

PRESS RELEASE

ITALIAN STOCK EXCHANGE – STAR Segment

PRIMA INDUSTRIE

THIRD JOINT VENTURE IN CHINA FOR PRIMA INDUSTRIE

**Prima Group, already operating on the Chinese market
in Beijing, Shanghai and Shenyang, strengthens further its presence
with the incorporation of a joint venture in Wuhan
in the field of laser generators**

Collegno (Torino), December 5, 2005 – **Prima Industrie**, a leader company in the high-technology sector of laser systems and laser generators for industrial applications, listed at the Star segment of the Italian Stock Exchange, through its fully owned company Prima North America, Inc. announces the agreement for the incorporation of a joint venture for the production and distribution of CO₂ lasers with Wuhan Optics Valley Laser Technology Co. Ltd., one of the biggest Chinese manufacturers of laser sources.

The new company will be set in Wuhan, a great city (8 million people) in the centre of China, where high level technical Universities are located with specific skills in optoelectronics.

The name of the new company will be OVL Convergent Lasers Ltd. and its share capital will amount to \$ 6,800,000, split between the two partners as follows:

- 70%, i.e. \$ 4,760,000, from Wuhan Optics, of which \$ 3,000,000 in cash and \$ 1,760,000 in assets and technologies;
- 30%, i.e. \$ 2,040,000, from Prima North America Inc. in technologies.

The joint venture will manufacture CO₂ laser sources (with power between 1.8 and 2.5 KW) developed by Wuhan Optics and CO₂ laser sources (with power between 3 and 4 KW) developed by Prima North America. Such products will be distributed on the high-growth markets of the People's Republic of China and other Asian countries.

The implementation of the agreement is subject to the authorizations to be released by relevant Chinese Authorities, after which the joint venture will be registered and incorporated. The two partners have decided to reserve to both of them the right of transferring their respective stake in the joint venture within their own Group.

On the basis of the agreement, Prima North America will receive, as a contribution for the training and the supervision on the company start-up, the amount of \$ 1,300,000 in two years as from the incorporation date. In addition, it has been agreed that Prima North America will supply the joint venture with technological components of its own laser sources.

Commenting the agreement, Gianfranco Carbonato, Chairman and C.E.O. of Prima Industrie, declared: *“We are particularly satisfied of this agreement, which adds on to those already in place in China. In this way, Prima Group will enhance its presence in Chinese high-growth market, extending it to the laser generators sector.*

The competitive production costs achievable through manufacturing in China will allow our technology to reach wider segments of the Asian market. On the other hand, the incomes coming from this operation will help us to support our continuous investments for the development of new products at the top of the technology in our business”.

PRIMA INDUSTRIE, established in 1977 and listed at the Italian Stock Exchange since 1999, currently present on the STAR segment, develops, manufactures and markets high-power laser systems for cutting, welding and drilling of three-dimensional (3D) and bi-dimensional (2D) parts.

PRIMA INDUSTRIE leads a Group with nearly 500 employees, with manufacturing facilities in Italy (PRIMA INDUSTRIE S.p.A. and PRIMA ELECTRONICS S.p.A.); USA (PRIMA North America Inc.) and China (Shanghai Unity Prima Ltd. and Shenyang Prima Laser Machine Company Ltd.), and with a wide sales network in over 40 countries.

At present the Group has 2000 systems installed worldwide with more than 1000 customers in the automotive, aerospace and in a wide range of other industries.

For further information:

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