersectoral revenues, recorded a growth as of 30/06/2008 of 14% compared to 30/06/2007, whereas the "Electronics" segment, again net of intersectoral revenues, achieved a growth of 65% 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 - 30/06/2008	Laser systems	Electronics	Plate processing machinery	Unallocated	Group
Total sector revenues	70.311	23.117	91.750	-	185.178
(Infra-sector revenues)	(401)	(3.448)	-	-	(3.849)
Revenues	69.910	19.669	91.750	-	181.329
Operating result	8.761	1.890	5.039	-	15.690
Net financial income/expenses	(2.294)	(345)	(2.582)	-	(5.221)
Income/exp. from assoc. co. & joint ventures	355	-	-	-	355
Operating profit/loss before tax	-	-	-	-	10.824
Taxes	-	-	-	-	(2.992)
Net profit/loss	-	-	-	-	7.832

Sector result - 30/06/2007	Laser systems	Electronics	Plate processing machinery	Unallocated	Group
Total sector revenues	61.396	15.168	-	-	76.564
(Infra-sector revenues)	(23)	(3.233)	-	-	(3.256)
Revenues	61.373	11.935	-	-	73.308
Operating result	6.660	1994	-	-	8.654
Net financial income/expenses	(216)	(27)	-	-	(243)
Income/exp. from assoc. co. & joint ventures	(31)	-	-	-	(31)
Operating profit/loss before tax	-	-	-	-	8.380
Taxes	-	-	-	-	(4.352)
Net profit/loss	-	-	-	-	4.028

(in thousands of Euro)

Sector result - 30/06/2008	Laser systems	Electronics	Plate processing machinery	Unallocated	Group
Depreciation of tangible fixed assets	394	296	917	-	1.607
Deprec.&impairment of intang. fixed assets	183	17	645	-	845
Total	577	313	1.562	-	2.452

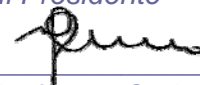
Sector result - 30/06/2007	Laser systems	Electronics	Plate processing machinery	Unallocated	Group
Depreciation of tangible fixed assets	393	168	-	-	561
Deprec.&impairment of intang. fixed assets	89	12	-	-	101
Total	482	180	-	-	662

Sector result - 30/06/2008	Laser systems	Electronics	Plate processing machinery	Unallocated	Group
Assets	139.900	37.781	217.032	36.790	431.503
Associated Companies & Joint Ventures	3.466	750	-	-	4.216
Total assets	143.366	38.531	217.032	36.790	435.719
Liabilities	60.903	20.025	91.417	208.570	380.915

Sector result - 30/06/2007	Laser systems	Electronics	Plate processing machinery	Unallocated	Group
Assets	77.704	20.480	-	32.860	131.044
Associated Companies & Joint Ventures	1.751	-	-	-	1.751
Total assets	79.455	20.480	-	32.860	132.795
Liabilities	52.264	11.546	-	25.949	89.759



On behalf of the Board of Directors
Il Presidente



Mr. Gianfranco Carbonato.



DECLARATION IN TERMS OF ARTICLE 154 BIS PARAGRAPH 5-PART IV, TITLE III, ITEM II, SECTION V BIS, OF LEGISLATIVE DECREE NO. 58 DATED 24TH FEBRUARY 1998: CONSOLIDATED ACT ON FINANCIAL BROKERAGE IN TERMS OF ARTICLES 8 AND 21 OF ACT NO. 52 DATED 6TH FEBRUARY 1996.

CERTIFICATION OF THE FINANCIAL STATEMENTS FOR THE SIX MONTHS IN TERMS OF SECTION 81-TER OF CONSOB REGULATIONS NO. 11971 DATED 14 MAY 1999 AS AMENDED.

1. WE THE UNDERSIGNED, GIANFRANCO CARBONATO AND MASSIMO RATTI, RESPECTIVELY THE MANAGING DIRECTOR AND THE MANAGER IN CHARGE OF PREPARING THE CORPORATE FINANCIAL STATEMENTS OF PRIMA INDUSTRIE SPA, TAKING INTO ACCOUNT THE PROVISIONS OF ARTICLE 154-BIS, PARAGRAPHS 3 AND 4, OF LEGISLATIVE DECREE NO. 58 OF 24TH FEBRUARY 1998, HEREBY CERTIFY THE FOLLOWING:
 - THE ADEQUACY OF THESE STATEMENTS IN RELATION TO THE BUSINESS CHARACTERISTICS (INTER ALIA TAKING INTO ACCOUNT ANY POTENTIAL CHANGES WHICH OCCURRED DURING THE COURSE OF THE FINANCIAL YEAR)
 - AS WELL AS THE ACTUAL APPLICATION OF THE ADMINISTRATIVE AND ACCOUNTING PROCEDURES FOR THE DRAFTING OF THE HALF-YEARLY FINANCIAL STATEMENTS FOR THE PERIOD 1/1/2008 – 30/6/2008.

2. THE FOLLOWING IMPORTANT ASPECTS HAVE EMERGED IN THIS REGARD: THE GROUP, DURING THE SIX MONTHS, HAS SUBSTANTIALLY DOUBLED IN SIZE WITH THE ACQUISITION OF THE FINN-POWER GROUP. IN RESPECT OF THE LATTER, THE ACTIVITIES OF GATHERING AND INTEGRATING THE ADMINISTRATIVE AND ACCOUNTING PROCEDURES HAS JUST BEGUN.

3. THE FOLLOWING IS ALSO CERTIFIED WITH REGARDS TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS:
 - A) THEY CORRESPOND TO ACCOUNTING LEDGERS AND ENTRIES;
 - B) THEY ARE DRAFTED IN COMPLIANCE WITH THE INTERNATIONAL ACCOUNTING STANDARDS ISSUED BY THE *INTERNATIONAL ACCOUNTING STANDARDS BOARD*, AS ADOPTED BY THE EUROPEAN COMMISSION IN ACCORDANCE WITH THE PROCEDURE REFERRED TO IN ARTICLE 6 OF EC REGULATIONS N°1606/2002 OF THE EUROPEAN PARLIAMENT AND COUNCIL OF 19 JULY 2002, AND IN TERMS OF ARTICLE 9 OF LEGISLATIVE DECREE 38/2005; BASED ON IMPLEMENTED AUDITS, THE FINANCIAL STATEMENTS PROVIDE AN ACCURATE AND TRUTHFUL REPRESENTATION OF THE ISSUING COMPANY'S FINANCIAL AND ECONOMIC SITUATION AND OF THE GROUP OF COMPANIES INCLUDED IN THE CONSOLIDATION.

DATE: 28/08/2008

MANAGING DIRECTOR
(SIGNATURE)



MANAGER IN CHARGE OF PREPARING
THE CORPORATE FINANCIAL
STATEMENTS
(SIGNATURE)

